

CHAPTER 3

Budgetary Management

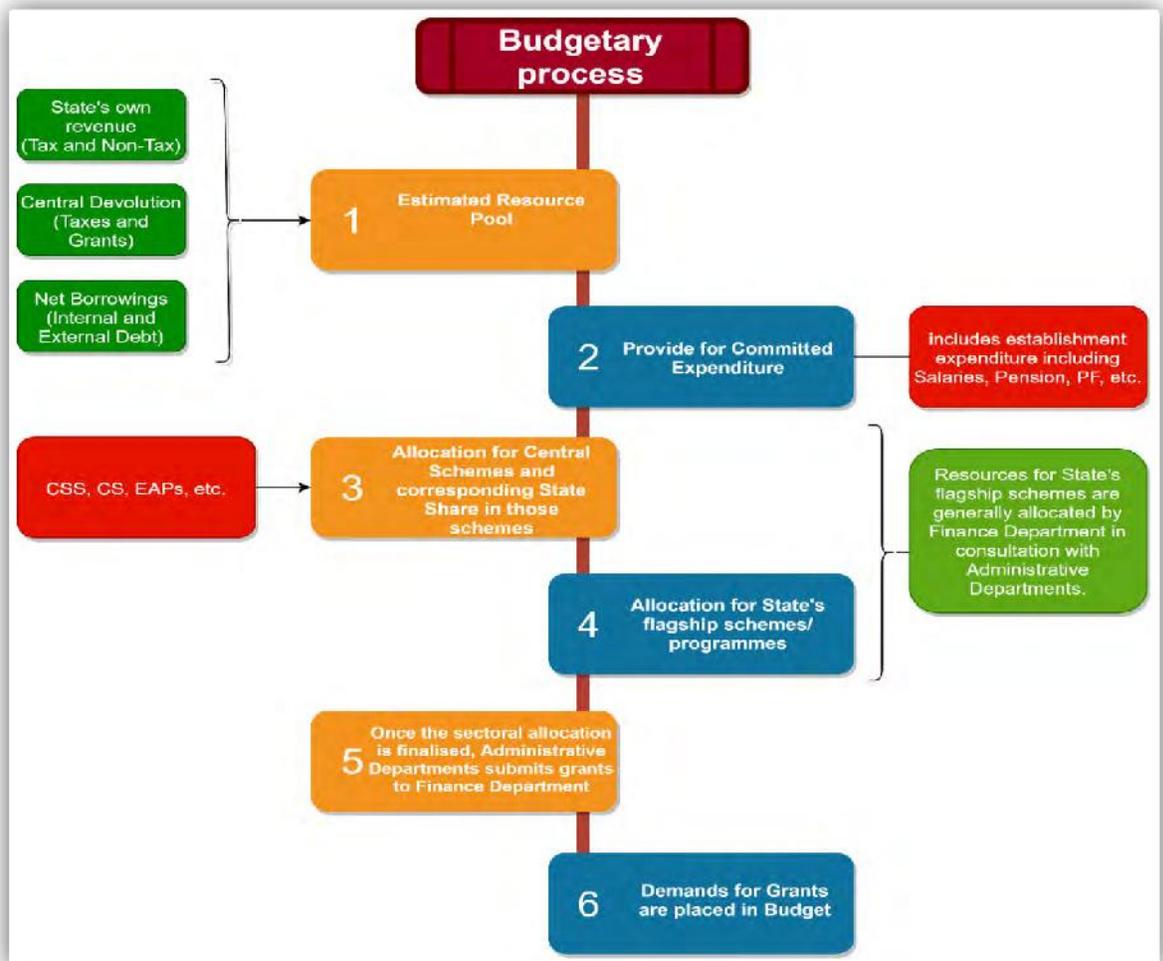
Chapter 3 Budgetary Management

Effective financial management ensures that decisions taken at the policy level are implemented successfully at the administrative level without wastage or diversion of funds. This Chapter reviews the allocative priorities of the State Government and comments on the transparency of budget formulation and effectiveness of its implementation during 2019-20.

3.1 Budget Process

The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. Budget glossary is given in **Appendix 3.1**. The Budget process commences with the issue of the Budget Circular, normally in September each year, providing guidance to the Departments in framing their estimates, for the next financial year. A typical budget preparation process in a State is given in **Chart 3.1** below:

Chart 3.1: Budget process



CSS: Centrally Sponsored Schemes; CS: Central Schemes; EAPS: Externally Aided Projects

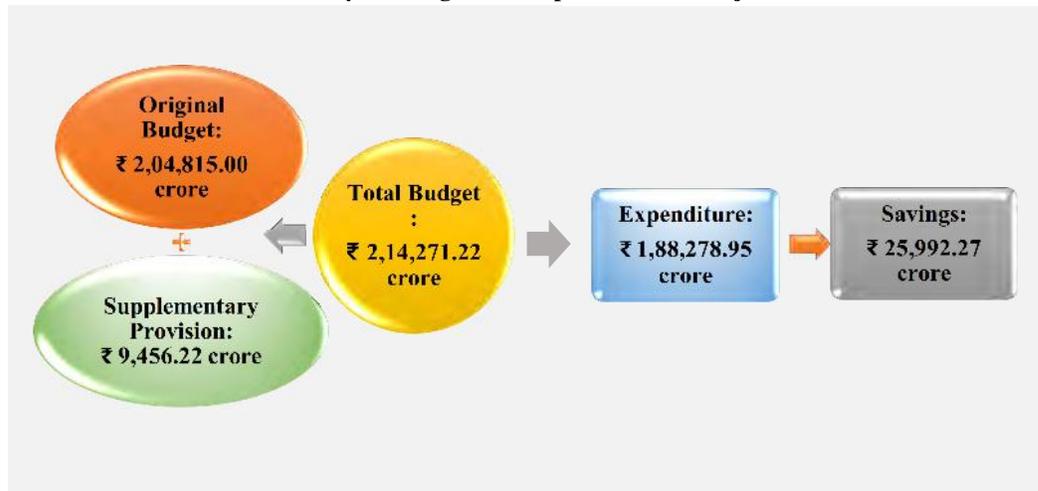
As per Gujarat Budget Manual, 1983, it is the responsibility of the Finance Department (FD) to prepare the annual statement of estimated receipts and expenditure and the supplementary estimates of expenditure for presentation to the Legislature. For the purpose of such preparation, the FD shall obtain from the Administrative Departments concerned the material on which to base the estimates. The Head of the Departments, on the basis of material furnished by their subordinate officers, prepare the estimates for which they are responsible and forward it to the appropriate Administrative Department of the Secretariat on prescribed dates. The FD consolidates the estimates approved by the Government. The exercise requires utmost foresight both in estimating revenue and in anticipating expenditure. The estimate should be as close and accurate as possible. The provision to be included in respect of each item should be based upon what is expected to be actually paid or spent under proper sanction during the year, including arrears of the previous year and should not merely be confined to the liabilities pertaining to the year.

Legislative authorization is the sine qua non for incurrence of all expenditure by the State Government. Appropriation Bill is a money bill that allows the Government to withdraw funds from the Consolidated Fund of India to meet its expenses during the course of a financial year. As per article 204 of the Constitution, the Government can withdraw money from the Consolidated Fund only after receiving approval from the Legislature. The Supplementary Statement of Expenditure, in accordance with Article 205 of the Constitution, includes Appropriation for (i) repayment to the Contingency Fund on account of advances authorised there from for incurring expenditure sanctioned by Government in anticipation of approval of the Legislature, (ii) Additional provision required for items already provided in the budget estimates for the current year, (iii) 'new expenditure' which requires specific approval of the Legislature, and (iv) adjustment in account for which provisions are necessary. After approval of Legislature, the Supplementary Statement of Expenditure becomes the Supplementary Grant.

Apart from Supplementary Grant, Re-appropriation can also be used to re-allocate funds within a Grant. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the Grant or Appropriation.

As per Appropriation Accounts for the year 2019-20, total amount approved by the State Legislature (both original and supplementary provisions), expenditure incurred and savings during 2019-20 was as depicted in **Chart 3.2** below:

Chart 3.2: Summary of budget and expenditure of Gujarat for 2019-20



Budget approved by the Legislature

Expenditure incurred by the State
Government

3.1.1 Summary of total provisions, actual disbursements and savings during financial year

A summarised position of total budget provision, disbursements and savings/excess with its further bifurcation into voted/charged during 2019-20 is as shown below:

Table 3.1: Budget provision, disbursements and savings/excess during 2019-20

| Nature | Total Budget provision | | Disbursements | | Saving | |
|--------|------------------------|-----------|---------------|-----------|-----------|---------|
| | Voted | Charged | Voted | Charged | Voted | Charged |
| Total | 1,74,607.29 | 39,663.93 | 1,48,754.75 | 39,524.20 | 25,852.54 | 139.73 |

Source: Appropriation Accounts of 2019-20

3.1.2 Charged and voted disbursements

Break-up of total disbursements into charged and voted during 2019-20 and trend analysis of last five year (2015-20) is shown below:

Table 3.2: Budget disbursements and savings during 2015-20

| Year | Disbursements | | Saving | | | |
|---------|---------------|-----------|-----------|------------|----------|------------|
| | Voted | Charged | Voted | Percentage | Charged | Percentage |
| 2015-16 | 1,05,759.54 | 22,716.15 | 17,258.03 | 16.32 | 133.22 | 0.59 |
| 2016-17 | 1,09,654.59 | 27,110.80 | 19,041.15 | 17.36 | 4,544.52 | 16.76 |
| 2017-18 | 1,28,110.06 | 32,953.02 | 19,301.35 | 15.07 | 2,606.88 | 7.91 |
| 2018-19 | 1,44,463.86 | 36,015.81 | 19,732.04 | 13.66 | 364.25 | 1.01 |
| 2019-20 | 1,48,754.75 | 39,524.20 | 25,852.54 | 17.38 | 139.73 | 0.35 |

Source: Appropriation Accounts of respective years

As can be seen from the table above, budget disbursements under both voted and charged items are increasing. Similarly, savings under voted section have also shown an increasing trend during the last five years.

An analysis of savings/excesses under different Grants is shown in **Paragraph 3.3**.

3.1.3 Gender budget

The United Nation’s Agenda 2030 of Sustainable Development Goals (SDGs) is a universal call for action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Among the 17 SDGs, Goal 5 is aimed to achieve gender equality and empower all women through ending all types of discrimination against women and girls. Gender equality is not only a basic human right but it is also crucial for sustainable future. The State Government has already prepared “Gujarat Sustainable Vision 2030” document spanning 17 SDGs including gender equality. To bring out desired outcome for women empowerment and gender equality, the State Government has been implementing many Schemes for development of women and girl child. Since financial year 2014-15, the State Government has been publishing “Gender Budget” comprising women-specific financial allocations.

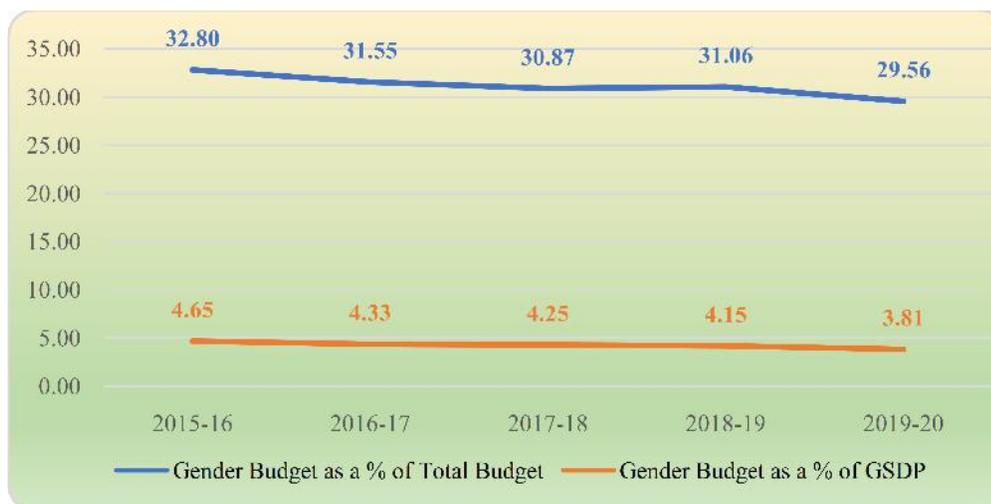
Table 3.3 shows the details of allocations made by the State Government under gender budget during last five year (2015-20) whereas, **Chart 3.3** highlights the percentage of gender budget to total budget and GSDP during the same period.

Table 3.3: Allocation under gender budget during 2015-20

| | (₹ in crore) | | | | |
|---------------|--------------|-------------|-------------|-------------|-------------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
| Gender Budget | 47,845.98 | 50,584.57 | 56,491.89 | 62,302.93 | 63,341.07 |
| Total Budget | 1,45,866.94 | 1,60,351.05 | 1,82,971.32 | 2,00,575.97 | 2,14,271.22 |
| GSDP | 10,29,010 | 11,67,156 | 13,28,068 | 15,01,944 | 16,63,362 |

Source: Appropriation Accounts of respective years

Chart 3.3: Gender budget as percentage of total budget and GSDP



As could be seen, allocation under gender budget increased from ₹ 47,845.98 crore in 2015-16 to ₹ 63,341.07 crore in 2019-20. However, as percentage of total budget, the share of gender budget decreased from 32.80 in

2015-16 to 29.56 in 2019-20. Similarly, its share in GSDP also declined from 4.65 in 2015-16 to 3.81 in 2019-20.

3.2 Appropriation Accounts

Appropriation Accounts provide details of expenditure of the Government for the financial year, compared with the amounts of Grants Voted and Appropriations Charged for various purposes specified in the Schedules appended to Appropriation Act passed under Article 204 and 205 of the Constitution of India. These Accounts depict the original budget provision, Supplementary Grants, savings, surrenders and Re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act. Appropriation Accounts are, therefore, complementary to the Finance Accounts.

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

3.3 Comments on integrity of budgetary and accounting process

3.3.1 Expenditure incurred without authority of law

As per Gujarat Budget Manual, 1983, no expenditure can be incurred under any Head without budget provision or in anticipation of a Supplementary Grant/ Appropriation or prior to provision of funds by Re-appropriation.

Audit scrutiny revealed that in two cases, expenditure in excess of ₹ one crore was incurred (totalling ₹ 11.07 crore) during 2019-20, without budget provision, as detailed in **Table 3.4**:

Table 3.4: Summary of expenditure without budget provision during 2019-20

| (₹ in crore) | | | |
|-------------------------|---------------------------|--------------|---------------------------------|
| Grant/ Appropriation | Description | Expenditure | Number of Schemes/ Sub-Heads |
| 05 | Co-operation | 4.46 | 1 |
| 84 | Non-Residential Buildings | 6.61 | 1 |
| Total | | 11.07 | |

Source: Appropriation Accounts of 2019-20

The Heads of Account where expenditure was incurred without budget provision during 2019-20 were as under:

Table 3.5: Expenditure incurred without budget provision during 2019-20

(₹ in crore)

| Sl. No. | Grant No. and Heads of Account where expenditure was incurred without budget provision | | Expenditure without Provision |
|---------|--|---|-------------------------------|
| 1 | 05-6425-00-108-26 | Loans to Sugar Co-operatives | 4.46 |
| 2 | 84-4059-01-051-50 | Check post building for Port and Transport Department | 6.61 |

Source: Appropriation Accounts of 2019-20

Expenditure without budget provision is violation of financial regulations as well as the will of Legislature. This is also indicative of lack of financial discipline in Government Departments.

3.3.2 Unnecessary Supplementary provision

A Supplementary provision is an addition to the total original authorised provision and is obtained in the same manner in which the original provision is obtained.

During 2019-20, Supplementary provisions (₹ 50 crore or more in each case) aggregating ₹ 661.77 crore were made in three Grants, which proved unnecessary. Expenditure incurred in these three cases did not even reach the level of the original provision as detailed in **Table 3.6**:

Table 3.6: Supplementary provision (₹ 50 crore or more in each case) proved unnecessary

(₹ in crore)

| Sl. No. | Number and name of the grant | Original provision | Actual expenditure | Savings out of original provision | Unnecessary supplementary provision |
|------------------------|------------------------------|--------------------|--------------------|-----------------------------------|-------------------------------------|
| Revenue – Voted | | | | | |
| 1 | 13-Power Projects | 9,032.41 | 8,856.23 | 176.18 | 453.94 |
| 2 | 39-Medical & Public Health | 5,790.63 | 5,670.76 | 119.87 | 139.97 |
| 3 | 40-Family Welfare | 2,052.59 | 2,032.69 | 19.90 | 67.86 |
| | Total | 16,875.63 | 16,559.68 | 315.95 | 661.77 |

Source: Appropriation Accounts of 2019-20

3.3.3 Unnecessary Re-appropriation of funds

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

In 18 Sub-Heads, Re-appropriation of ₹ 272.86 crore proved unnecessary and resulted in savings of ₹ 437.57 crore (more than ₹ 10 lakh in each case), as detailed in **Appendix 3.2**.

Substantial savings of ₹ 437.57 crore, where Re-appropriation was resorted to, reflects poorly on planning and monitoring of budget allocation and its utilisation by the State Government.

3.3.4 Unspent provisions and surrendered appropriations and/or large savings/surrenders

3.3.4.1 Substantial savings due to low utilisation of budgetary provisions

There are 108 Demands for Grants being operated by 27 Departments of Government of Gujarat, which translated into 192 Grants/Appropriations¹ during 2019-20.

There was an overall gross savings of ₹ 27,459.11 crore in 175 out of 192 Grants/Appropriations during 2019-20 of which, 46 Grants/Appropriations showed utilisation of less than 50 *per cent* of the budget allocation. The distribution of Grants/Appropriations grouped by the extent of savings is as follows.

Chart 3.4: Grant-wise utilisation



In 23 out of 192 Grants/Appropriations where budget allocation was more than ₹ one crore and budget utilisation was less than 50 *per cent* during 2019-20, two Grants/Appropriations had demonstrated low utilisation consecutively during the last five years (2015-20) while three Grants/Appropriations had shown low utilisation in four of last five years (Table 3.7).

¹ Grant (Revenue Voted and Capital Voted); Appropriation (Revenue Charged and Capital Charged)

Table: 3.7: Grants/Appropriations where budget utilisation was less than 50 per cent

| Sl. No. | Grant | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | No. of Years ² | Budget 2019-20 | Total Budget (5 years) |
|---------|---|---------------|---------|---------|---------|---------|---------------------------|----------------|------------------------|
| | | (in per cent) | | | | | | (₹ in crore) | |
| 1 | 0002-Agriculture Capital Voted | 23.81 | 16.05 | 0.00 | 0.00 | 0.00 | 5 | 100.00 | 562.5 |
| 2 | 0003- Minor Irrigation, Soil Conservation and Area Development Revenue Voted | 99.39 | 83.11 | 94.24 | 20.63 | 14.87 | 2 | 157.33 | 627.76 |
| 3 | 0003- Minor Irrigation, Soil Conservation and Area Development Capital Voted | 100 | 95.01 | 103.26 | 0.00 | 1.69 | 2 | 92.15 | 478.47 |
| 4 | 0006- Fisheries Capital Voted | 75.10 | 11.57 | 35.90 | 9.34 | 0.50 | 4 | 270.00 | 1141.95 |
| 5 | 0009- Education Capital Voted | 55.65 | 73.83 | 51.61 | 55.95 | 39.55 | 1 | 579.98 | 4075.05 |
| 6 | 0011-Energy and Petrochemical Dept. Revenue Voted | 93.02 | 63.26 | 87.16 | 62.73 | 40.06 | 1 | 7.79 | 25.11 |
| 7 | 0019-Other Expenditure pertaining to Finance Dept. Revenue Voted | 13.67 | 0.89 | 0.59 | 0.69 | 0.86 | 5 | 8770.73 | 34934.12 |
| 8 | 0047-Industries and Mines Revenue Voted | 92.90 | 72.18 | 96.08 | 67.07 | 46.16 | 1 | 29.71 | 94.34 |
| 9 | 0049- Industries Capital Voted | 30.93 | 33.33 | 66.24 | 98.67 | 37.24 | 3 | 591.76 | 1265.89 |
| 10 | 0050- Mines and Minerals Capital Voted | 98.73 | 49.02 | 39.22 | 100 | 0.00 | 3 | 8.16 | 22.86 |
| 11 | 0056-Labour and employment Dept Revenue Voted | 75.59 | 71.48 | 62.66 | 30.24 | 23.18 | 2 | 25.31 | 96.35 |
| 12 | 0057-Labour and Employment Capital Voted | 62.04 | 27.84 | 45.71 | 15.16 | 16.45 | 4 | 25.55 | 360.65 |
| 13 | 0071-Rural Housing and Rural Development Revenue Voted | 86.34 | 85.87 | 100 | 47.51 | 41.73 | 2 | 2572.17 | 9074.38 |
| 14 | 0073-Other Expenditure pertaining to Panchayats, Rural Housing and Rural Development Dept Capital Voted | 95.04 | 66.11 | 21.45 | 1.42 | 0.00 | 3 | 2.20 | 15.74 |
| 15 | 0082-Other Expenditure pertaining to Revenue Dept. Revenue Voted | 30.25 | 56.12 | 31.60 | 84.95 | 45.73 | 3 | 3.10 | 15.43 |
| 16 | 0084-Non-Residential Building Capital Voted | 58.92 | 37.37 | 50.83 | 53.29 | 42.61 | 2 | 1268.71 | 6790.71 |
| 17 | 0084-Non-Residential Building Revenue | 84.69 | 72.87 | 81.97 | 54.40 | 27 | 1 | 1.27 | 7.7 |

² Number of years where utilisation of budget was below 50 per cent

| Sl. No. | Grant | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | No. of Years ² | Budget 2019-20 | Total Budget (5 years) |
|---------|---|---------------|---------|---------|---------|---------|---------------------------|----------------|------------------------|
| | | (in per cent) | | | | | | (₹ in crore) | |
| | Charged | | | | | | | | |
| 18 | 0085-Residential Building Capital Voted | 69.66 | 80.37 | 78.19 | 54.99 | 39.78 | 1 | 285.34 | 1326.52 |
| 19 | 0093-Welfare of Schedule Tribes Capital Voted | 75.77 | 78.79 | 43.11 | 9.35 | 32.31 | 3 | 38.98 | 158.02 |
| 20 | 0096-Tribal Area Sub-Plan Capital Charged | 44.83 | 82.66 | 27.25 | 33.33 | 42.91 | 4 | 1.00 | 3744.58 |
| 21 | 0096-Tribal Area Sub-Plan Revenue Charged | 89.14 | 127.50 | 97.17 | 56.06 | 41.10 | 1 | 5.00 | 30.85 |
| 22 | 0101- Urban Housing Revenue Voted | 72.68 | 97.01 | 46.07 | 67.96 | 47.98 | 2 | 994.44 | 3875.46 |
| 23 | 0108-Other Expenditure pertaining to Climate Change Dept. Revenue Voted | 93.72 | 82.22 | 95.78 | 74.32 | 17.85 | 1 | 1046.09 | 1419.33 |

Source: Appropriation Accounts of respective years

Further, of the overall savings of ₹ 27,459.11 crore in 175 out of 192 Grants/Appropriations during 2019-20, 96 per cent savings amounting to ₹ 26,359.11 crore occurred in 48 Grants/Appropriations (₹ 50 crore and above in each case), as indicated in **Appendix 3.3**.

The situation warrants a close review by the State Government to enable initiation of expeditious corrective measures.

3.3.4.2 Substantial surrenders

In 44 out of 192 Grants/Appropriations, a major portion of original provision or supplementary provision was not required/used during the year, leading to substantial surrenders at the end of March 2020, as detailed in **Table 3.8**:

Table 3.8: Details of surrender of funds in excess of ₹ 50 crore at the end of March 2020

| Sr. No. | Grant No. | Original | Supp. | Total provision | Actual Expenditure | Savings(-) /Excess(+) | (₹ in crore) |
|---------|-----------|----------|---------|-----------------|--------------------|-----------------------|--------------------|
| | | | | | | | Amount Surrendered |
| 1 | 0002-RV | 3244.74 | 1006.89 | 4251.63 | 3312.13 | (-)939.50 | 937.73 |
| 2 | 0002-CV | 100.00 | 0 | 100 | 0 | (-)100.00 | 100.00 |
| 3 | 0003-RV | 157.33 | 0 | 157.33 | 23.39 | (-)133.93 | 133.93 |
| 4 | 0003-CV | 92.15 | 0 | 92.15 | 1.56 | (-)90.59 | 90.59 |
| 5 | 0004-RV | 796.70 | 0 | 796.70 | 534.13 | (-)262.57 | 262.69 |
| 6 | 0006-RV | 351.67 | 0 | 351.67 | 257.45 | (-)94.22 | 94.14 |
| 7 | 0006-CV | 270.00 | 0 | 270.00 | 1.35 | (-)268.65 | 268.65 |
| 8 | 0009-CV | 579.98 | 0 | 579.98 | 229.37 | (-)350.61 | 305.12 |
| 9 | 0013-RV | 9032.41 | 453.94 | 9486.35 | 8856.23 | (-)630.12 | 630.12 |
| 10 | 0013-CV | 3423.15 | 0 | 3423.15 | 2849.64 | (-)573.51 | 573.51 |

| Sr. No. | Grant No. | Original | Supp. | Total provision | Actual Expenditure | Savings(-) /Excess(+) | Amount Surrendered |
|--------------|-----------|--------------------|-----------------|--------------------|--------------------|-----------------------|--------------------|
| 11 | 0016-RV | 320.53 | 0 | 320.53 | 235.61 | (-)84.92 | 73.72 |
| 12 | 0018-RV | 11721.07 | 0 | 11721.07 | 10563.00 | (-)1158.07 | 1154.82 |
| 13 | 0019-RV | 8770.72 | 0 | 8770.72 | 75.50 | (-)8695.22 | 8693.78 |
| 14 | 0020-RC | 20445.25 | 796.59 | 21241.84 | 21170.91 | (-)70.92 | 63.65 |
| 15 | 0022-RV | 648.32 | 0 | 648.32 | 357.57 | (-)290.76 | 290.74 |
| 16 | 0026-RV | 598.45 | 0 | 598.45 | 515.43 | (-)83.02 | 82.98 |
| 17 | 0039-CV | 1146.83 | 0 | 1146.83 | 962.52 | (-)184.31 | 178.40 |
| 18 | 0043-RV | 4977.65 | 0.50 | 4978.15 | 4746.67 | (-)231.48 | 227.93 |
| 19 | 0046-CV | 899.37 | 0 | 899.37 | 688.30 | (-)211.07 | 211.06 |
| 20 | 0049-RV | 4019.48 | 684.49 | 4703.97 | 4491.41 | (-)212.56 | 211.21 |
| 21 | 0049-CV | 591.76 | 0 | 591.76 | 220.36 | (-)371.40 | 371.40 |
| 22 | 0057-RV | 1026.40 | 0 | 1026.40 | 809.70 | (-)216.70 | 216.50 |
| 23 | 0060-RV | 930.62 | 0 | 930.62 | 832.90 | (-)97.72 | 97.57 |
| 24 | 0065-CV | 4600.00 | 0 | 4600.00 | 3018.39 | (-)1581.62 | 1583.49 |
| 25 | 0066-RV | 1267.81 | 0 | 1267.81 | 1158.76 | (-)109.05 | 125.41 |
| 26 | 0066-CV | 4153.11 | 0 | 4153.11 | 4107.45 | (-)45.26 | 50.20 |
| 27 | 0067-CV | 2631.84 | 0 | 2631.84 | 2368.30 | (-)263.54 | 263.54 |
| 28 | 0070-RV | 2943.25 | 0 | 2943.25 | 2487.33 | (-)455.92 | 455.92 |
| 29 | 0071-RV | 2572.17 | 0 | 2572.17 | 1073.45 | (-)1498.72 | 1498.72 |
| 30 | 0074-CV | 626.40 | 0 | 626.40 | 434.03 | (-)192.37 | 424.83 |
| 31 | 0077-RV | 326.07 | 0 | 326.07 | 235.26 | (-)90.82 | 51.71 |
| 32 | 0079-RV | 1829.29 | 2480.88 | 4310.17 | 3986.05 | (-)324.12 | 347.14 |
| 33 | 0084-CV | 1268.71 | 0 | 1268.71 | 540.60 | (-)728.11 | 696.20 |
| 34 | 0085-CV | 285.34 | 0 | 285.34 | 113.51 | (-)171.84 | 167.25 |
| 35 | 0087-CV | 311.91 | 0 | 311.91 | 181.18 | (-)130.73 | 128.92 |
| 36 | 0092-CV | 620.31 | 0 | 620.31 | 318.20 | (-)302.11 | 302.06 |
| 37 | 0095-RV | 4407.13 | 0 | 4407.13 | 3732.05 | (-)675.08 | 643.12 |
| 38 | 0095-CV | 870.52 | 0 | 870.52 | 647.89 | (-)222.63 | 202.87 |
| 39 | 0096-RV | 8675.16 | 0 | 8675.16 | 7940.55 | (-)734.61 | 656.20 |
| 40 | 0096-CV | 5305.30 | 0 | 5305.30 | 4121.73 | (-)1183.56 | 1191.24 |
| 41 | 0098-RV | 420.68 | 0 | 420.68 | 319.93 | (-)100.74 | 93.15 |
| 42 | 0101-RV | 994.44 | 0 | 994.44 | 477.15 | (-)517.29 | 517.29 |
| 43 | 0106-RV | 2299.08 | 0 | 2299.08 | 1990.35 | (-)308.73 | 308.71 |
| 44 | 0108-RV | 1046.09 | 0 | 1046.09 | 186.73 | (-)859.36 | 859.85 |
| Total | | 1,21,599.19 | 5,423.29 | 1,27,022.48 | 1,01,174.02 | (-)25,848.46 | 25,838.06 |

Source: Appropriation Accounts of 2019-20; RV: Revenue voted, RC: Revenue Charged, CV: Capital Voted

Further, supplementary provisions of ₹ 5,423.29 crore made under six out of 44 grants/appropriations proved unnecessary, as ₹ 2,417.78 crore was surrendered from these six grants/appropriations.

Budget provisions sought and obtained by some Departments far in excess of actual requirement and their inability to utilise the same deprives allocation of resources to other priority sectors and also leads to poor Legislative control over public finances.

Further, as per paragraph 103 of Gujarat Budget Manual, 1983, the Controlling Officers should report all the anticipated savings with full details and reasons to the Administrative Departments.

In case of 45 Sub-Heads under 19 Grants (**Table 3.9**), Audit observed that Departments attributed the savings to COVID-19 lockdown. The justification was not convincing, as lockdown was effective from midnight of 24 March 2020.

Table 3.9: Details of Sub-Heads and Grants where savings were attributed to lockdown

| Sr. No. | Grant number | Number of Sub-Heads (Schemes) |
|--------------|--------------|-------------------------------|
| 1 | 0001 | 01 |
| 2 | 0002 | 03 |
| 3 | 0004 | 07 |
| 4 | 0009 | 02 |
| 5 | 0011 | 01 |
| 6 | 0014 | 01 |
| 7 | 0021 | 01 |
| 8 | 0025 | 01 |
| 9 | 0026 | 01 |
| 10 | 0033 | 01 |
| 11 | 0046 | 05 |
| 12 | 0047 | 01 |
| 13 | 0077 | 01 |
| 14 | 0079 | 02 |
| 15 | 0082 | 01 |
| 16 | 0095 | 05 |
| 17 | 0096 | 05 |
| 18 | 0106 | 05 |
| 19 | 0108 | 01 |
| Total | 19 | 45 |

3.3.5 Excess expenditure and its regularisation

As per Article 205 of the Constitution of India, no money shall be drawn from the Consolidated Fund except under appropriation made by Law by the State Legislature.

3.3.5.1 Excess expenditure during the year 2019-20

During 2019-20, there was an excess expenditure of ₹ 1,466.84 crore in four Grants/Appropriations requiring regularisation by the State Legislature (**Table 3.10**).

Table 3.10: Excess expenditure over provision during 2019-20 requiring regularisation

(₹ in crore)

| Grant No. | Name of Grant | Total Grant | Actual Expenditure | Excess Expenditure |
|------------------------|--|------------------|--------------------|--------------------|
| Revenue Voted | | | | |
| 9 | Education | 28,848.50 | 29,463.92 | 615.42 |
| 73 | Other Expenditure Pertaining to Panchayats, Rural Housing and Rural Development Department | 790.19 | 1,347.89 | 557.70 |
| 86 | Roads and Bridges | 3,393.05 | 3,639.71 | 246.66 |
| Capital Charged | | | | |
| 20 | Repayment of Debt pertaining to Finance Department and its Servicing | 16,654.70 | 16,701.76 | 47.06 |
| Total | | 49,686.44 | 51,153.28 | 1,466.84 |

Source: Appropriation Accounts of 2019-20

Excess expenditure over provision vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

3.3.5.2 Persistent excess in certain Grants

Persistent excess expenditure indicates that the budgetary control by the Departments is ineffective and budget estimates are not being prepared realistically. Such repeated excess expenditure is in violation of the will of the State Legislature. Strictly, not a Rupee can be spent without prior Legislative authorisation and therefore, this needs to be viewed seriously. Further, the Public Accounts Committee had also recommended minimising the cases of excesses.

Audit, however, observed persistent excess in Grant No. 73 (Revenue Voted) during the last five year (2015-20), due to improper estimations at the time of budget preparation, as detailed in **Table 3.11**:

Table 3.11: Persistent excess

(₹ in crore)

| Sl. No. | Description of Grant/Appropriation | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---------|--|---------|---------|----------|----------|----------|
| 1. | Grant No. 73 – Other Expenditure pertaining to Panchayats, Rural Housing and Rural Development Department (Revenue Voted) | | | | | |
| | Grant | 784.60 | 774.82 | 800.15 | 703.07 | 790.19 |
| | Expenditure | 816.13 | 897.06 | 1,127.87 | 1,463.84 | 1,347.89 |
| | Excess | 31.53 | 122.24 | 327.72 | 760.77 | 557.70 |

Source: Appropriation Accounts of respective years

The excess was observed under Sub-Head ‘Superannuation and Retirement Allowances to Panchayat Employees’, ‘Gratuities to Panchayat Employees’ and ‘Family Pension to Panchayat Employees’.

The State Government needs to maintain a robust database of Panchayat employees due for superannuation, in order to estimate the retirement benefits accurately.

3.3.5.3 Regularisation of excess expenditure of previous financial years

An excess expenditure of ₹ 7,917.98 crore incurred during the period 2007-08 to 2018-19 was yet to be regularised by the State Legislature. The details of excess expenditure of previous financial years requiring regularisation are shown in **Appendix 3.4**.

3.3.6 Grants-in-aid for creation of capital assets

Indian Government Accounting Standards (IGAS) 2 prescribes that Grants-in-aid (GIA) disbursed by a grantor shall be classified and accounted for as revenue expenditure in the financial statements of the grantor irrespective of the purpose for which the funds disbursed as GIA are to be spent by the grantee.

Only in cases specifically authorised by the President of India on advice of the Comptroller and Auditor General of India can these be debited to a Capital Head of Account in the financial statements of the Government. Further, Rule 30(1) of Government Accounting Rules, 1990 prescribes that expenditure of a capital nature to be classified in capital section shall broadly be defined as expenditure incurred with the objective of increasing physical assets of a material and permanent character. Also, the assumptions underlying the fiscal indicators for the Gujarat Fiscal Responsibility Rules, 2006 stipulate inclusion of ‘major subsidies’ as expenditure on revenue account.

During 2019-20, State Government disbursed ₹ 4.83 crore as GIA to one Department under Capital Head of Account instead of classifying it as revenue expenditure under Revenue Head, in violation of IGAS 2. This is detailed in the **Table 3.12**.

Table 3.12: Misclassification of GIA under Capital Head during 2019-20

| | | (₹ in crore) |
|--------------|--------------------------------------|---------------|
| Sl. No. | Classification –Major Head | Grants-in-aid |
| 1. | 4059- Capital Outlay on Public Works | 4.83 |
| Total | | 4.83 |

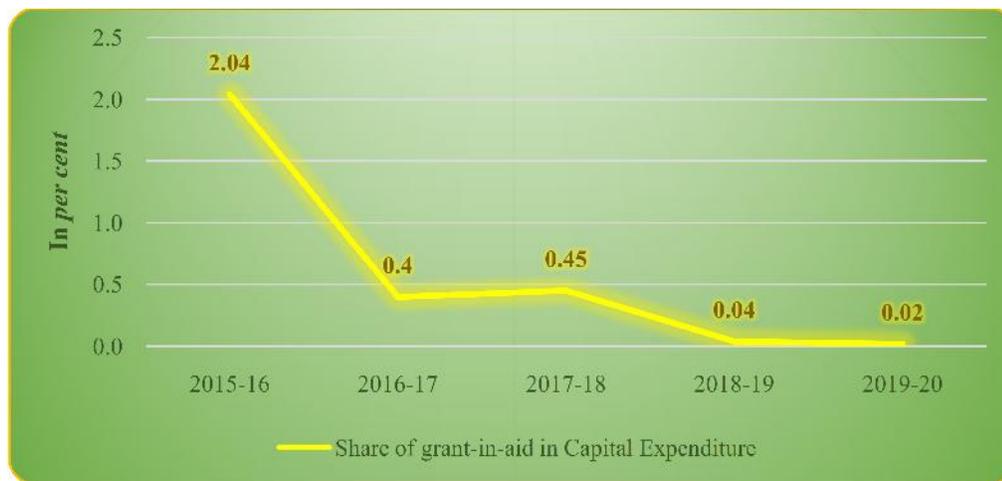
Source: Appropriation Accounts of 2019-20

Table 3.13: Extent of misclassification of GIA as capital expenditure during 2015-20

(₹ in crore)

| Sl. No. | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|------------|-----------|------------|-----------|-----------|
| GIA booked as Capital Expenditure | 492.17 | 89.66 | 119.38 | 10.92 | 4.83 |
| Total Capital Expenditure | 24,169.44 | 22,355.39 | 26,313.20 | 28,061.90 | 25,650.61 |
| Share of GIA in Capital Expenditure (In per cent) | 2.04 | 0.40 | 0.45 | 0.04 | 0.02 |
| Overstatement of Revenue Surplus (+) had expenditure from GIA been treated as Revenue Expenditure | (+) 492.17 | (+) 89.66 | (+) 119.38 | (+) 10.92 | (+) 4.83 |

Source: Appropriation Accounts of respective years

Chart 3.5: Share of GIA in capital expenditure

As can be seen from the Chart above, the share of GIA in capital expenditure has reduced over the last five years.

3.4 Comments on Transparency of Budgetary and Accounting Process

3.4.1 Lump sum budgetary provisions

The Gujarat Budget Manual, 1983 prohibits lump sum provision in estimates except in cases where urgent measures are to be initiated for meeting emergent situations or for meeting preliminary expenses on a project/Scheme which has been accepted in-principle for being taken up in the financial year. Detailed explanation justifying the provision is required to be given in the Budget Note accompanying the lump sum estimates. Lump sum provision without identifying the exact object of expenditure affects transparency.

In case of Grant No. 19, it was observed that the FD has been allocating a lump sum budget provision every year from 2012-13 onwards under Major Head 2075 – ‘Liability on Account of Increase in Rate of Dearness Allowance’. However, the same was surrendered by the FD in the month of March every year, as detailed in **Table 3.14**:

Table 3.14: Lump sum provision surrendered in complete

| | | | | (₹ in crore) |
|---------|-----------|-----------------|----------|--------------------------------|
| Year | Grant no. | Details of Head | Amount | Surrender/ Re Appropriation |
| 2012-13 | 19 | 2075.00.001.01 | 2,500.00 | 2,500.00 |
| 2013-14 | 19 | 2075.00.001.01 | 3,000.00 | 3,000.00 |
| 2014-15 | 19 | 2075.00.001.01 | 3,500.00 | 3,500.00 |
| 2015-16 | 19 | 2075.00.001.01 | 3,500.00 | 3,500.00 |
| 2016-17 | 19 | 2075.00.001.01 | 4,500.00 | 4,500.00 |
| 2017-18 | 19 | 2075.00.001.01 | 6,000.00 | 6,000.00 |
| 2018-19 | 19 | 2075.00.001.01 | 7,000.00 | 7,000.00 |
| 2019-20 | 19 | 2075.00.001.01 | 7,500.00 | 7,500.00 |

Source: Appropriation Accounts of respective years

The action of FD was not in consonance with paragraph 38 of Gujarat Budget Manual, 1983 which provides that such provisions were to be made by the respective Departments in their budget estimates.

3.5 Comments on Effectiveness of Budgetary and Accounting Process

3.5.1 Budget projection and gap between expectation and actual

The summarised position of budget including supplementary budget, actual expenditure, and excess/savings during 2019-20 against 192 Grants/Appropriations is given in Table 3.15.

Table 3.15: Summarised position of expenditure *vis-à-vis* budget provision (₹ in crore)

| Voted/ Charged | Nature of expenditure | Budget (Original) | Budget (Supp) | Total Budget (O+S) | Actual Expenditure | Excess/ Saving(-) | Excess/ Saving % |
|--------------------|--------------------------|----------------------|--------------------|--------------------------|-----------------------|----------------------|---------------------|
| Voted | Revenue | 1,31,833.48 | 7,952.08 | 1,39,785.56 | 1,21,144.07 | (-)18,641.49 | (-)13.34 |
| | Capital | 32,964.01 | 248.67 | 33,212.68 | 26,298.95 | (-)6,913.73 | (-)20.82 |
| | Loans and Advances | 1,606.34 | 2.71 | 1,609.05 | 1,311.72 | (-)297.33 | (-)18.48 |
| | Total Voted | 1,66,403.83 | 8,203.46 | 1,74,607.29 | 1,48,754.74 | (-)25,852.55 | (-)14.81 |
| Charged | Revenue | 21,743.04 | 1,081.24 | 22,824.28 | 22,664.90 | (-)159.38 | (-) 0.70 |
| | Capital | 77.18 | 107.77 | 184.95 | 157.55 | (-)27.40 | (-)14.81 |
| | Public Debt | 16,590.95 | 63.75 | 16,654.70 | 16,701.76 | 47.06 | 0.28 |
| | Total Charged | 38,411.17 | 1,252.76 | 39,663.93 | 39,524.21 | (-)139.72 | (-)0.35 |
| Grand Total | 2,04,815.00 | 9,456.22 | 2,14,271.22 | 1,88,278.95 | (-)25,992.27 | (-)12.13 | |

Source: Appropriation Accounts of 2019-20

Table 3.16: Original budget, revised estimates and actual expenditure during 2015-20

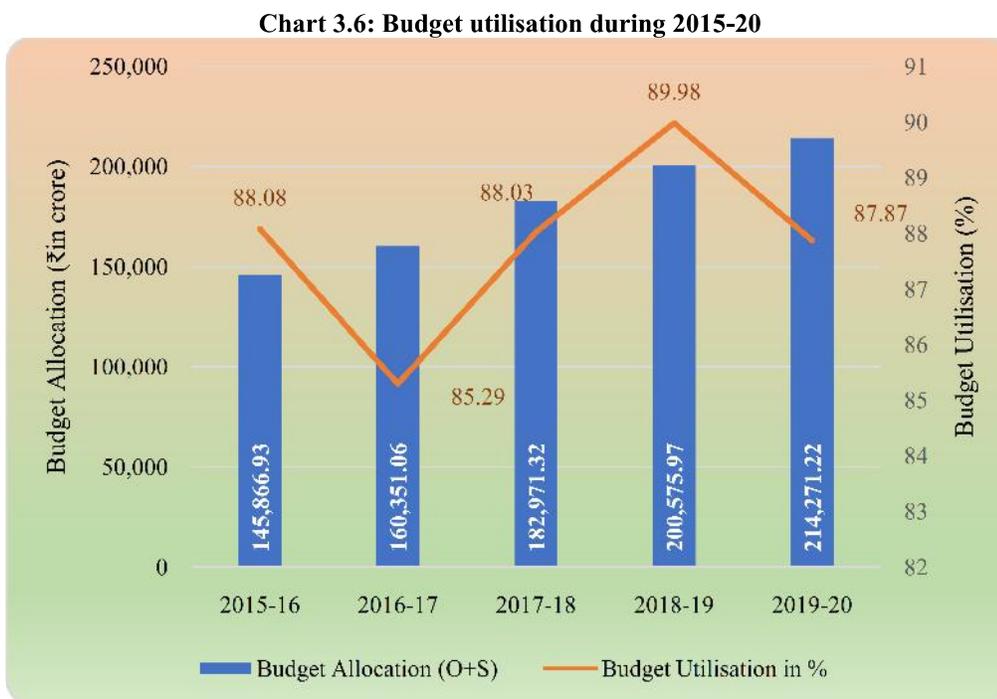
| | (₹ in crore) | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
| Original Budget | 1,39,139.34 | 1,51,851.93 | 1,72,179.24 | 1,83,666.38 | 2,04,815.00 |
| Supplementary Budget | 6,727.59 | 8,499.13 | 10,792.08 | 16,909.59 | 9,456.22 |
| Total Budget (Original + Supplementary) | 1,45,866.93 | 1,60,351.06 | 1,82,971.32 | 2,00,575.97 | 2,14,271.22 |
| Actual Expenditure | 1,28,475.69 | 1,36,765.39 | 1,61,063.09 | 1,80,479.68 | 1,88,278.95 |
| Saving(-) /excess (+) | (-) 17,391.24 | (-) 23,585.67 | (-) 21,908.23 | (-) 20,096.29 | (-) 25,992.27 |
| Percentage of Saving | (-)11.92 | (-)14.71 | (-)11.97 | (-)10.02 | (-) 12.13 |

Source: Appropriation Accounts of for the respective years

As can be seen from the **Table 3.16**, there was an overall savings of 12.13 *per cent* during 2019-20 as compared to 10.02 *per cent* during 2018-19.

3.5.1.1 Sub-optimal utilisation of budgeted funds

Utilisation of budget by the State Government has been sub-optimal every year during the last five years. The extent of utilisation of budget during the last five years (2015-20) is shown in **Chart 3.6**:



As may be seen from the **Chart 3.6**, the State Government could utilise its budget provision to the extent of 89.98 *per cent* during the last five years. Large amounts of savings in allocated funds indicate both inaccurate assessments of requirement as well as inadequate capacity to utilise the funds for intended purposes.

3.5.1.2 Missing/incomplete explanations for variations from budgeted provisions

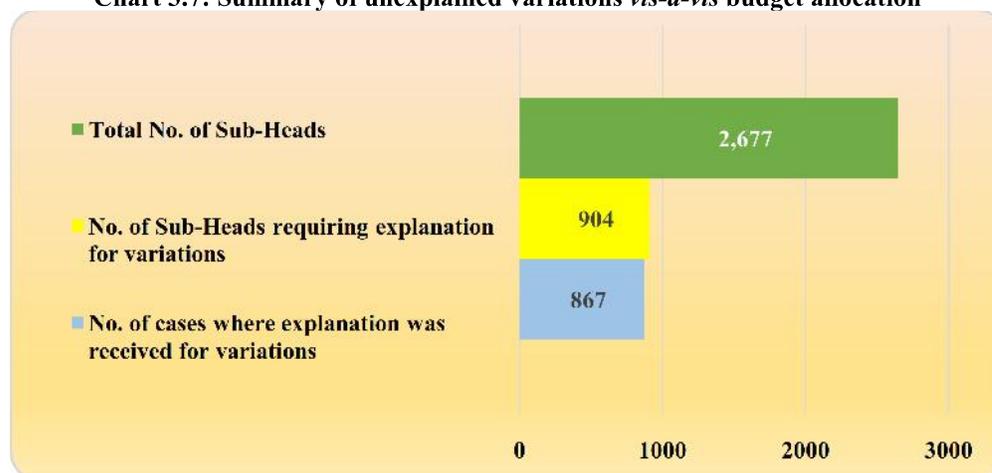
Apart from showing the expenditure against the approved budget, Appropriation Accounts also contain explanations provided by the concerned Departments for cases where the expenditure varies significantly from the budgeted provision (Original plus Supplementary). The limits beyond which such variations at the Sub-Head levels (unit of appropriation) are to be explained by the concerned Departments are set by the State Public Accounts Committee (PAC).

The Principal Accountant General (A&E) provides the draft Appropriation Accounts to the Controlling Officers of the Departments and seeks the reasons/explanations for the variations in expenditure with reference to approved budgetary allocations as per the limits set by the PAC. The limits set by the PAC in October 1994 are shown in **Appendix 3.5**.

Of the 192³ Grants/ Appropriations, reasons for variation were required in respect of 125 Grants/Appropriations. Audit of Appropriation Accounts of 2019-20 and an analysis of the underlying accounting data revealed that the Controlling Officers did not provide explanations for the variations in expenditure *vis-à-vis* budgeted allocations in respect of 20 out of 125 Grants/Appropriations. In terms of Sub-heads, explanations for variations were not provided in 37 out of 904 sub-heads.

The total number of Sub-Heads, number of Sub-Heads requiring explanation for variations and the number of Sub-Heads where explanations were received are shown in **Chart 3.7**. The relevant details in this regard are indicated in **Appendix 3.6**.

Chart 3.7: Summary of unexplained variations *vis-à-vis* budget allocation



Absence of explanation for variations between the budgeted allocation and its utilisation inhibits Legislative control over budget as a means of ensuring financial accountability of the Government.

³ Grant (Revenue Voted, Capital Voted), Appropriations (Revenue Charged, Capital Charged)

3.5.1.3 Budgetary deviations at primary unit of appropriation

Sub-Head is the primary unit of appropriation and the Appropriation Accounts accordingly bring out instances of deviations of expenditure from budgetary provision at Sub-Head level, as per the criteria specified by the PAC.

As detailed in **Chart 3.7** above, there are 2,677 such units of appropriation in the Appropriation Accounts of the State. The distribution of Sub-Heads by size and total budgetary allocation is given in **Table 3.17**.

Table 3.17: Distribution of Sub-Heads by size and total budgetary allocation

| Budget Allocation (in ₹) | Number of Sub-Heads | Share of Sub-Heads (per cent) | Total Budget (₹ in crore) | Share of Sub-heads in Budget (per cent) |
|-----------------------------------|---------------------|-------------------------------|---------------------------|---|
| Less than 15 lakh | 486 | 18.15 | 12.75 | 0.01 |
| 15 lakh- 50 lakh | 233 | 8.70 | 67.53 | 0.03 |
| 50 lakh- 1 crore | 157 | 5.87 | 105.87 | 0.05 |
| 1 crore - 10 crore | 749 | 27.98 | 2,751.08 | 1.28 |
| 10 crore - 100 crore | 763 | 28.50 | 26,957.02 | 12.58 |
| 100 crore and more than 100 crore | 289 | 10.80 | 1,84,376.97 | 86.05 |
| TOTAL | 2,677 | 100 | 214,271.22 | 100.00 |

Source: Appropriation Accounts of 2019-20

As can be seen from **Table 3.17**, around 11 *per cent* of the Sub-Heads account for 86 *per cent* of the total budgetary allocation while 18 *per cent* of the Sub-Heads account for merely 0.01 *per cent* of the total allocation. There is, thus, a need for rationalisation of unit of appropriation, both in terms of number of Heads and size of Heads, to increase Legislative control as well as make budget administration easier.

3.5.2 Budget and opportunity cost

At times, while obtaining original/supplementary provision, Departments report to Legislature large additional requirements for different purposes under various Schemes/activities; but finally end up spending less than the original budget provision and the supplementary provision or parts thereof. As a result, the unutilised funds cannot be made use of. At the same time, a number of Schemes remain incomplete for want of funds. Thus, the intended benefits of unfinished Schemes do not get extended to the public at large. This also leads to escalation in project costs.

However, in 23 Schemes under capital section (**Appendix 3.7**), it was observed that the concerned Departments could not utilise more than 50 *per cent* of the original provision leading to significant savings at the end of the year.

It was further observed from Appendix IX of Finance Accounts, Volume-II for the year 2019-20 that the Roads and Buildings Department and the Water Resources Department had 123 incomplete capital projects (estimated cost: ₹ 7,736.36 crore) with a progressive expenditure of ₹ 5,810.99 crore up to 31 March 2021. These projects were targeted to be completed between November 2015 and October 2020. Had there been proper planning, unutilised funds to the extent of ₹ 3,820 crore from 23 Schemes (**Appendix 3.7**) could have been allocated to these 123 projects in the beginning itself.

3.5.3 Major policy pronouncements in budget and their actual funding for ensuring implementation

Several policy initiatives taken up by the State Government are partially or not executed due to non-approval of Scheme guidelines/modalities, for want of administrative sanction, non-release of budget *etc.* This not only deprives the beneficiaries of the intended benefits; savings in such Schemes also divest other Departments of the funds which they could have utilised.

Appendix XI of Finance Accounts, Volume-II for the year 2019-20 gives the details of major policy decisions taken during the year or new Schemes proposed in the budget. During 2019-20, 13 new Schemes/major policy pronouncements were made by the State Government. Audit observed that of the 13 Schemes, 11 have been implemented while two Schemes did not commence, as shown in **Table 3.18**:

Table 3.18: Details of Schemes for which provisions were made but no expenditure was incurred

| Sr. No. | Department | Scheme | Status | Remarks |
|---------|-------------------------|---|---|---|
| 1 | Energy & Petrochemicals | Assistance for Subsidy for Development of Group Captive Rooftop/Ground Mounted Solar PV Projects for Residential Consumers (2810-00-102-07) | Approved outlay: ₹ 10 crores Revised outlay: ₹ 0.00 Actual expenditure: Nil | Surrendered due to non-finalisation of guidelines and non-publication of Government Resolution. |
| 2 | Industries & Mines | Capital Support for Gujarat Common Effluent Treatment Plant (CETP), Deep Sea Pipeline and Allied Infrastructure (4875-60-800-05) | Approved outlay: ₹ 500 crore Revised outlay: ₹ 0.00 Actual expenditure: Nil | The Industrial Associations were required to contribute 20-30 per cent of project cost. Several meetings were held but the modalities and time frames could not be finalised. |

Source: Appropriation Accounts of 2019-20

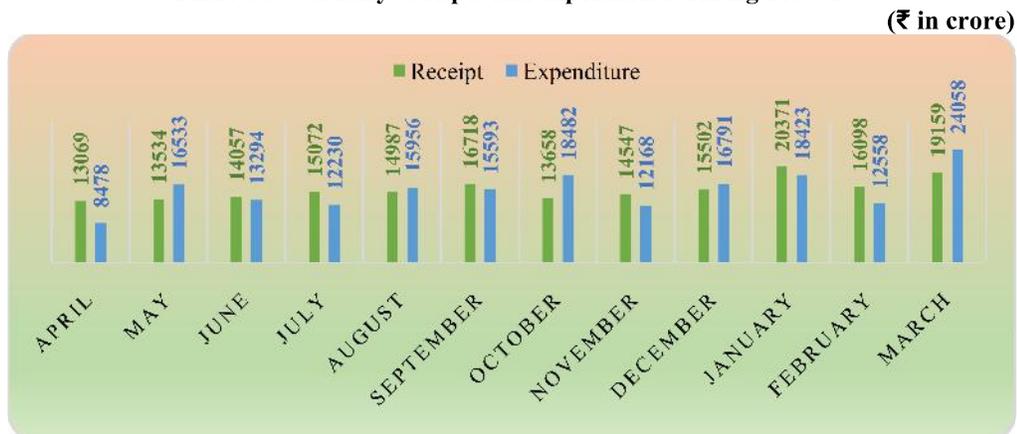
The bottlenecks in implementations of new Schemes/major policy pronouncements need review.

3.5.4 Rush of expenditure

As per Gujarat Budget Manual, 1983, rush of expenditure, particularly in the closing months of financial year, is a breach of financial propriety.

Monthly flow of receipts into the State exchequer and disbursements during 2019-20 is shown in **Chart 3.8**.

Chart 3.8: Monthly receipts and expenditure during 2019-20



(Expenditure figures are net of recoveries)

As may be seen from the **Chart 3.8**, receipts were paced more or less evenly across all the months during the financial year 2019-20.

Major Heads where more than 50 per cent of the total expenditure (more than ₹ one crore in each case) was incurred in March 2020 alone are detailed in **Table 3.19**:

Table 3.19: Quantum of expenditure in March 2020

(₹ in crore)

| Major Head | Description | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter | Total expr. | Expr. in March | Expr. in March as % of total expr. |
|------------|---|-------------------------|-------------------------|-------------------------|-------------------------|---------------|----------------|------------------------------------|
| 2075 | Miscellaneous General Services | 0.07 | 0.49 | 12.32 | 24.69 | 37.57 | 22.67 | 60.33 |
| 2404 | Dairy Development | 0.03 | 0.10 | 2.68 | 40.01 | 42.82 | 24.92 | 58.19 |
| 2711 | Flood Control and Drainage | 0.94 | 4.13 | 2.74 | 16.35 | 24.16 | 14.12 | 58.46 |
| 2853 | Non-ferrous Mining and Metallurgical Industries | 22.68 | 48.24 | 25.92 | 199.25 | 296.09 | 175.19 | 59.17 |
| 4058 | Capital Outlay on Stationery and Printing | 0.00 | 0.00 | 0.00 | 6.82 | 6.82 | 6.82 | 100.00 |
| 4070 | Capital Outlay on Other Administrative Services | 0.00 | 0.00 | 0.00 | 10.55 | 10.55 | 9.98 | 94.55 |
| 4211 | Capital Outlay on Family Welfare | 0.00 | 1.66 | 0.00 | 8.40 | 10.06 | 8.40 | 83.50 |
| 4402 | Capital Outlay on Soil and Water Conservation | 0.21 | 0.21 | 0.19 | 1.95 | 2.56 | 1.63 | 63.64 |
| 4810 | Capital Outlay on New and Renewable Energy | 0.00 | 0.00 | 0.00 | 10.00 | 10.00 | 10.00 | 100.00 |
| 4875 | Capital Outlay on Other Industries | 3.66 | 0.00 | 31.92 | 177.06 | 212.63 | 161.80 | 76.09 |
| 6216 | Loans for Housing | 0.00 | 0.00 | 0.81 | 4.20 | 5.01 | 4.20 | 83.80 |
| | Total | 27.60 | 54.83 | 76.58 | 499.36 | 658.27 | 439.73 | |

Source: Information provided by O/o the PAG (A&E)

Thus, contrary to the spirit of financial regulation, a substantial quantum of expenditure was incurred by the State Government at the end of the financial year, indicating inadequate control over expenditure and poor budgetary management.

Further, of the total expenditure of ₹ 28,354.42 crore incurred under 1,879 Sub-Heads in March 2020, 100 *per cent* expenditure (₹ 3,450.67 crore) was incurred in March 2020 under 139 Sub-Heads. The details of 30 Sub-Heads (out of 139) where expenditure of ₹ 10 crore or more was incurred in March 2020 are depicted in **Appendix 3.8**.

Further, in case of expenditure done by Departments with respect to Grants placed at their disposal, it was observed that in four out of 108 Grants, more than 50 *per cent* of the total expenditure was incurred in March as shown in **Table 3.20**.

Table 3.20: Grants with more than 50 per cent expenditure in March
(Descending order of percentage) (₹ in crore)

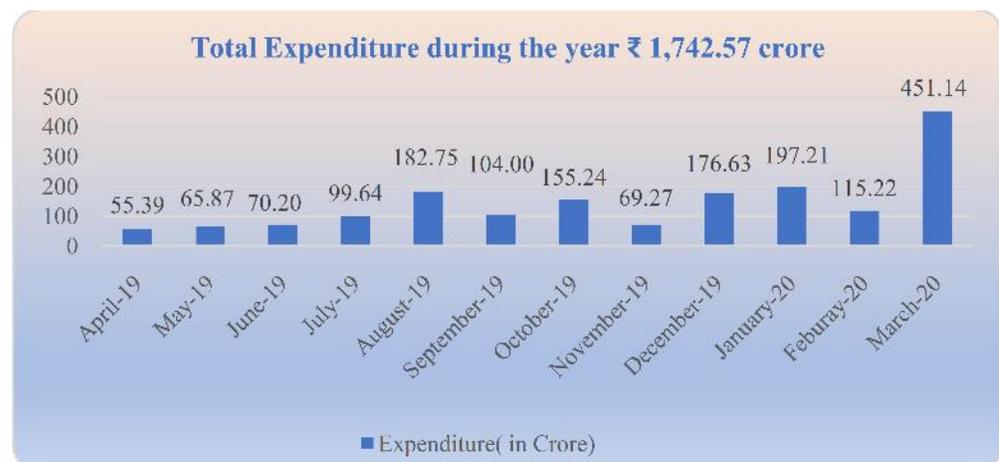
| Sr. No | Grant No. | Description | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter | Total | Expenditure in March | Expenditure in March as percentage of total expenditure |
|--------|-----------|--|-------------------------|-------------------------|-------------------------|-------------------------|--------|----------------------|---|
| 1 | 0058 | Other Expenditure Pertaining to Labour & Employment Department | 0.00 | 0.00 | 0.00 | 0.05 | 0.05 | 0.05 | 100.00 |
| 2 | 0041 | Other Expenditure Pertaining to Health & Family welfare Department | 0.00 | 0.03 | 0.05 | 0.37 | 0.45 | 0.32 | 71.98 |
| 3 | 0072 | Compensation and Assignments | 0.00 | 9.36 | 19.07 | 91.01 | 119.44 | 82.08 | 68.72 |
| 4 | 0050 | Mines and Minerals | 22.68 | 48.24 | 25.92 | 199.25 | 296.09 | 175.19 | 59.17 |

Source: Information provided by O/o the PAG (A&E)

3.5.4.1 Departments registering more than 25 per cent expenditure in March

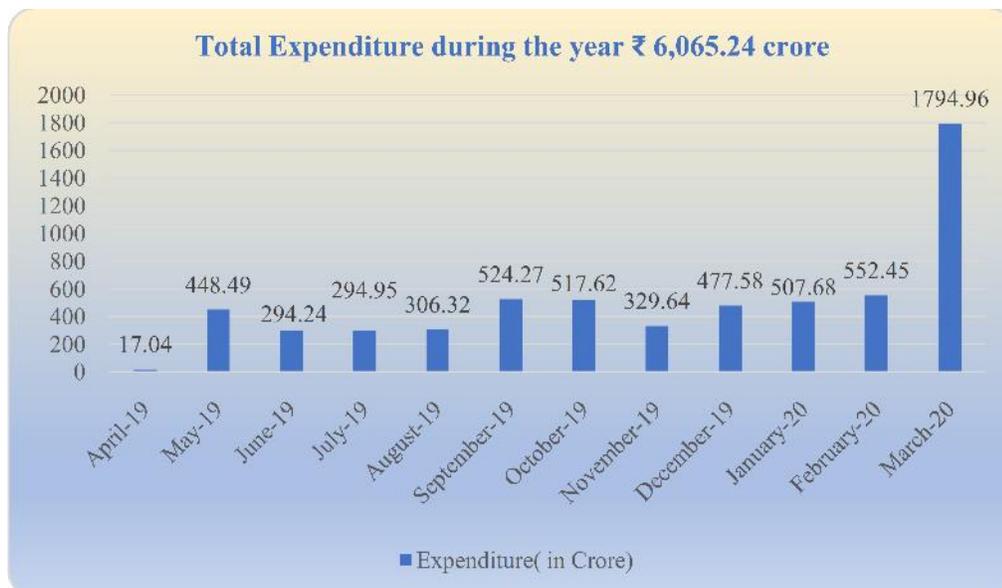
In three Departments namely, General Administration; Industries and Mines; and Science and Technology, more than 25 *per cent* of the total expenditure was incurred in March 2020 as shown in **Charts 3.9, 3.10 and 3.11**.

Chart 3.9: Month wise expenditure of General Administration Department showing high percentage of expenditure in March 2020.



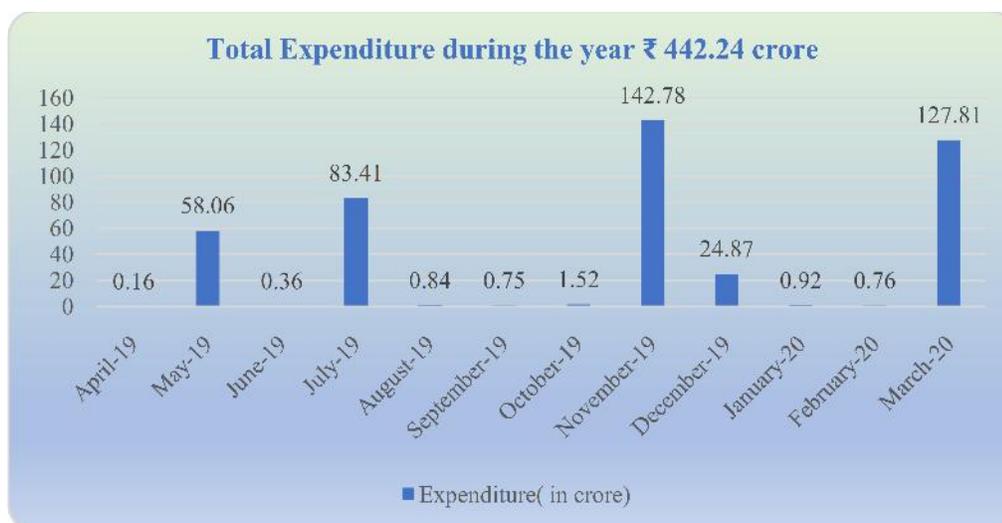
Source: Information provided by O/o the PAG (A&E)

Chart 3.10: Month wise expenditure of Industries and Mines Department showing high percentage of expenditure in March 2020.



Source: Information provided by O/o the PAG (A&E)

Chart 3.11: Month wise expenditure of Science and Technology Department showing high percentage of expenditure in March 2020.



Source: Information provided by O/o the PAG (A&E)

3.6 Review of Selected Grants

The Gujarat Budget Manual, 1983 provides that the authority administering a Grant is responsible for watching the progress of expenditure under its control and for keeping it within the sanctioned Grant or Appropriation. The duties and responsibilities of the authorities include preparing the estimates in time and accurately and also to ensure that the Grants placed at the disposal is spent only on the objects for which it has been provided and to surrender the savings if no longer required.

With a view to ascertaining how far the authorities were adhering to these instructions, Audit test-checked the records of the Administrative Departments/Controlling Officers operating Grant No.13 (Power Projects)

under Energy and Petrochemicals Department and Grant No. 66 (Irrigation and Soil Conservation) under Narmada, Water Resources, Water Supply and Kalpsar Department for a period of three years from 2017-18 to 2019-20. The audit findings are discussed in the succeeding paragraphs.

3.6.1 Review of Grant No 13 - Power Projects

The Energy and Petrochemicals Department of Government of Gujarat contributes to all-round development of the State with a vision to provide quality power and piped natural gas at sustainable and economical rates to the people of Gujarat through increased generation, efficient transmission and distribution system. The Department is associated with various Companies engaged in the field of power, gas, fertilizer and non-conventional energy.

The Department receives funds under different Heads from the FD and releases the same to Gujarat Urja Vikas Nigam Limited (GUVNL), a holding Company of Power Sector PSUs for equity infusion into its six Subsidiary Companies⁴, reimburses power subsidy claims to GUVNL under different Schemes *etc.* The Department also provides Grants to independent institutions/autonomous bodies for promotion of Research and Development activities in non-conventional energy. The Grants are placed at the disposal of Chief Electrical Inspector of the district concerned for onward disbursement.

3.6.1.1 Deviation from budgetary provisions

The budgetary allocations and expenditure incurred under Revenue and Capital Heads under Grant No 13 during 2017-20 is given in **Table 3.21**:

Table 3.21: Deviation from the budgetary provisions under Grant No. 13

(₹ in crore)

| Year | Budgetary provisions | | | Expenditure | Excess(+)/ Savings(-) | % of unutilized provision |
|----------------------|----------------------|---------------|----------|-------------|--------------------------|---------------------------------|
| | Original | Supplementary | Total | | | |
| Revenue Voted | | | | | | |
| 2017-18 | 4,824.89 | 1,024.34 | 5,849.23 | 5,775.71 | (-)73.52 | 1.26 |
| 2018-19 | 5,490.69 | 2,092.68 | 7,583.37 | 7,612.31 | (+)28.94 | (+)0.38 |
| 2019-20 | 9,032.41 | 453.94 | 9,486.35 | 8,856.23 | (-)630.12 | 6.64 |
| Capital Voted | | | | | | |
| 2017-18 | 2,717.24 | 0.00 | 2,717.24 | 2,516.88 | (-)200.36 | 7.37 |
| 2018-19 | 2,561.39 | 508.00 | 3,069.39 | 3,052.95 | (-)16.44 | 0.54 |
| 2019-20 | 3,423.15 | 0.00 | 3,423.15 | 2,849.64 | (-)573.51 | 16.75 |

Source: Appropriation Accounts of 2017-18, 2018-19 and 2019-20

It may be seen from **Table 3.21** that the percentage of unutilised provision as the highest during 2019-20 both under Revenue Voted and Capital Voted

⁴ Gujarat State Electricity Corporation Limited (GSEC), Gujarat Energy Transmission Corporation Limited (GETCO) and four power distribution utilities namely, Uttar Gujarat Vij Company Limited. (UGVCL), Madhya Gujarat Vij Company Limited (MGVCL), Dakshin Gujarat Vij Company Limited (DGVCL) and Paschim Gujarat Vij Company Limited (PGVCL)

Sections. Further, the excess expenditure of ₹ 28.94 crore under Revenue Voted Section during 2018-19 needs to be regularised under Article 205 of Constitution of India. The reasons for excess expenditure over budget provision were not furnished to Audit.

3.6.1.2 Surrender of entire budget provision

During 2018-19 and 2019-20, the Department made budget provision for three Schemes (**Table 3.22**) which could not be utilised during the year, leading to surrender of entire budget provision.

Table 3.22: Surrender of entire budget provision

| Sr. No. | Scheme | Budget period | Status | Reasons for non-utilisation |
|---------|--|---------------|--|--|
| 1. | Assistance for Solar Project of Modhera Sun Temple and Town Project (Central Assistance Scheme) | 2018-19 | Budget: ₹ 12.03crore Actual expenditure: Nil | Subsequent to review by the visiting team of GoI in 2018-19, a revised proposal was sent by the State Government to GoI. However, no response was received from GoI. |
| | | 2019-20 | Budget: ₹ 12.03 crore Actual expenditure: Nil | High tender prices quoted by Gujarat Power Corporation Limited (Implementing Agency), resulting in re-tendering. Land acquisition was also pending. |
| 2. | Assistance for Subsidy for Development of Group Captive Rooftop/Ground Mounted Solar PV Projects for Residential Consumers | 2019-20 | Budget: ₹ 10 crore Actual expenditure: Nil | Scheme guidelines were yet to be finalised and the Government Resolution on the Scheme was yet to be published |
| 3. | Assistance to Promote Adoption of Electric Vehicles | 2019-20 | Budget: ₹ 5 crore Actual expenditure: Nil | The State Policy to promote adoption of Electric Vehicles was yet to be finalised. |

Source: Information furnished by the department

It is clear from above that budget provisions were made without adequate planning for the Schemes, resulting in surrender of entire provision.

3.6.1.3 Delay in settlement of reimbursement claims under an externally-aided project

The Department undertook an externally-aided project for evacuation of renewable energy namely, 'Green Energy Corridor' at a total cost of ₹ 1,962.12 crore. Gujarat Energy Transmission Corporation Limited (GETCO) was designated as the project executing agency. The project was to be funded in ratio of 40:40:20 through external assistance in the form of loans from Kfw

of Germany (Euro 114 million or ₹ 798 crore), GoI (₹ 784.84 crore) and contribution by GETCO (₹ 379.28 crore) respectively.

The loan from Kfw was in accordance with the back-to-back lending guidelines of Ministry of Finance, GoI. Under the back-to-back arrangement, GETCO was to first incur the expenditure and then raise a claim to Kfw on reimbursement basis by submitting the Statement of Expenditure (SoE). Kfw in turn, was to disburse the loan to the GoI, who then causes these to be transferred to Government of Gujarat. The funds are thereafter remitted to GETCO by the State Government through issue of Government Resolution.

As per funds release orders of GoI, the State Government was required to release the external assistance to GETCO within seven days of receipt of the same from GoI. Audit, however, observed delays ranging between 32 days and 180 days in release of external assistance to GETCO by the State Government. Delayed settlement of reimbursement claims definitely had an adverse impact on the cash flow of GETCO to meet its financial obligations towards the project. The delays also indicated lack of effective monitoring in timely settlement of reimbursement claims of GETCO.

3.6.2 Review of Grant No. 66 – Irrigation and Soil Conservation

Narmada, Water resources, Water Supply and Kalpsar Department is assigned the function of planning, survey and investigation of water resources, construction, operation and maintenance of irrigation projects, flood control, water conservation, water data management, water supply and connected works *etc.* The executing Divisions prepare the budget estimates for the Divisional works every year and submit the same to the respective Superintending Engineers (SEs) who in turn submit budget estimates for their Circles to the Chief Engineers (CEs). The CEs in turn submit their proposals to the Secretary, Water Resources for further consolidation and submission to the FD.

3.6.2.1 Deviations from budgetary provisions

The budgetary allocations and expenditure incurred under Revenue and Capital Heads under Grant No. 66 during 2017-20 is given in **Table 3.23**:

Table 3.23: Deviations from budgetary provisions

| Year | Budgetary provision | | | Expenditure | Savings(-) | % of unutilized provision |
|----------------------|---------------------|---------------|----------|-------------|------------|---------------------------|
| | Original | Supplementary | Total | | | |
| Revenue Voted | | | | | | |
| 2017-18 | 1,141.11 | 0 | 1,141.11 | 991.99 | (-) 149.12 | 13.07 |
| 2018-19 | 1,147.57 | 0 | 1,147.57 | 979.42 | (-) 168.15 | 14.65 |
| 2019-20 | 1,267.81 | 0 | 1,267.81 | 1,158.76 | (-) 109.05 | 8.60 |

| Year | Budgetary provision | | | Expenditure | Savings(-) | % of unutilized provision |
|------------------------|---------------------|---------------|----------|-------------|------------|---------------------------------|
| | Original | Supplementary | Total | | | |
| Capital Voted | | | | | | |
| 2017-18 | 3,487.47 | 0 | 3,487.47 | 3,423.67 | (-) 63.80 | 1.83 |
| 2018-19 | 3,837.23 | 1,857.57 | 5,694.80 | 5,634.16 | (-) 60.64 | 1.06 |
| 2019-20 | 4,153.11 | 0 | 4,153.11 | 4,107.45 | (-) 45.66 | 1.10 |
| Revenue Charged | | | | | | |
| 2019-20 | 1.89 | 3.26 | 5.15 | 4.95 | (-)0.20 | 3.89 |
| Capital Charged | | | | | | |
| 2017-18 | 40.00 | 50.00 | 90.00 | 67.78 | (-) 22.22 | 24.69 |
| 2018-19 | 40.00 | 80.00 | 120.00 | 106.87 | (-)13.13 | 10.94 |
| 2019-20 | 40.07 | 80.00 | 120.07 | 98.75 | (-) 21.32 | 17.76 |

Sources: Appropriation Accounts of State Government for respective years

The Department attributed significant savings under Revenue Voted and Capital Voted Sections to vacant posts and retirements, slow progress of works, less demand from participants and beneficiaries, delay in approval of projects and tender process, delay in commencement of works due to unusual rains and cut imposed by FD.

3.6.2.2 Avoidable payment of interest

As per General Financial Rules, Government money should not be drawn from the Treasuries by the drawing officers unless required for immediate disbursement. Similarly, for projects taken up with borrowed money, borrowing should be avoided, until required, to avoid extra interest burden to the Government.

Audit observed that NABARD⁵ sanctioned loans for two irrigation projects as shown in **Table 3.24** below:

Table 3.24: NABARD financed projects

| (₹ in crore) | | | | | | |
|---|----------------------|-------------------------------------|--------------------------|---------------------------------|------------------------------------|-----------------|
| Name of project sanctioned by NABARD | Total project outlay | Amount of loan sanctioned by NABARD | Date of sanction of loan | Date of commencement of project | Rate of interest charged by NABARD | Interest burden |
| Lift Irrigation Pipeline Project from Kadana Reservoir to Thakkarbapa (Patadungri) Pond in Mahisagar and Dahod Districts. | 1,054.80 | 982.47 | August 2016 | 17 May 2017 | 5.5 %. | 5.98 |
| SAUNI –Link 3 Package 4, 5 & 6 of Machhu to Und 3 | 1,751.90 | 1,497.13 | August 2017 | 19 May 2017 | 4.75 %. | 1.24 |

Source: Information provided by Narmada, Water resources, Water Supply and Kalpsar Department

⁵ National Bank for Agriculture and Rural Development

Under both the projects, there was a provision for Mobilisation Advance (MA), which could be drawn and paid to contractors, only if demands for such advances are raised by the contractors. Scrutiny of relevant documents revealed the following:

- Though the contractor under the first project did not raise any demand for payment of MA, the Department applied for the same *suo moto* and NABARD released ₹ 196.49 crore towards MA on 23 January 2017. The Department spent only ₹ 80.76 crore up to 31 December 2017 and the remaining ₹ 115.73 crore was retained without any use. This resulted in an avoidable interest burden of ₹ 5.98 crore⁶ on the State exchequer.
- Similarly, though not demanded by the contractor, the Department secured (05 September 2017) MA of ₹ 299.42 crore from NABARD under the second project and spent ₹ 218.16 crore upto 31 December 2017. The remaining ₹ 81.26 crore was retained without any use, resulting in an avoidable interest burden of ₹ 1.24 crore⁷ on the State exchequer.

In both the cases, the Department did not furnish replies as of November 2020.

3.6.2.3 Delay in decretal payments

Budget planning for mandatory/statutory payments, payments for fulfilment of judgement *etc.* should be done in a careful manner to the extent possible without allowing possibility of violation of Rules/Laws/Judgements and inviting extra expenditure thereon. In Land Acquisition Reference (LAR) cases, if compensation is not paid to the original land owners after declaration of a Court judgement, interest at the rate of 15 *per cent per annum* is payable to the landowners from the date of judgement till the date of actual payment. Thus, extra care needs to be exercised in budgetary planning for such commitments.

Review of Grant No. 66 revealed that the Department had made significant payments of decretal amount (along with interest) as compensation to land owners towards land acquisition cases as under:

- As on 31 March 2020, payments against 293 LAR cases involving ₹ 100.95 crore in award amount were pending even after declaration of Court judgements. This carried an implicit interest liability of ₹ 248.95 crore till September 2020.
- In 63 LAR cases during 2019-20, payments were made after significant time lapse of 413 days to 4,089 days from the dates of declaration of Court judgements, leading to payment of avoidable interest⁸ of ₹ 7.20 crore.

⁶ Interest @ 5.5 *per cent* on ₹ 115.73 crore for 343 days (23 January 2017 to 31 December 2017)

⁷ Interest @ 4.75 *per cent* on ₹ 81.25 crore for 118 days (5 September 2017 to 31 December 2017)

⁸ As per Section 11 of Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, interest @ 9% for first year and @ 15% thereafter was payable.

This clearly indicated failure of monitoring mechanism in the Department to adhere to the timeframes prescribed in Court judgements for payment of compensation, leading to incurrence of significant interest liability.

The Department attributed (November 2020) the delays in payment of compensation to queries raised by the FD. The reply is not tenable, as Audit had observed delay of more than 10 years in some cases, which lacked rationale.

3.6.2.4 Parking of funds with Gujarat State Financial Services

The FD vide its Circular of 29 October 2016 directed all the Public Sector Enterprises in the State to deposit their unutilised funds with Gujarat State Financial Services (GSFS) and credit the interest earned on these deposits to Government Account under the Major Head 0049 – Interest Receipts.

Scrutiny of Grants release orders revealed that Gujarat Water Resources Development Corporation (GWRDC)⁹ had surplus funds of ₹ 268.71 crore parked/re-parked with GSFS during 2016-19. In spite of availability of funds, the Department made an additional provision of ₹ 212.33 crore for GWRDC during 2019-20 for implementation of various irrigation Schemes, which was approved by FD.

As per instructions of FD (August 2019), GWRDC surrendered (September 2019 to September 2020) ₹ 258.89 crore and utilised the remaining ₹ 9.82 crore. Thus, the demand for additional funds of ₹ 212.33 crore by the Department and its approval by FD was not justified.

The Department stated (November 2020) that funds were parked with GSFS as per FD's directives of October 2016. It added that interest rates offered by GSFS were higher than that offered by the banks and therefore, there was no loss to the Government.

The reply is not acceptable because, in order to fulfil its socio-economic obligations, the cash liquidity of the Government must always be strong. It should be ensured that funds allocated but not required immediately are not drawn by the Departments/Boards/Corporations from the Treasuries and kept idle/parked with banks, financial institutions *etc.* Parking of funds not only reduces cash liquidity and overall flexibility of the Government but also vitiates the budgetary planning. Parking of funds also deprives the cash-strapped Departments from spending on urgent and important objects while other Departments hold such funds for long, without these being put to any fruitful purpose.

⁹ GWRDC is functioning under Narmada, Water resources, Water Supply and Kalpsar Department and is responsible for ground water investigation, exploratory management and recharge works in the State of Gujarat.

In view of foregoing, the directives of FD to invest unutilised/surplus funds with GSFS do not appear to be in the best interest of the Government and needs to be reviewed.

3.6.2.5 Non-monitoring of Grants-in-aid released to Panchayats

Every year, the Department releases GIA to Panchayats for carrying out various functions assigned to them. The details of GIA released to Panchayats from Grant No. 66 during 2017-20 are shown in **Table 3.25** below:

Table 3.25: GIA released to Panchayats from Grant No. 66 during 2017-20

| (₹ in lakh) | | |
|-------------|-----------------|-------------|
| Period | Head of account | Expenditure |
| 2017-18 | 2702, 2711 | 152.51 |
| 2018-19 | 2702, 2711 | 131.90 |
| 2019-20 | 2702, 2711 | 128.42 |

Source: Information provided by Narmada, Water resources, Water Supply and Kalpsar Department

Audit scrutiny of relevant documents revealed the following:

- The Department did not carry out reconciliation of expenditure incurred by the Panchayats *vis-à-vis* GIA released to them during 2017-20.
- No monthly/quarterly/six-monthly or yearly statements of expenditure along with Treasury reconciliation statements were furnished by Panchayats in respect of these grants. Further, no statements were received from the DDOs of Panchayats certifying that the GIA have been utilised fully for the purpose these were released during 2017-20.

3.6.2.6 Significant savings under Centrally Sponsored Schemes

Planning for Centrally Sponsored Schemes (CSS) should be made in such a way that funds are optimally utilised and maximum benefits percolate to the people.

CSS from Grant No 66 are operated under three Major Heads. During 2019-20, there had been a mismatch between the provisions made and expenditure incurred, leading to substantial savings under four Sub-Heads, as shown in **Table 3.26** below:

Table 3.26: Saving under various CSS during 2019-20

| (₹ in crore) | | | | | |
|--------------|--|---|----------------------|-------------------------|-------------|
| Sr. No. | Sub-Head | Budget provision | Expenditure incurred | Excess (+)/ Savings (-) | Savings (%) |
| 1. | 2702 (03) (101) (11) Construction and deepening of wells and tanks 60:40 | Central: 30.33 State: 43.85 Total: 74.18 | 23.11 | (-)51.07 | 69 |
| 2. | 2702 (80) (800) (14) Minor Irrigation Scheme 100% CSS | Central: 4.00 State: 0.00 Total: 4.00 | 1.50 | (-)2.50 | 63 |
| 3. | 4701 (41) (800) (01) Dam Rehabilitation and Improvement Programme (Externally Aided Programme) 70:30 | Central: 3.50 State: 1.50 Total: 5.00 | 0 | (-)5.00 | 100 |
| 4. | 4702 (00)(800) (01) Contribution to GGRC for drip irrigation 60:40 | Central: 250.00 State: 438.44 Total: 688.44 | 535.45 | (-)152.99 | 22 |

Source: Information provided by Narmada, Water resources, Water Supply and Kalpsar Department

As could be seen, the percentage of savings ranged between 22 and 100 under these four Sub-Heads. Even in respect of the Sub-Head (refer Sr. No. 2 of Table 3.26) where Central contribution was 100 per cent, the Department incurred only 37 per cent expenditure. This showed that planning for execution of CSS was not adequate.

3.6.2.7 Inadequate budgetary control over Corporations/Bodies/Institutes

The Department has created a number of Corporations/Bodies/Institutes (entities) and releases GIA to them through budgetary provision for carrying out specific functions, as detailed in Table 3.27:

Table 3.27: Functions assigned to Corporations/Bodies/Institutes

| Sr. No. | Name of entity | Functions assigned to entity by the Department |
|---------|---|---|
| 1. | Sardar Sarovar Narmada Nigam Limited (SSNNL) | Construction, operation and maintenance of Narmada Project. |
| 2. | Water and Land Management Institute (WALMI) | Impart training on irrigation and connected topics to the officials of the Department and farmers. |
| 3. | Gujarat Water Resources Development Corporation (GWRDC) Limited | Drilling of wells etc. |
| 4. | Gujarat Green Revolution Company (GGRC) Limited | Spreading awareness on drip irrigation and sprinkler and all works related to subsidies granted by the Centre and the State on drip irrigation. |
| 5. | Gujarat Engineering Research Institute (GERI) | Testing of materials used in road and irrigation works. |

- The Department could not produce to Audit the Annual Accounts/Financial Statements/Utilisation Certificates for the years 2016-17, 2017-18 and 2018-19 which were expected to be furnished by the entities to the Department before release of next instalment of GIA. The Department, thus, continued to release GIA to the entities without verification of Accounts, Utilisation Certificates *etc.*
- The Department could also not furnish the cases of loss, fraud, misappropriation, defalcation *etc.* in these entities for the period 2017-20.

The Department needs to strengthen its internal controls to ensure that GIA are spent timely for the purpose these were released, and subsequent GIA should be released only on receipt of Audited Accounts and Utilisation Certificates *etc.*

3.6.2.8 Non-clearance of Suspense Account

The Accounts of the Government are kept on cash basis. Certain transactions that arise in Government Accounts, the receipts and payments of which cannot at once be taken on final Head of receipt or expenditure owing to lack of information as to the nature or for any other reasons, are to be booked temporarily under the ‘Suspense Head’. On receipt of relevant details/information, these Heads of Accounts are finally cleared by minus debit or minus credit when the amounts are booked to their respective final Heads of Accounts. If these amounts remain uncleared, the balances under the Suspense Heads would accumulate and would not reflect Government’s receipts and expenditure accurately. Debt, Deposit and Remittances Heads account for such transactions where the Government as a custodian of public money receives and holds such money in trust.

Thus, Suspense Heads are temporary Heads to be used for temporary booking of transactions and should be cleared promptly on receipt/fulfilment of missing details. It should not be used for permanent booking of transactions/expenditure.

Scrutiny of Appropriation Accounts for the years 2017-18, 2018-19 and 2019-20 revealed huge balances under Suspense Heads in Grant No. 66, as shown in **Table 3.28**:

Table 3.28: Balances under Suspense Head during 2017-20

(₹ in crore)

| Sub-Head | Opening balance (Aggregate) Debit (+)/Credit (-) | Debits during the year | Credits during the year | Closing balance (Aggregate) Debit (+)/Credit (-) |
|------------------------------|--|---------------------------------|----------------------------------|---|
| 2017-18 | | | | |
| Stock | (+)70.52 | 1.85 | 2.50 | (+)69.87 |
| Miscellaneous Works Advances | (+)5.91 | 0.00 | 0.00 | (+)5.91 |
| Workshop Suspense | (+) 34.70 | 1.28 | 0.00 | (+)35.98 |
| Total | (+)111.13 | 3.13 | 2.50 | (+)111.76 |

| Sub-Head | Opening balance (Aggregate) Debit (+)/Credit (-) | Debits during the year | Credits during the year | Closing balance (Aggregate) Debit (+)/Credit (-) |
|------------------------------|--|---------------------------------|----------------------------------|---|
| 2018-19 | | | | |
| Stock | (+)69.87 | 0.00 | 0.08 | (+)69.79 |
| Miscellaneous Works Advances | (+)5.91 | 0.00 | 0.00 | (+)5.91 |
| Workshop Suspense | (+)35.98 | 1.08 | 0.00 | (+)37.06 |
| Total | (+)111.76 | 1.08 | 0.08 | (+)112.76 |
| 2019-20 | | | | |
| Stock | (+)69.79 | 0.00 | 0.04 | (+)69.75 |
| Miscellaneous Works Advances | (+)5.91 | 0.00 | 0.00 | (+)5.91 |
| Workshop Suspense | (+)37.06 | 0.91 | 0.00 | (+)37.97 |
| Total | 112.76 | 0.91 | 0.04 | (+)113.63 |

Source: Appropriation Accounts of respective years

Audit observed that there was no reduction in the aggregate balances under Suspense Heads during 2017-20.

Further, Suspense Head 'Workshop Suspense' is widely used every year by DDOs for booking expenditure. The debits under this Minor Head were ₹ 1.28 crore in 2017-18, ₹ 1.08 crore in 2018-19 and ₹ 0.91 crore in 2019-20, without any corresponding credits. This shows inadequacy of efforts in clearance of huge balances under Suspense Heads.

The Chief Engineer (Mechanical) accepted (November 2020) that no steps were initiated for clearance of balances under Suspense Heads and that meeting would be held with DDOs and COs to collect details of transactions and clear Suspense balances pending for long.

3.7 Recommendations

The State Government may:

- formulate realistic budget based on reliable assumptions of the needs of the Departments and their capacity to utilise the allocated resources;
- view seriously excess expenditure over grants approved by the Legislature and regularise it at the earliest.
- adopt good practices of Central Government, where Technical and Token Supplementary are encouraged, with Cash Supplementary being the last resort, after all options of utilising the savings has been exhausted.
- institute an appropriate control mechanism to enforce proper implementation and monitoring of budget to ensure that savings are curtailed, large savings within the Grant/Appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe; and

- ensure that Controlling Officers are made accountable for variations in expenditure from the allocation to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts.

