

Chapter III: Budgetary Management

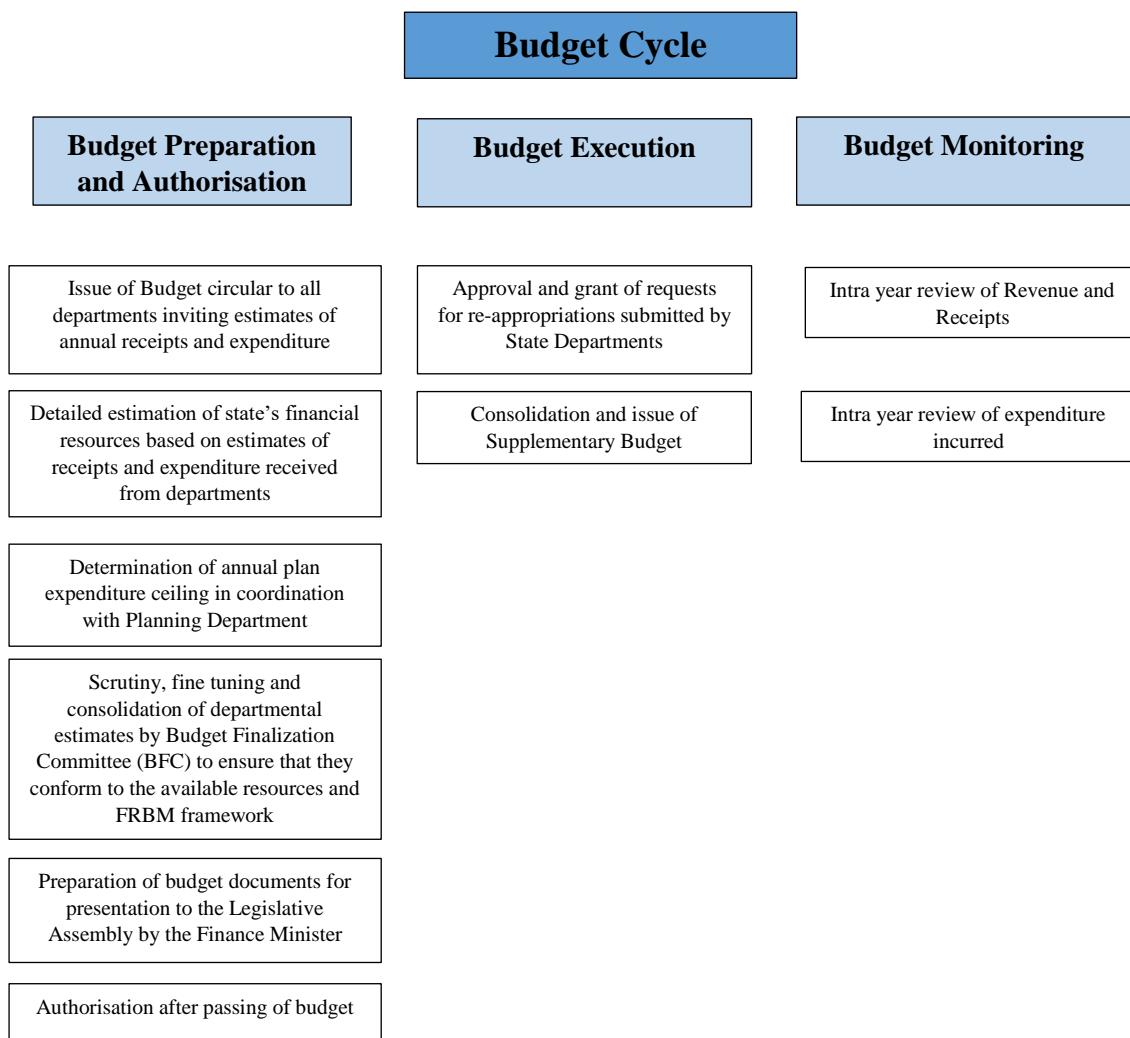
Introduction

The chapter reviews the allocative priorities of State Government and comments on transparency of Budget formulation and effectiveness of its implementation. Effective financial management ensures that decisions taken at the policy level are implemented successfully at the administrative level without wastage or diversion of funds.

3.1 Budget Process

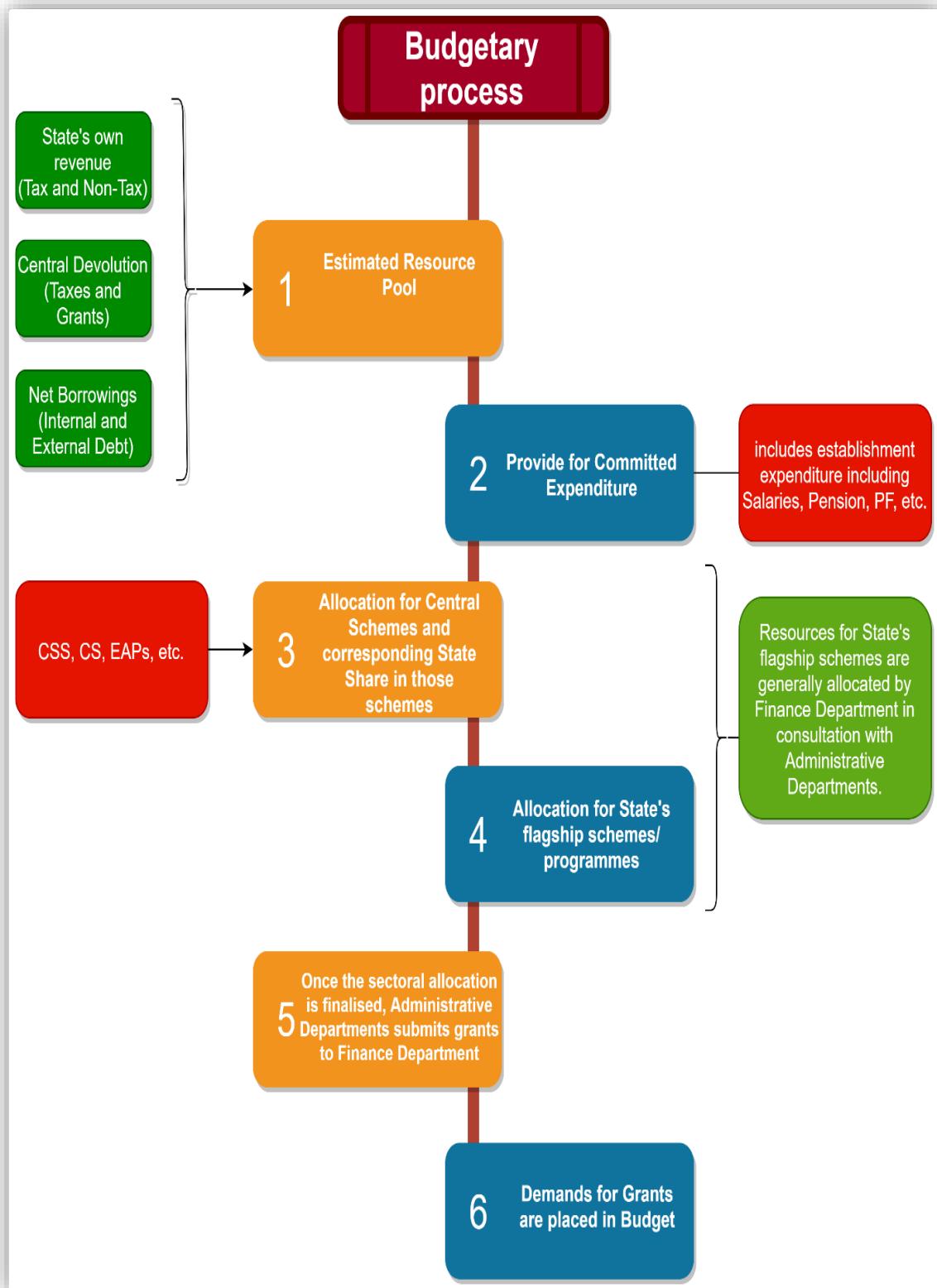
The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. Budget glossary is given in ***Appendix 3.1***. In each financial year, the Finance Department is required to prepare a statement of all receipts and expenditure expected to be realized or incurred during the year. This statement is referred to as the Annual Financial Statement (popularly known as the Budget) as specified in Article 202 of the Constitution. Activities to be undertaken by Finance Department in the Budget Process:

Chart 3.1: Budget process



The Budget process commences with the issue of the Budget Circular, normally in August each year, which guides the Departments in framing their estimates, for the next financial year. A typical budget preparation process in a State is given in the figure below:

Chart 3.2: Budget preparation process

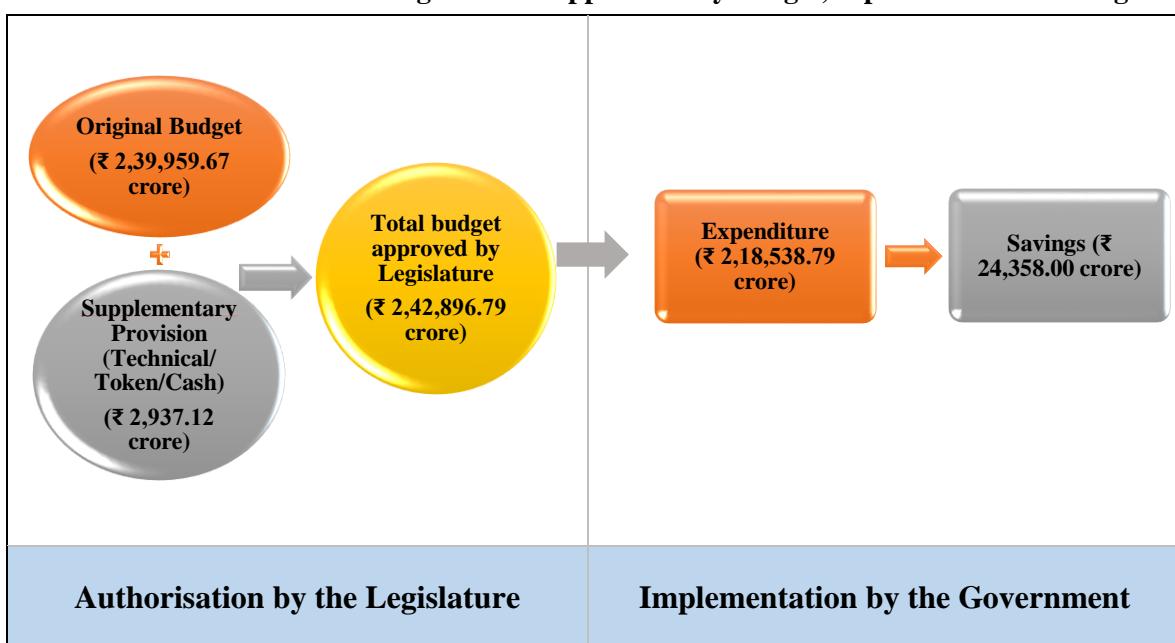


CSS: Centrally Sponsored Schemes; CS: Central Schemes.

As soon as the detailed estimates and grants are finally passed by the Legislative Assembly in accordance with the procedure laid down in Articles 202-204 of the Constitution, Finance Department communicates to all Heads of Departments and other Budget Controlling Officers in written form, the allotments placed at their disposal during the budget year. Copies of letters communicating the grants are forwarded to the concerned Administrative Departments and to the Accountant General. Finance Department also sends copies of the budget document to the Accountant General. All such information and budgetary data is uploaded on the Integrated Financial Management System by the Finance Department and access to the same is available with the concerned authorities.

Finance Department also reviews requests made for supplementary grants and re-appropriations by departments during the course of the year. 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 Charged Appropriation. The total amounts approved by the State Legislature including the original and supplementary budget, expenditure and savings during the year 2019-20 are depicted below:

Chart 3.3: Position of original and supplementary budget, expenditure and savings



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.

The budget process/documents are subjected to an external audit conducted by Comptroller and Auditor General. The audit process ensures that (i) every effort is made for revenue realisation and propriety of expenditure (ii) delivery of services by the

government has been carried out with honesty and integrity and (iii) the due process is followed during the entire budget cycle.

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

Summarised position of total budget provisions, disbursements and saving/excess during 2019-20 is given in **Table 3.1**.

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

						(₹ in crore)
Total Budget provision		Disbursements		Saving/Excess		
Voted	Charged	Voted	Charged	Voted	Charged	
1,98,835.29	44,061.51	1,74,658.95	43,879.83	24,176.34	181.67	

It can be seen from the table that the savings relate mainly to the voted part of Budget Provision.

3.1.2 Charged and Voted disbursements

As per Article 112(2) of the Constitution, a distinction is made between Charged and Voted expenditure. Charged expenditure is an expenditure charged on the revenues of the State not subject to the vote of Legislative Assembly under the Constitution. Voted expenditure is subject to the vote of Legislative Assembly. Article 202 (3) of the Constitution specifies categories of expenditure that can be charged on the Consolidated Fund of the state.

Trend analysis during the last five years (2015-20) of classification of total disbursements into Charged and Voted is given below:

Table 3.2: Voted and Charged disbursements and savings/excess during 2015-20

Year	Disbursements		Saving/Excess		(₹ in crore)
	Voted	Charged	Voted	Charged	
2015-16	1,56,718.87	17,089.31	(-) 17,434.41	(+) 169.91	
2016-17	1,43,262.70	22,913.17	(-) 17,297.87	(-) 90.45	
2017-18	1,52,446.45	31,640.86	(-) 15,882.96	(-) 107.23	
2018-19	1,70,938.53	38,837.74	(-) 19,224.26	(-) 77.79	
2019-20	1,74,658.95	43,879.83	(-) 24,176.34	(-) 181.67	

The charged disbursements increased by 156 *per cent* from ₹ 17,089.31 crore in 2015-16 to ₹ 43,879.83 crore in 2019-20. Voted disbursements increased by 11.44 *per cent* from ₹ 1,56,718.87 crore in 2015-16 to ₹ 1,74,658.95 crore in 2019-20 and savings exceeded ₹ 15,000 crore under voted section in every year during 2015-16 to 2019-20.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged

for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 and 205 of the Constitution of India. Appropriation Accounts are on Gross basis. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services vis-à-vis those authorised by the Appropriation Act in respect of both Charged and Voted items of budget. Appropriation Accounts thus facilitate understanding of utilisation of funds, the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

The CAG of India conducts 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 conforms with the law, relevant rules, regulations and instructions.

3.3 *Comments on integrity of budgetary and accounting process*

3.3.1 *Unnecessary or excessive supplementary grants*

Para 24.2 of the State Budget Manual (SBM) stipulates that during the course of a financial year, if the amount provided for the purpose is found to be inadequate or a need arises for an expenditure during the course of the year on some object or service for which no provision has been made, a supplementary grant can be sanctioned by the Legislature.

The State Legislature approved supplementary provision (February 2020) of ₹ 2,937.12 crore in 44 Grants/Appropriations for the year 2019-20. Cases of supplementary provisions of ₹ 50 lakh or more in each case, aggregating to ₹ 916.05 crore, obtained in 17 cases are given in **Table 3.3** below.

Table 3.3: Cases where supplementary provisions proved unnecessary during 2019-20

S. No.	Name of the Grant	Original	Supplementary	Actual	(₹ in crore) Saving out of Provisions
Unnecessary Supplementary					
Revenue (Voted)					
1.	2- Council of Ministers	15.01	1.89	14.88	-0.13
2.	9- Forest	780.23	18.9	703.43	-76.8
3.	16-Police	6362.99	74.40	6169.33	-193.66
4.	20-Housing	71.13	0.86	59.02	-12.11
5.	21-Roads & Bridges	2528.34	63.87	2217.59	-310.75
6.	26-Medical Public Health and Sanitation	10189.19	95.99	9593.02	-596.17
7.	27-Drinking Water Scheme	3999.86	50.53	3628.51	-371.35
8.	34-Relief from Natural Calamities	5019.99	24.45	3826.68	-1193.31
9.	35-Miscellaneous Community and Economic Services	499.68	37.99	490.39	-9.29
10.	41-Community Development	5947.43	358.41	5537.12	-410.31
11.	43-Minerals	185.17	10.89	137.67	-47.5
12.	44-Stationery and Printing	30.78	1.49	28.39	-2.39

S. No.	Name of the Grant	Original	Supplementary	Actual	Saving out of Provisions
13.	46-Irrigation	1984.17	34.60	1853.53	-130.64
	Total	37613.97	774.41	34259.56	3354.41
Capital (Charged)					
14.	Public Debt	20043.53	6.26	20032.68	-10.85
	Total	20043.53	6.26	20032.68	-10.85
Capital (Voted)					
15.	16-Police	174.61	43.09	150.61	-24
16.	24-Education Art & Culture	539.22	62.00	495.24	-43.98
17.	46-Irrigation	1866.58	30.29	1635.34	-231.24
	Total	2580.41	135.38	2281.19	299.22
	Grand Total	60237.91	916.05	56573.43	3664.48

In all the above cases, it was seen that provisions for supplementary grants proved unnecessary as the actual expenditure was even less than the original budget estimates. This indicates that supplementary grants were obtained without proper assessment of adequacy of original provision in contravention of provision of Constitution and SBM.

From the above facts, it is clear that the budget controlling officers failed to exercise their responsibilities envisaged under chapter 24 of SBM. Demands for supplementary provisions without assessing the actual requirements indicated lack of budgetary control and inadequate assessment. The Departments need to strengthen the estimation of requirement of funds and review the basis of supplementary provisions to avoid such instances in future.

3.3.2 Unnecessary or excessive re-appropriation

Re-appropriation is the transfer of funds within a grant from one unit of appropriation where savings are anticipated, to another unit where additional funds are needed. 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. During the year 2019-20, re-appropriation orders of ₹ 11,980.10 crore were issued till 31 March 2020.

In several cases, re-appropriation proved insufficient/excessive or unnecessary and resulted in huge savings. The final savings/excess after re-appropriation was more than ₹ one crore in 30 heads of accounts (*Appendix 3.2*). There was insufficient re-appropriation in seven heads of accounts, unnecessary re-appropriation in four heads of accounts and excessive re-appropriation in 19 heads of accounts.

Injudicious re-appropriation of funds resulted in excess expenditure of ₹ 623.44 crore in 96 sub-heads and final savings of ₹ 452.80 crore in 420 sub-heads. The State government did not furnish any reply for these re-appropriations (March 2021).

The above instances are indicative of the fact that the budget controlling officers failed to adequately assess the requirements and did not have updated information regarding expenditure before re-appropriations.

Para 23.15.6 of SBM envisages that the reasons for anticipating excesses or savings should be clearly explained by the Department. Scrutiny of re-appropriation orders issued (31 March 2020) by the Finance Department, revealed that out of 1,504 re-appropriation orders, reasons were clearly explained only in 585 cases (38.9 *per cent*). Explanations in the remaining 919 cases, were of vague and non-specific nature like ‘actual requirement’, ‘based on latest assessment’ and ‘restriction of expenditure’.

3.3.3 Unspent amount and surrendered appropriations and/or Large Savings/ Surrenders

Paragraph 13.7 of the State Budget Manual prescribes that actual expenditure incurred in the last three years, as also revised estimates for the current financial year, should be taken into consideration for preparing estimates for the ensuing financial year. Past figures should be used to identify any noticeable tendency for expenditure to rise or decline, any abnormal feature during past years, any recognizable regularity in movement of expenditure and any special event likely to arise with the potential to impact expenditure significantly.

During the year 2019-20, cases of substantial savings from budget allocation were noticed, raising questions about the credibility of the budgeting process and budget monitoring. The outcome of Appropriation audit revealed that out of total savings of ₹ 24,358.00 crore (10.03 *per cent*) during the year 2019-20 there were 25 grants in which the savings exceeded ₹ 100 crore in each case and these grants had combined savings of ₹ 22,979.81 crore (94.34 *per cent* of total savings), as given in *Appendix 3.3*.

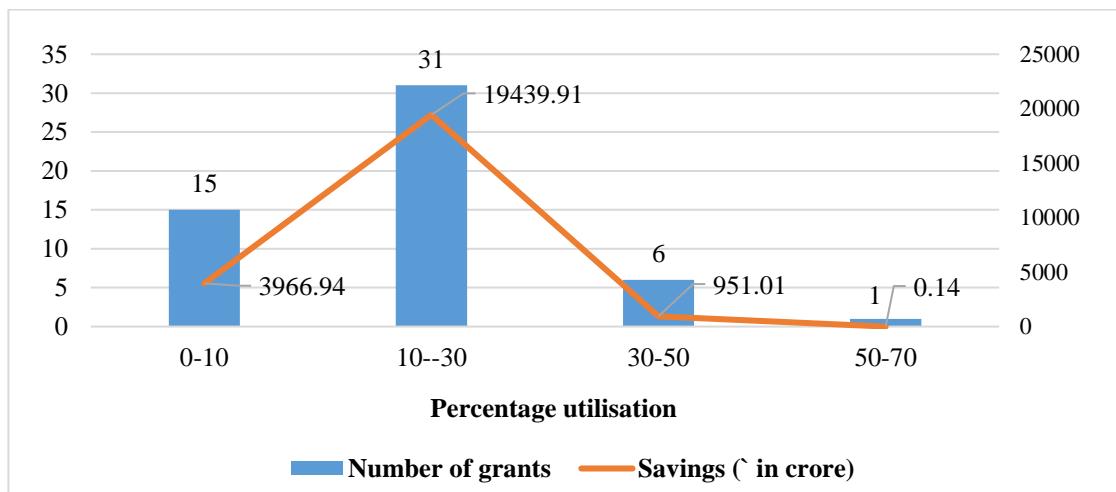
The main reason for substantial savings as furnished by the departments was non/less release of share/funds by GoI/GoR. Other reasons were slow progress of work, non-receipt of sanctions from GoI, non/less execution of work, non-availability of construction site, posts remaining vacant, less expenditure on pay and allowances, elections of Zila Parishads and Panchayat Samitis not conducted, less issue of PRAN by NSDL to probationers than estimated leading to less than anticipated NPS contribution, non-passing of bills in treasuries during the last days of March 2020 due to imposition of lockdown, non-release of sanction for construction, less expenditure on repair and maintenance, non-release of guidelines of ISBIG¹ project, non-transfer of funds to PD accounts of chief block education officers, non-release of grants to MDSU, reduction in budget ceiling etc. It is also pertinent to note that during the year the actual receipts (₹ 2,01,977.70 crore) were less by ₹ 22,927.14 crore as compared to the budgeted estimates (₹ 2,24,904.84 crore) and by ₹ 15,276.99 crore as compared to the revised estimates (₹ 2,17,254.69 crore).

1. Incentivisation Scheme for Bridging Irrigation Gap.

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 huge savings of ₹ 22,979.81 crore.

The distribution of the number of grants/appropriations grouped by the percentage of savings along with total savings in ₹ crore in each group are shown in the **Chart 3.4** below.

Chart 3.4: Number of grants/appropriations with total Savings



Of the 12 grants in Capital-voted section and one grant in Revenue-voted section with budget utilization of less than 50 *per cent*, five grants had shown similar low utilization in two of the last five years, which is indicative of systemic issues that warrants a close review by the Government to enable initiation of corrective measures. Utilisation of budgetary allocation in these 13 grants for the five year period 2015-16 to 2019-20 is shown in the following **Chart 3.5 and Table 3.4**.

Chart 3.5: Budget Utilization during 2015-16 to 2019-20

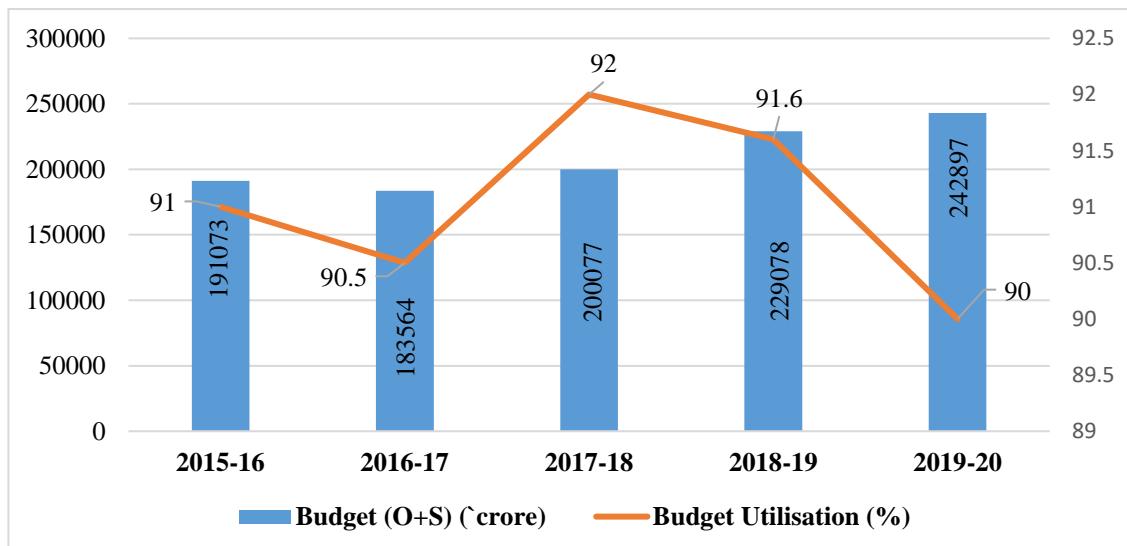


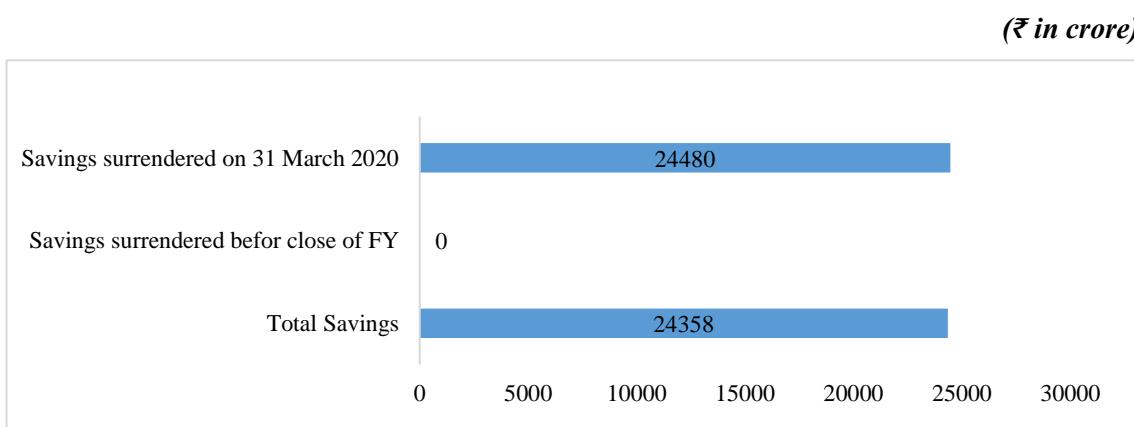
Table 3.4: Grants/Appropriations with Budget utilisation less than 50 per cent

S.No.	Grant	2015-16	2016-17	2017-18	2018-19	2019-20	No. of years*	Budget 2019-20	Total Budget (5 years)
Capital voted									
1.	11-Miscellaneous social services	24%	25%	36%	41%	35%	5	10.71	118.73
2.	12-Other taxes	50%	33%	7%	90%	54%	3	24.00	762.24
3.	19-Public works	72%	44%	59%	55%	52%	1	805.24	6099.78
4.	23-Labour and employment	29%	50%	47%	60%	0%	4	31.00	186.15
5.	26-Medical and public health and sanitation	40%	49%	58%	71%	69%	2	252.08	1483.22
6.	32-Civil Supplies	6%	7%	23%	15%	1%	5	3.88	20.43
7.	37-Agriculture	52%	39%	82%	44%	48%	3	246.80	1813.49
8.	38-Minor irrigation and soil conservation	65%	18%	91%	35%	100%	2	0.28	5.97
9.	41-Community Development	17%	85%	63%	32%	16%	3	9.62	87.46
10.	42-Industries	20%	67%	17%	5%	20%	4	95.06	625.19
11.	43-Minerals	0%	6%	18%	58%	92%	3	173.53	1105.78
12.	47-Tourism	79%	43%	40%	61%	13%	3	30.88	239.20
Revenue voted									
13.	49-Compensation and assignments to local bodies and Panchayati raj institutions	19%	19%	56%	40%	32%	4	0.21	1.50

* Number of years with utilisation below 50 per cent.

Less utilization in these sectors and instances of repeated underutilization indicate less emphasis on these sectors as well as deficient budgeting process. The reasons of repeated low utilization in these grants may be examined and necessary corrective action taken by the government.

Further, it was noticed that during the year a provision of ₹ 31.00 crore was made under grant no. 23 (Capital-voted section) for capital outlay but no expenditure was incurred for mentioned purpose during the year.

Chart 3.6: Savings and surrenders before close of financial year 2019-20

As can be seen from the chart, against the total savings of ₹ 24,358.00 crore during the year, ₹ 24,479.59 crore (*100.5 per cent*) was surrendered due to excess surrender of funds of ₹ 121.59 crore as detailed in **Table 3.5**.

Anticipated savings not surrendered

According to para 23.16 of SBM, grants that cannot be properly utilised should be surrendered. Accordingly, it is the duty of the budget controlling officers to ensure that all anticipated savings are surrendered as soon as they are estimated, without waiting till the end of the year, unless they are definitely required to meet excesses under some other units of the same grant. No savings can be held in reserve by them for meeting possible future excesses.

During the scrutiny of Appropriation Account, it was noticed that an amount of ₹ 479.01 crore under various grants/appropriations was not surrendered and was offset by excess surrender of ₹ 600.60 crore in two grants resulting in excess surrender of funds by ₹ 121.59 crore.

In 23 cases under 17 grants/appropriations (where savings were ₹ one crore and above) with aggregate savings of ₹ 17,254.89 crore, an amount of ₹ 474.14 crore was not surrendered (**Appendix 3.4**). Early surrender could have ensured more productive use of resources in other areas having shortfall.

This indicates that the Departments did not make realistic assessment of requirements and failed to exercise necessary budgetary controls over the flow of expenditure through the monthly expenditure statements.

Details of surrender of funds (in excess of ₹ 10 crore) at the end of March

In two grants, an amount of ₹ 1,703.25 crore was surrendered against the savings of ₹ 1,102.65 crore, which was in excess by ₹ 600.60 crore as given in **Table 3.5**.

Table 3.5: Cases where fund is surrendered in excess

S. No.	Number and Name of Grant	Original Budget	Supplementary	Total	Expenditure	Saving	Amount surrendered	Excess surrender
1.	16- Police (Revenue-Voted)	6,362.99	74.4	6,437.39	6,169.33	268.06	272.14	4.08
2.	21 – Roads and Bridges (Revenue-Voted)	2,528.34	63.87	2,592.21	2,217.59	374.62	939.42	564.8
3.	21 – Roads and Bridges (Capital-Voted)	3,759.48	0	3,759.48	3,299.51	459.97	491.69	31.72
	Total	12,650.81	138.27	12,789.08	11,686.43	1,102.65	1,703.25	600.6

Source: Appropriation Accounts

The Departments did not furnish any reasons regarding surrender in excess of actual savings (March 2021).

As can be seen, the amount surrendered was in excess of actual savings, indicating inadequate budgetary control in these two grants.

Persistent savings

The Public Accounts Committee (PAC) in its 86th (March 2016) and 153rd (March 2017) Reports had recommended to take effective measure to avoid cases of persistent savings in future and ensure due diligence while preparing budget estimates. Despite these recommendations, the incidence of persistent savings continued during 2019-20.

In 9 cases involving 8 grants, there were persistent savings of more than ₹ 100 crore ranging from 10.5 *per cent* to 47.58 *per cent* of the total provision during the last three years as per the details given in **Table 3.6**.

Table 3.6: Persistent saving under various grants

S. No.	No. and Name of Grant	Year	Total Provision	Actual expenditure	Savings	(₹ in crore) Percentage of savings
Revenue-Voted						
1.	21-Roads and Bridges	2017-18	2,017.89	1,700.22	317.67	15.74
		2018-19	1,668.65	1,362.34	306.31	18.36
		2019-20	2,592.21	2,217.59	374.62	14.45
2.	28-Special Programmes for Rural Development	2017-18	934.93	770.68	164.25	17.57
		2018-19	1,012.06	769.29	242.77	23.99
		2019-20	645.24	431.45	213.79	33.13
3.	29-Urban Plan and Regional Development	2017-18	4,984.89	3,881.28	1,103.61	22.14
		2018-19	5,099.28	4,015.09	1,084.19	21.26
		2019-20	4,916.82	4,016.24	900.58	18.32
4.	37-Agriculture	2017-18	2,471.37	2,212.86	258.51	10.46
		2018-19	2,507.20	2,013.91	493.29	19.67
		2019-20	2,502.34	2,168.48	333.86	13.34
Capital Voted						
5.	19- Public Works	2017-18	1,509.83	884.68	625.15	41.41
		2018-19	1024.80	560.35	464.45	45.32
		2019-20	805.24	422.12	383.12	47.58
6.	27-Drinking Water Scheme	2017-18	3,901.51	3,218.49	683.02	17.51
		2018-19	3,744.05	2,700.23	1,043.82	27.88
		2019-20	3244.50	2,221.98	1,022.52	31.52
7.	29-Urban Plan and Regional Development	2017-18	1,501.58	950.74	550.84	36.68
		2018-19	1,477.17	1,280.37	196.80	13.32
		2019-20	1300.87	811.25	489.62	37.64
8.	46-Irrigation	2017-18	1,616.99	1,381.46	235.53	14.57
		2018-19	1,653.77	1,414.63	239.14	14.46
		2019-20	1,896.87	1,635.34	261.53	13.80
9.	51-Special Component Plan for Welfare of Scheduled Castes	2017-18	5,537.10	3,872.12	1,664.98	30.07
		2018-19	5,293.39	3,959.49	1,333.90	25.20
		2019-20	4,178.83	3,194.20	984.63	23.56

Source: Appropriation Accounts

As per the reasons furnished by the concerned Departments, persistent savings were mainly due to less/non-release of share/funds by GoI/GoR. Other reasons were slow progress of work, non-receipt of sanctions from GoI, non/less execution of work, non-availability of construction site, posts remaining vacant etc.

Persistent savings indicate unrealistic estimates of the anticipated expenditure during the period, poor control over expenditure and deficient financial monitoring.

3.4 Comments on transparency of budgetary and Accounting process

3.4.1 Lump Sum budgetary provisions

Lump sum budgetary provision refers to a general, non-specific approach to budgeting which leaves a great deal of discretion to the owner of the grant. Para 13.16 of SBM stipulates that as a rule, lump sum provisions should not be made in the estimates. 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.

According to Rule 287 of Public Works Financial and Accounts Rules (PWF&AR), financial sanction means the specific concurrence of the Government in the Finance Department to the expenditure proposed for all Major Works referred to in Rule 284² and breakup against lump sum provision.

During 2019-20, in 40 cases under 11 grants (where surrendered provision was more than ₹ 5 crore), lump sum provisions of ₹ 2,523.76 crore were made in the estimates. Out of this, a sum of ₹ 1,642.16 crore (65.07 *per cent*) remained unutilized and was surrendered/re-appropriated towards the end of the year (*Appendix 3.5*). Reasons for making lump sum budget provisions in these cases were not furnished (March 2021) by the Government.

Less expenditure in capital projects indicates lack of proper monitoring of works and flow of expenditure at the level of the Department and proposals being made without proper planning by the Department. Further, escalation of cost cannot be ruled out on delayed works.

2. Works are divided into three classes- (i) Petty works i.e. those costing not more than ₹ 4.00 lakh; (ii) Minor works i.e. those costing more than ₹ 4 lakh but not more than ₹ 5.00 crore and (iii) Major Works i.e. those costing more than ₹ 5.00 crore.

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 actual expenditure during 2019-20 against 55 grants/appropriations is given in **Table 3.7**.

Table 3.7: Actual Expenditure vis-à-vis Original/Supplementary Provisions

(₹ in crore)

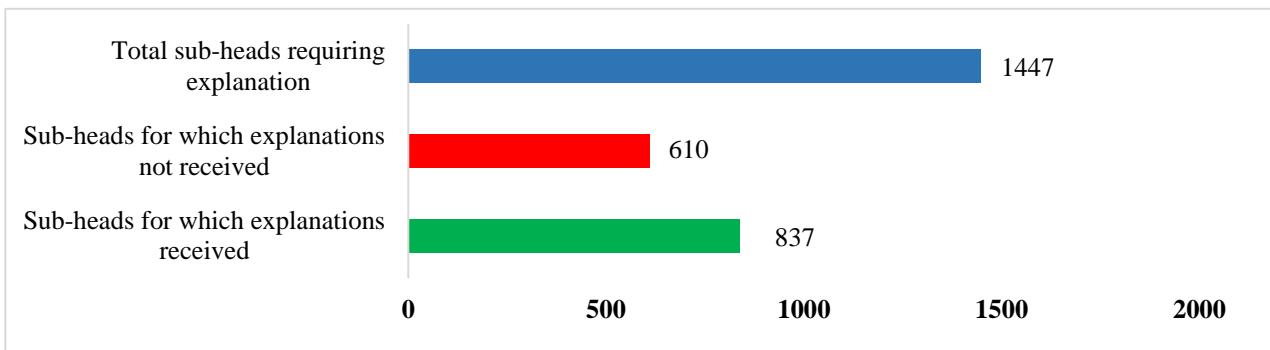
	Nature of expenditure	Original Grant/App.	Supplementary Grant/App.	Total	Actual expenditure*	Net of Savings (-)	Surrender during March	
							Amount	Per cent
Voted	I. Revenue	1,72,775.96	1,989.08	1,74,765.04	1,55,942.36	18,822.68	19,084.98	101.39
	II. Capital	21,357.35	245.47	21,602.82	16,461.41	5,141.41	4,939.99	96.08
	III. Loans & Advances	2,408.53	58.90	2,467.43	2,255.19	212.24	281.87	132.81
	Total	1,96,541.84	2,293.45	1,98,835.29	1,74,658.96	24,176.33	24,306.84	100.54
Charged	V. Revenue	23,374.30	637.30	24,011.60	23,847.05	164.55	155.64	94.59
	VII. Capital	0.00	0.10	0.10	0.10	0.00	0.00	0.00
	VIII. Public Debt-Repayment	20,043.53	6.27	20,049.80	20,032.68	17.12	17.11	99.94
	Total	43,417.83	643.67	44,061.50	43,879.83	181.67	172.75	95.09
Appropriation to Contingency Fund (if any)	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Grand Total	2,39,959.67	2,937.12	2,42,896.79	2,18,538.79	24,358.00	24,479.59	

Source: Appropriation Accounts

*The figures of actual expenditure include recoveries adjusted as reduction of expenditure (Revenue: ₹ 3,304.31 crore and Capital: ₹ 1,743.46 crore, Total: ₹ 5,047.77 crore).

The overall saving of ₹ 24,358.00 crore was the result of savings in 49 grants and 43 appropriations under Revenue Section and 35 grants and 4 appropriations under Capital Section. Supplementary provision of ₹ 2937.12 crore was obtained during the year which constituted 1.22 *per cent* of the original provision. There were large savings of ₹ 24,358.00 crore (10.03 *per cent*) against total budget provision of ₹ 2,42,896.79 crore with the overall savings under all the grants and appropriations being almost eight times the supplementary budget obtained during the year. This indicates that supplementary provisions were made without proper scrutiny of requirements as covered in **para 3.3.1**.

The Departments did not furnish replies regarding obtaining supplementary provisions despite availability of funds under original provision. The Principal Accountant General (A&E), Rajasthan called for explanation from the budget controlling officers on the variations in expenditure i.e. savings/excesses in 1447 sub-heads. However, explanations in respect of 610 sub-heads (saving: 511 and excess: 99) were not received (November 2020).

Chart 3.7: Summary of Explanation for Variation in Appropriation Accounts

Absence of explanations for variations between the budgeted allocations and their utilization limits legislative controls over budget as a means of ensuring financial accountability of the Government.

The overall position of Original budget, Actual expenditure and Saving/Excess during 2015-2020 is detailed in **Table 3.8**:

Table 3.8: Original Budget, Actual Expenditure and Saving/ Excess during 2015-20

	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Original Budget	1,41,232.02	1,74,840.75	1,86,654.01	2,17,433.13	2,39,959.67
Supplementary Budget	49,840.66	8,723.44	13,423.49	11,645.19	2,937.12
Percentage of supplementary to Original budget	35.3	5.0	7.2	5.4	1.2
Total	1,91,072.68	1,83,564.19	2,00,077.50	2,29,078.32	2,42,896.79
Actual Expenditure	1,73,808.18	1,66,175.87	1,84,087.31	2,09,776.27	2,18,538.79
Saving/excess	17,264.50	17,388.32	15,990.19	19,302.05	24,358.00
Percentage of Saving	9.04	9.47	7.99	8.43	10.03
Budget utilisation	90.96	90.53	92.01	91.57	89.97

The supplementary provisions ranged from 1.2 *per cent* to 35.3 *per cent* against the original provisions during the period 2015-2020. However, from 2017-18 onwards, supplementary provision against original provision has shown a decreasing trend.

It is evident from the above table that during the period 2016-17 to 2019-20 the supplementary provision continuously proved unnecessary as the savings were in excess of supplementary provisions in all these years. Against the total provision, the unutilized provision/savings under budget ranged from 7.99 *per cent* to 10.03 *per cent*. This is indicative of the fact that proper estimation of provision and execution of financial plan were lacking.

3.5.2 Supplementary budget and opportunity cost

Scrutiny of Appropriation Accounts of the relevant years indicates that during the period 2016-17 to 2019-20 the supplementary provisions continuously proved unnecessary. Further, against the total provision, the unutilised provision/savings under budget ranged from 7.99 per cent (₹ 15,990.19 crore) to 10.03 per cent (₹ 24,358 crore) during the period 2015-16 to 2019-20.

During 2019-20, balances of un-utilised funds against supplementary/original provision obtained in 29 cases under capital voted section are given in **Table 3.9** below.

Table 3.9: Unutilised funds against supplementary/original provision

S. No	Name of the Grant	Original allocation	Supple- mentary	Total	Actual Expenditure	(₹ in crore) Unutilised funds
Capital(voted)						
1	009-Forest	79.08	0	79.08	60.46	18.62
2	011-Miscellaneous Social Services	10.71	0	10.71	3.75	6.96
3	012-Other Taxes	24	0	24	12.85	11.15
4	016-Police	174.61	43.09	217.7	150.61	67.09
5	019-Public works	805.24	0	805.24	422.12	383.12
6	020-Housing	90	0	90	26.41	63.59
7	021-Roads and Bridges	3,759.48	0	3,759.48	3300	459.48
8	022-Area Development	268.05	0	268.05	131.38	136.67
9	023-Labour and Employment	31	0	31	0.00	31.00
10	024-Education ,Art and Culture	539.22	62	601.22	495.24	105.98
11	026-Medical and Public Health and Sanitation	252.08	0	252.08	174.07	78.01
12	027-Drinking Water Scheme	3,244.50	0	3,244.50	2,221.98	1,022.52
13	028-Special Programmes for Rural Development	308.25	0	308.25	252.81	55.44
14	029-Urban plan and Regional Development	1,300.87	0	1,300.87	811.25	489.62
15	030-Tribal area development	3,190.76	0	3,190.76	2,552.84	637.92
16	032-Civil Supplies	3.88	0	3.88	0.02	3.86
17	033-Social Security and Welfare	212.80	58.9	271.7	240.28	31.42
18	035-Miscellaneous Community and Economic Services	102.20	51.05	153.25	127.64	25.61
19	036-Co-operation	10.47	0	10.47	8.78	1.69
20	037-Agriculture	246.8	0	246.8	118.39	128.41
21	039-Animal Husbandry and Medical	26.78	0	26.78	18.04	8.74
22	041-Community Development	9.62	0	9.62	1.55	8.07
23	042-Industries	95.06	0	95.06	18.71	76.35
24	043-Minerals	115.04	58.49	173.53	160.3	13.23
25	046-Irrigation	1,866.58	30.29	1,896.87	1,635.34	261.53
26	047-Tourism	30.88	0	30.88	5.69	25.19
27	048-Power	2,787.48	0	2,787.48	2,570.76	216.72
28	050-Rural Employment	1.42	0.44	1.86	1.80	0.06
29	051-Special component plan for Welfare of Scheduled Castes	4,178.83	0	4,178.83	3,194.20	984.63
	Total	23,765.69	304.26	24,069.95	18,717.27	5,352.68

Further, as per information provided by the State Government, total 329 projects (₹ 49,781.57 crore) related to Water Resources Department (85), Public Works Department (158) and Public Health Engineering Department (86) were awaiting completion, out of which, details of 12 major projects having estimated cost more than ₹ 100 crore are given below:

Table 3.10: Detail of incomplete scheme/Projects having cost more than ₹ 100 crore

S. No.	Name of Scheme/Project (having estimated cost ₹ 100 crore or more)	Estimated cost/ Revised cost of scheme/ Project	Scheduled date of completion	Expenditure as of 31 March 2020	Physical Progress of the work (in per cent)
Water Resources Department					
1	Relining of Anoopgarh Shakha RD 0 to 40 Suratgarh branch RD 19.20 to 48 and direct minors of Rawatsar branch & NDR distributary	127.13	2019-20	95.92	86
2	Rehabilitation of Sakhi Minor, Kodiband disty, Momewala disty minor, Kharawal disty, Hismaki disty of Anoopgarh branch system & Govind Sagar, Mr. Govind Sagar sub minor, surajajnsar minor, Bakhtawarpur minor and sub-minor, Dungiwali minor, Birrahanan minor, Bhopulpura minor, Rajana minor and chidasar minor, Sardapura minor, kishanpura minor, Bojeawala-II disty, kesardesar disty of direct system of IGMN, APS RD 40-65 and RD 65-105	110.05	2019-20	87.27	100
Public Works Department					
3	Widening and strengthening of NH-65 to four lanes with paved shoulders from existing km 267/500 to km 296/070 (Netra Village to Mandore section)	269.22	2016-17	197.99	100
4	Widening to four-lane with paved shoulder with CC pavement from km 256/550 to km 289/500 on Kota-Darah section of NH-12 (Kota-Jhalawar road in the State of Rajasthan on EPC mode)	621.43	2018-19	475.75	90
5	Construction of Nagaur bypass from km 166/260 to km 180/500 on NH-65 in the state of Rajasthan on EPC mode	155.76	2017-18	159.13	78
6	Up-gradation to two-lane with paved shoulder for section from km 58/00 to km 91/600-excluding ch (59.460 to 62.900), (73.120 to 75.920), (82.650 to 83.300) Balotra to Sanderao via Jalore (excluding ongoing project section on NH 325) in the state of Rajasthan on EPC mode.	179.32	2018-19	158.24	90
7	Up-gradation to two-lane with paved shoulder for section from km 118.900 to km 156.955 (excluding ch 151.100 to 154.730), Balotra to Sanderao via Jalore (excluding ongoing project section of NH 325) in the state of Rajasthan.	163.54	2018-19	112.63	97
Public Health Engineering Department					
8	Chambal Bhilwara Water Supply Project	913.80	2018-19	792.47	100
9	Apani Yojna Phase-II	971.21	2019-20	845.92	100
10	RWSS 191 Village of Niwai Water Supply Project	142.57	2018-19	111.89	100
11	RWSS 210 Village of Bassi Water Supply Project	299.55	2018-19	234.07	100
12	WSP Borabas Mandana	118.04	2019-20	75.75	100
Total		4,071.62		3,347.03	

Source: Information provided by the State Government

As per the above table, physical progress of seven of the 12 projects is 100 *per cent*, however, the status of these projects is incomplete due to pending payments to the executive agencies due to which these projects have not been handed over to the State Government. The State Government did not furnish reasons for the same (March 2021). It shows that savings under other grants were not provided for completion of these projects.

On the basis of savings and incomplete projects/schemes, a detailed analysis of Grant No. 21 ‘Roads and Bridges’ has been carried out during the year as given below:

Grant No. 21- Roads and Bridges

Introduction

Public Works Department (PWD) generally executes works related to Government office buildings, Government residential buildings and construction of roads (National Highway, State Highways and Main District Roads). The Department is headed by Principal Secretary, PWD, GoR.

The overall position in respect of grant of budgetary provision, expenditure and savings during the period 2017-18 to 2019-20 is detailed below:

Table 3.11: Budget *vis-a-vis* expenditure of Public Works Department under Grant No. 21

	2017-18		2018-19		2019-20		(₹ in crore)
	Revenue (Voted)	Capital (Voted)	Revenue (Voted)	Capital (Voted)	Revenue (Voted)	Capital (Voted)	
Provision (O+S)	2,017.89	4,164.70	1,668.65*	4,929.31*	2,592.21*	3,759.48*	
Total	6,182.59		6597.96		6351.69		
Expenditure	1,700.22	3,977.81	1,362.34	4,025.55	2,217.59	3,299.51	
Total	5,678.03		5387.89		5517.10		
Savings (%)	317.67 (15.74)	186.89 (4.49)	306.21 (18.35)	903.76 (18.33)	374.62 (14.45)	459.97 (12.23)	
Total	504.56		1209.97		834.59		
Surrender	347.26	190.36	312.67	898.11	939.42	491.69	
Total	537.62		1210.78		1431.11		

* Includes supplementary provision of ₹ 133.41 crore during 2018-19 and ₹ 63.87 crore during 2019-20 under Revenue Section and supplementary provision of ₹ 309.10 crore and only ₹ 1000 under Capital Section during 2018-19 and 2019-20 respectively.

The Table shows that overall unutilised provision/savings under revenue section of the grant ranged from 14.45 *per cent* to 18.35 *per cent* and under capital section of the grant ranged from 4.49 *per cent* to 18.33 *per cent* for the period 2017-18 to 2019-20.

Overall savings under capital and revenue sections do not give a clear picture of the actual savings under various heads of the grant because the savings are offset by amount received through re-appropriation and excess expenditure. The actual savings under revenue section of the grant ranged from 21.32 *per cent* to 67.58 *per cent* and unutilised

budget provision/savings under capital section of the grant ranged from 23.86 *per cent* to 35.82 *per cent* for the period 2017-2020. This indicates over assessment of funds under the relevant heads.

Significant increase in the surrendered provision from 2017-18 to 2019-20 reflects the failure of the Department to exercise necessary budgetary controls over the flow of expenditure through the monthly expenditure statement. In addition,

- It was noticed that during 2019-20, provision of ₹ 1,027.67 crore was made without keeping in view the guiding principles of SBM due to which entire provisions were surrendered under 5 heads³. This indicates that the Department failed to assess the requirement of provision.
- During 2019-20, it was noticed that in three heads⁴, excess expenditure of ₹ 602.73 crore was incurred after surrendering the entire provision indicating lack of financial monitoring.
- During audit, it was observed that in 27 schemes/programmes there were substantial savings of ₹ 1,868.10 crore during 2019-20. Details are given below:

Table 3.12: Schemes/Programmes with substantial savings

S.No.	Name of Head	Total	Expenditure	Savings	(₹ in crore) % of savings
1.	3054-02-337-01-02 Maintenance and restoration under Strategic and Border Roads	173.49	0.00	173.49	100.00
2.	3054-03-337-01-01 Maintenance of Roads under State Highways	137.20	114.18	23.02	16.78
3	3054-03-337-03-01 Additional Operational Cost	1.32	0.09	1.23	93.18
4	3054-03-337-03-02 Modernisation	1.65	0.19	1.46	88.48
5	3054-03-337-04-01 Additional Operational Cost	0.38	0.02	0.36	94.74
6	3054-03-337-04-02 Modernisation	1.44	0.00	1.44	100.00
7	3054-80-797-03 Transfer to Central Road Fund	750.00	0.00	750.00	100.00
8	3054-80-800-01 Indian Road Congress and other equivalent Institutions-committed	0.70	0.09	0.61	87.14
9	5054-02-337-03 Through the Border Road Development Road	42.00	0.00	42.00	100.00
10	5054-03-337-05 Road financed by Central Road Fund	519.38	215.83	303.55	58.44

3. 3054-02-337-01-02 (₹ 173.49 crore), 3054-03-337-04-02 (₹ 1.44 crore), 3054-80-797-03 (₹ 750.00 crore), 5054-02-337-03 (₹ 42.00 crore) and 5054-04-337-17-01 (₹ 60.73 crore)

4. 3054-02-337-01-02 (₹ 149.82 crore), 3054-80-797-03 (₹ 415.17 crore) and 5054-02-337-03 (₹ 37.74 crore)

S.No.	Name of Head	Total	Expenditure	Savings	% of savings
11	5054-03-337-11 Rajasthan Highways Development Project-I (ADB)	552.42	411.21	141.21	25.56
12	5054-04-337-17-01 NABARD RIDF-XXV (Road Upgradation Project)	60.73	0.00	60.73	100.00
13	5054-04-800-11-20 NABARD RIDF-XXIV (Road Upgradation Project)	276.34	217.19	59.15	21.40
14	5054-04-800-14-90 Construction works	480.09	423.52	56.57	11.78
15	5054-04-800-22-01 Rural Roads	67.69	36.56	31.13	45.99
16	5054-03-796-07 Roads recouped from Central Road Fund	96.52	41.37	55.15	57.14
17	5054-03-796-10 Rajasthan Highways Development Project-I (ADB)	99.40	84.31	15.09	15.18
18	5054-04-796-05 Urban Roads	2.39	1.38	1.01	42.26
19	5054-04-796-06-12 Road Upgradation Project (Trayovinshtitamah)	5.96	3.27	2.69	45.13
20	5054-04-796-06-13 NABARD RIDF XXIV (Road Upgradation Project)	54.28	41.39	12.89	23.75
21	5054-04-796-06-14 NABARD RIDF-XXV (Road Upgradation Project)	11.93	0.00	11.93	100.00
22	5054-04-796-16-01 Rural Roads	13.48	8.09	5.39	39.98
23	5054-03-789-07 Road recouped from Central Road Fund	134.10	71.54	62.56	46.65
24	5054-03-789-10 Rajasthan Highways Development Project-I (ADB)	142.01	111.48	30.53	21.50
25	5054-04-789-03 Urban Roads	3.36	1.35	2.01	59.82
26	5054-04-789-04-14 NABARD RIDF-XXV (Roads Upgradation Project)	15.83	0.00	15.83	100.00
27	5054-04-789-13-01 Rural Roads	17.83	10.70	7.13	39.99
	Total	3,661.92	1,793.76	1,868.09	

For construction of roads, provisions are also made under Special Component Plan for Scheduled Castes/Scheduled Tribes and Tribal Area Development (TAD) under Major Head 5054, the position of which are shown below:

Table 3.13: Position of Capital provision/expenditure under TAD and SC/ST component plan

	2017-18		2018-19		2019-20		(₹ in crore)
	Capital (TAD)	Capital (SC/ST component)	Capital (TAD)	Capital (SC/ST component)	Capital (TAD)	Capital (SC/ST component)	(₹ in crore)
Provision (O+S)	822.54	1,096.92	792.11	1,097.82	774.68	884.65	
Expenditure	707.86	1,018.60	689.53	998.33	594.74	781.51	
Savings	114.68	78.32	102.58	99.49	179.94	103.14	
Savings (%)	13.98	7.14	12.95	9.06	23.23	11.68	

Sector-wise position of savings

It was observed that during 2017-18 to 2019-20, a substantial portion of the budget allocation remained unutilised every year in various sectors (on certain heads) as depicted in the table, 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 of the provisions of para 13.7 of the SBM.

Table 3.14: Sector-wise position of persistent savings

	Budget	Expenditure	With offset savings	Without offset savings	% of savings w.r.t without offset saving	(₹ in crore)
State Highways						
2017-18	1,827.07	1,593.43	233.64	326.10	17.85	
2018-19	2,491.75	1,608.78	882.97	940.31	37.74	
2019-20	2,339.19	1,942.67	396.52	609.71	26.06	
Total	6,658.01	5,144.88	1,513.13	1,876.12		
District Roads and Bridges						
2017-18	3,797.80	3,606.30	191.50	734.82	19.35	
2018-19	3,765.79	3,678.63	87.16	805.73	21.40	
2019-20	2,487.29	2,339.28	148.01	261.70	10.52	
Total	10,050.88	9,624.21	426.67	1,802.25		
Direction and Administration						
2017-18	418.93	382.93	36.00	36.00	8.59	
2018-19	421.3	318.84	102.46	102.46	24.32	
2019-20	340.41	310.6	29.81	29.81	8.76	
Total	1,180.64	1,012.37	168.27	168.27		

It was further observed that:

- Against a provision of ₹ 6,658.01 crore for works of State Highways, an amount of ₹ 5,144.88 crore (62 *per cent*) was incurred during 2017-20. The Department intimated that this occurred due to reasons such as reduction in revised estimate, less receipt of funds from GoI, non-receipt of Financial and Administrative sanction, non-submission of bills by most of the contractors due to Covid 19 pandemic etc.

- During 2017-20, an amount of ₹ 10,050.88 crore was budgeted for District and Other Roads against which ₹ 9,624.21 crore was incurred.
- Percentage charges: Percentage charges are charged by PWD towards cost of their establishment and tool and plants on Capital Projects undertaken by it. Percentage charges are imposed over and above the total cost of the project at a fixed rate. There are three components of the percentage charges; (i) establishment charges (*8 per cent*) imposed by PWD for ensuring timely progress and quality of work undertaken by private contractors who have been awarded projects, (ii) tool and plants cost (*2 per cent*) and (iii) establishment cost of work charged employee of PWD (*3 per cent*). Rate at which all the percentage charges are to be calculated are specified in the PWF&AR of Government of Rajasthan.

The total cost of each work/project is calculated after incorporating the percentage charges. During 2017-2020, projection of ₹ 3,592.69 crore was made for capital works including the percentage charges. Out of this, an amount of ₹ 2,080.58 crore was projected under the capital works/projects against which an amount of ₹ 1,651.53 crore was incurred resulting in savings of ₹ 429.05 crore. In addition, an amount of ₹ 1,512.11 crore was projected as percentage charges against which an amount of ₹ 1,249.56 crore was incurred. It was noticed that supplementary provision of ₹ 34.34 crore was obtained for percentage charges during 2018-19 which proved unnecessary as the actual expenditure did not come up to the level of original projection. Less expenditure booked under percentage charges indicates shortfall in execution of capital projects/works at the level of the Department resulting in savings.

Thus, significant savings against total budget provision was a persistent trend during 2017-20 indicative of over assessment of requirement of funds under various heads by the Department and lack of proper monitoring 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, 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 from 2017-18 to 2019-20, token provisions were made in 36 out of 210 total heads (*17.14 per cent*) under this grant which remained token provisions without augmentation of the provisions through re-appropriations and at the end of the financial year token provisions in all the heads were surrendered. This indicates department lacked proper estimation of provision and execution of financial plan. The reply of the budget controlling officers of the respective budget heads in this regards is awaited (March 2021).

Rules 285 (a) & (b) of PWF&AR provide that (i) there are four main stages connected with a project for a work namely, Administrative Approval, Financial Sanction, Technical Sanction and Appropriation or Re-appropriation of funds; (ii) Execution of works should not commence without administrative, financial and technical sanction followed by budget allocations. However, sanction to incur expenditure on preliminary works like surveys, investigations, detailed design/drawing including consultancy services, acquisition of land may be accorded by competent authority. Separate budget provision should be available for such works in each Department. After working out all

technical and working details and on completion of surveys and investigation, formulation of working drawing/designs, detailed technical estimates be prepared and sanctioned.

Physical progress of road works as per Finance Accounts are given below:

- As per information provided by State Government, it was noticed that total 129 road works were awaiting completion, out of which 6 projects pertained to the period 2010-15 and 123 projects to the period 2015-2020. Physical progress of works is given below:

Table 3.15: Physical progress of works in percentage

	Progress in percentage					
	0 to 10	10 to 30	30 to 50	50 to 70	70 to 90	90 to 100
No. of projects	7	18	11	15	17	61

The various reasons given by the Department for most of the works remaining incomplete include delay due to utility shifting/encroachment/court case, pending wild life clearance, scarcity of budget, delay on the part of the agency and land dispute etc. Slow progress and less execution of works indicate lack of monitoring at the level of Department.

Details of some of the projects where execution was affected due to lack of budget provision or sanctions are given below:

Table 3.16: Details of some of the projects

S.No.	Name of Project	Cost of works	Commencement year	Year of completion	Expenditure during the year	(₹ in crore) Progressive expenditure to the end of year
1.	Renewal/strengthening of Mangrol Bamori Kalan upto MP Border (SH-198)Km. 2/500 to 15/500	20.00	2018-19	2019-20	0.00	0.00
2.	Construction of Bundi Byepass from SH-29 Km 95/500 to NH-12 (New NH-52)	40.00	2018-19	2020-21	5.84	5.84
3.	Strengthening and Widening of Jhunjhunu Chidao Road (SH-37)	20.00	2017-18	2019-20	5.80	6.89
4.	Construction of Air Strip Runway at Dholpur Eight Mile Old NH-118	30.48	2017-18	2020-21	0.00	15.52
5.	Strengthening and renewal of Dholpur-Rajakhera Road SH 2A Km 2/0 to 14/0 & 24/0 to 44/200	52.00	2017-18	2020-21	0.00	12.97
6.	Raising, Reconstruction of Cement Concrete Pavement of Mangrol-Siswali Road (SH-51A) in Km 0/0 to 14/0	30.00	2017-18	2018-19	2.90	6.10
7.	Tapukara to Milakpur Km 0/0 to 7/500	15.77	2017-18	2019-20	3.75	12.61
8.	Alipur-Khedi-Kanpur Dagranpur Nimlaka Kalgaon HingwahedaTizara Firozpur Jhirka road	38.42	2017-18	2019-20	4.97	7.63

As per the information provided by the State Government, most of these projects were completed, however, due to pending payments to executive agencies these projects have not been handed over to Government which indicates lack of provision of necessary funds by the Government.

Scrutiny of Appropriation Accounts of the relevant years indicates that during these years, overall supplementary provisions proved unnecessary and continuous savings were shown under various grants which could have been utilised for completion of these projects.

Due to the projects remaining incomplete, the intended benefits of these projects/schemes could not be provided to the public apart from the issue of escalation of project cost.

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

During the scrutiny of Appropriation Accounts, it was observed that budget provisions were made under various schemes which remained entirely unutilized. During 2019-20, the entire provisions (of ₹ one crore or more in each case) made under 165 schemes/heads aggregating to ₹ 2,766.38 crore were not utilized. The details are given in *Appendix 3.6*.

During scrutiny of the budget provisions (of ₹ one crore or more in each case) not utilized during 2019-20, it was noticed that State Government withdrew budget provisions in 33 schemes in revised estimates and token budget provisions were made in 54 schemes in the revised estimates. This indicates that provisions for these schemes/heads were made without a proper assessment of the financial requirements and necessity of the Departments.

Various reasons given by the Departments in this regard included non-implementation of schemes, non-execution of construction work, non-receipts of funds from GoI, revocation of the sanction due to PWD's failure to start the work, non-execution of work, less expenditure on pay & allowances, reduction in budget ceiling, lack of sanction from State Government, non-implementation of project due to Covid lockdown, lack of financial and administrative sanction for new construction, non-receipt of utilization certificates etc.

Further, it was also noticed that there were instances of unnecessary provisions being made continuously for the last three years without being deleted from the Demands for Grants of the concerned Department as mandated by SBM and the entire provisions being surrendered at the end of financial year. Such instances have been listed in *Appendix 3.7*.

While presenting the revised budget in July 2019 for the year 2019-20, the State Government had announced several schemes/policies. The concerned Departments had intimated the current progress on some of these major policy initiatives. Audit observed that in respect of following projects/policy initiatives, there was limited or no progress:

Table 3.17: Major Projects/policy

Para No. of Budget Speech	Name of Department	Brief of announcements made in Budget Speech	Status of Follow Up action taken by the Department
102	Medical Education	At a cost of ₹ 31 crore a Linear Accelerator Machine will be installed in Jodhpur for treatment of cancer patients.	The Department intimated (Nov and Dec 2020) that tenders were invited twice during 2019-20 for installation of the machine through PPP mode but no bids were received. It was further informed that in Budget 2020-21 stage-wise construction of Regional Cancer Centre (Mathuradas Mathur Hospital, Jodhpur) was announced (announcement no. 28), and that the purchase of Linear accelerator would be done after the construction of the Regional Cancer Centre is completed. The fact remains that the purchase and installation of the Linear Accelerator as per announcement no. 102 of Budget 2019-20 could not be accomplished.
117	Tribal Area Development	At a cost of ₹ 10 crore a career counselling centre for preparation of various competitive exams and personality development for Scheduled Tribes students will be started in Jaipur.	The Department informed (Nov 2020) that expenditure of ₹ 4.46 crore had been incurred and the construction work was under progress.
124	Education	For providing basic amenities in phased manner in schools, construction of more than 14,000 additional rooms for classrooms, laboratories, libraries; 23 new schools buildings; major repairing works for 83 buildings; will be undertaken under ‘Sarvapalli Radhakrishnan Vidhyalaya Sudarikaran Yojana’. On these works ₹ 1,581 crore will be incurred in 2019-20.	The status of implementation was not provided (March 2021) to audit though called for.
150	Tourism	A light and sound show at historical fort of Lohagarh, Bharatpur will be started for development of tourism at a total cost of ₹ 2.50 crore.	No budget was allotted in 2019-20. Financial and Administrative sanction of only ₹ 30 lakh for transfer to PD account of executive agency RHPPA was accorded in July 2020. Department intimated (July 2020) that tendering process for appointment of consultant is underway.
155	Art & Culture	To organise a ‘Rajasthani Literature Festival’ in Jaipur which will provide a platform for writers, poets, thinkers, artists etc. of Rajasthan provision of ₹ 2.00 crore is proposed.	The Literature Festival was not held in 2019-20. Expenditure had not been incurred by the department due to non-finalisation of date and venue till September 2020.

Para No. of Budget Speech	Name of Department	Brief of announcements made in Budget Speech	Status of Follow Up action taken by the Department
171	Revenue and Sainik Kalyan	'Mukhyamantri Zila Navachaar Nidhi' will be created in every district under District Collectors. Detailed guidelines will be prepared for this purpose.	The status of implementation was not provided (March 2021) to audit though called for.
174	Disaster Management, Relief and Civil Defence	In view of the fire incidences in remote areas of the State, 100 fire brigades at a cost of ₹ 26.00 crore will be made available in 2019-20.	This is related to Local Self Government Department and Civil Defence Department. No procurement was made in 2019-20. The concerned Departments intimated (September 2020) that sanctions have been renewed in June 2020 and tendering process is underway.

The lack of follow up action on major announcements of Budget Speech is indicative of the lack of monitoring and pursuance of initiatives announced during the budget speech.

3.5.4 Flow of expenditure

Maintaining a uniform pace of expenditure is a crucial component of sound public financial management. As per SBM, to assist Finance Department in the preparation of forecasts for the likely cash balance position of the State, all budget controlling officers are required to furnish a statement every month, as per dates specified by Finance Department, showing the anticipated flow of revenue and expenditure. Any rush of expenditure in the closing month of the financial year should be avoided.

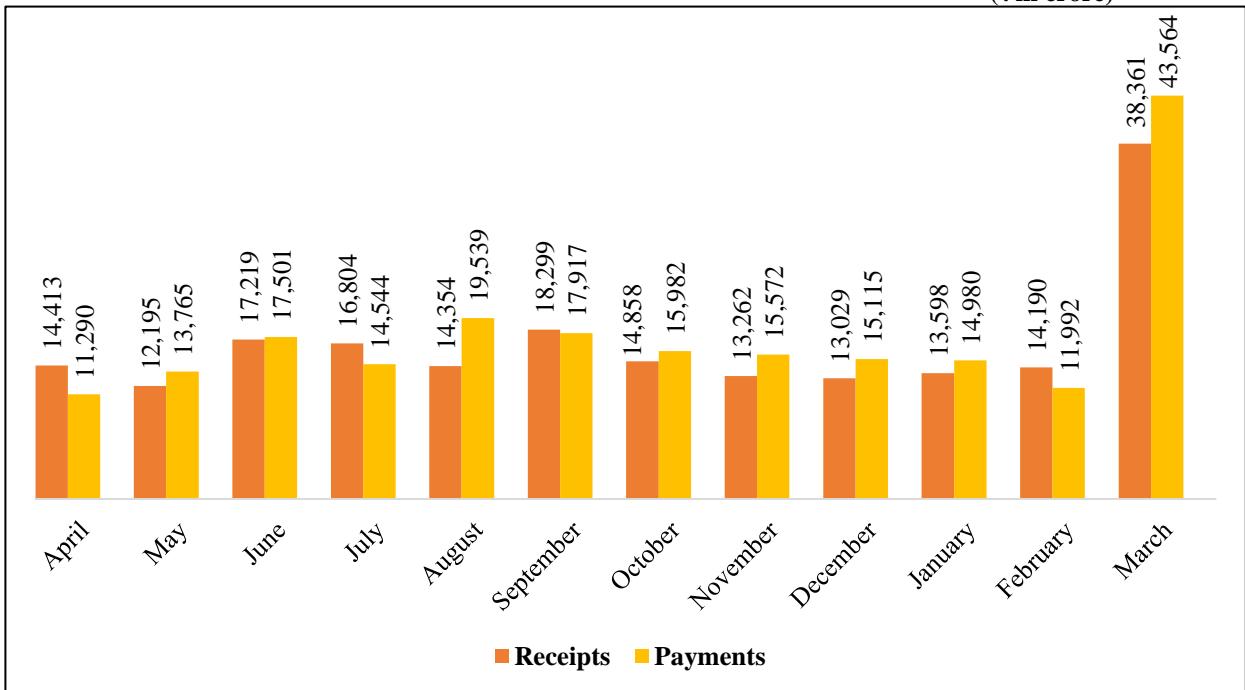
During 2019-20, 33.04 *per cent* (₹ 70,536 crore) of the total expenditure (₹ 2,13,491 crore) was incurred during last quarter of the financial year indicating that a uniform pace of expenditure could not be maintained during the year. However, it was also observed that 32.75 *per cent* (₹ 66,150 crore) of the total receipts (₹ 2,01,978 crore) were received during last quarter only. Further, the expenditure incurred in the last quarter of the financial year 2019-20 has decreased by 2.11 *per cent* (₹ 1,519 crore) when compared to previous year 2018-19.

During 2019-20, in respect of 52 sub-heads under 18 grants, total expenditure of ₹ 18,246.54 crore was incurred in the last quarter of the financial year which was 96.92 *per cent* of total expenditure (₹ 18,825.92 crore). Of this, ₹ 18,058.26 crore (95.92 *per cent*) was spent in March 2020 alone as detailed in *Appendix 3.8*.

The monthly flow of receipts into the state exchequer and disbursement during 2019-20 are given in the following **Chart 3.8**.

Chart 3.8: Monthly flow of receipts and disbursement during 2019-20

(₹ in crore)



The chart shows that receipt and expenditure were distributed almost evenly across all the months up to February 2020. However, receipt and expenditure increased substantially in the month of March 2020 in comparison to the remaining months of the year. Further, scrutiny of the pattern of expenditure during 2019-20 revealed that the State Government incurred an expenditure of ₹ 43,564 crore constituting about 20.40 *per cent* of the total expenditure of ₹ 2,13,491 crore in the month of March alone.

Incidentally, out of ₹ 33,827.12 crore transferred/deposited in Personal Deposit Accounts during the year, ₹ 4,936.18 crore (14.59 *per cent*) was transferred in March 2020 alone, as detailed in **Paragraph 3.5**.

Details of 7 Major Heads, where expenditure incurred during the month of March was more than 50 *per cent* of total expenditure, are provided in the **Table 3.18** below:

Table 3.18: Grants with more than 50 *per cent* expenditure in March during 2019-20

(₹ in crore)

S. No	Grant No./ Head of account	Description	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Total	Expenditure in March	Expenditure in March as percentage of total expenditure
1.	2075	Miscellaneous General Services	0.67	1.48	0.26	589.10	591.51	587.25	99.28
2.	2435	Other Agricultural Programmes	2.58	2.79	2.66	24.78	32.81	22.95	69.95
3.	2801	Power	2,718.69	3,095.41	515.38	16,404.95	22,734.43	15,479.98	68.09
4.	2852	Industries	14.01	16.74	17.38	160.71	208.84	147.44	70.60
5.	4236	Capital Outlay on Nutrition	0.00	0.00	0.00	19.89	19.89	15.93	80.09

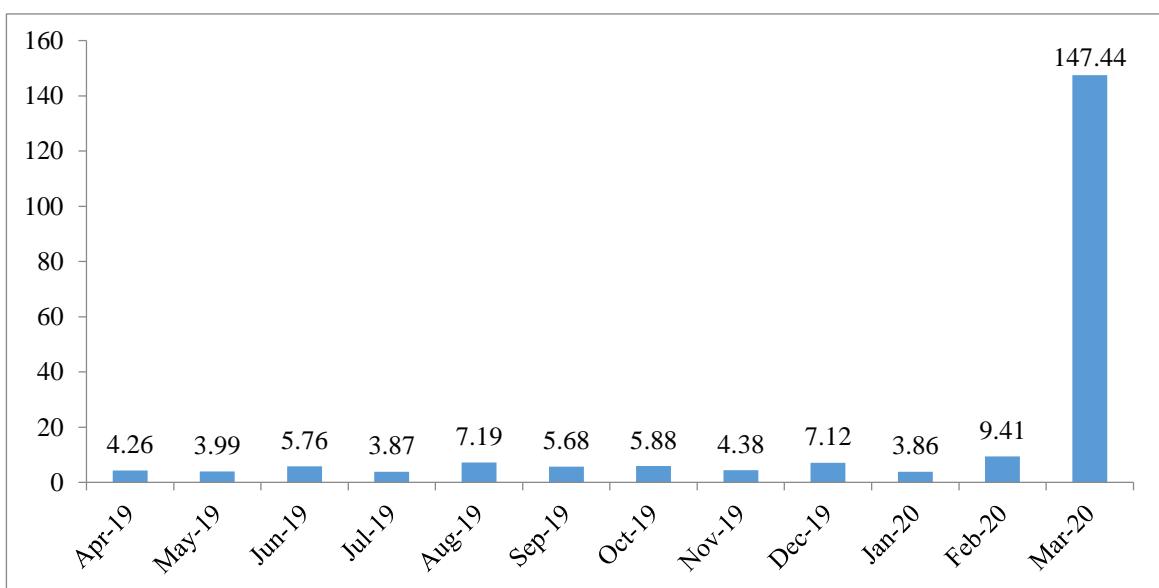
6.	4801	Capital Outlay on Power Projects	134.64	373.36	273.19	1,348.81	2130	1,296.77	60.88
7.	5425	Capital Outlay on Other Scientific and Environmental Research	0.00	0.00	0.15	0.63	0.78	0.60	76.92
		Total	2,870.59	3,489.78	809.02	18,548.87	25,718.26	17,550.92	

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

Month-wise expenditure of Major Head 2852 of the Industries department having high percentage of expenditure in March is given below in **Chart 3.9**.

Chart 3.9: Major head 2852-Industries month-wise expenditure

(₹ in crore)



Huge expenditure incurred in the last month of the year indicates weak internal expenditure/receipts control system and lack of budgetary control/management. The Department may regularly monitor the progress of expenditure throughout the year and maintain uniform flow of expenditure.

3.5.5 Review of selected grants

With a view to conduct a detailed analysis of a particular grant, *Grant No. 33-Social Security and Welfare* was selected on the basis of expenditure against budgeted estimate for last three years. This analysis encompasses comments on Budget and Expenditure, Receipts with respect to Revised Estimates, Excess expenditure after re-appropriation, surrender, unnecessary/excessive supplementary provision, non-utilisation of provisions, persistent savings and status of schemes in the previous Budget Speech under these grants.

Grant No.33- Social Security and Welfare

Development implies a social transformation from the existing social structure and living conditions to a better and improved social structure with equal opportunities for

every segment of the society. Social development/social welfare is an important and integral part of a welfare state and is incorporated in the Directive Principles of State Policies in the Constitution of India which state, “The State shall promote with special care the educational and economic interests of the weaker sections of the people and, in particular, of the Scheduled Castes and the Scheduled Tribes and shall protect them from social injustice and all forms of exploitation”.

Grant No. 33 is under the administrative control of Principal Secretary, Social Justice and Empowerment Department, Government of Rajasthan (GoR). The overall position of budgetary position, expenditure and savings during 2017-20 are detailed below in the **Table 3.19**:

Table 3.19: Budgetary Provisions

	(₹ in crore)											
	2017-18				2018-19				2019-20			
	Total (O+S)	Expenditure	Saving	Surrender	Total (O+S)	Expenditure	Saving	Surrender	Total (O+S)	Expenditure	Saving	Surrender
Revenue	5,139.87	4,902.68	237.19 (4.61%)	216.56	6,453.76	5,912.99	540.77 (8.38%)	507.73	7,942.83	7,476.66	466.17 (5.87%)	424.25
Capital	237.63	188.24	49.39 (20.78%)	49.39	202.07	161.51	40.56 (20.07%)	40.41	271.69	240.28	31.41 (11.56%)	31.41
Total	5,377.50	5,090.92	286.58	265.95	6,655.83	6,074.50	581.33	548.14	8,214.52	7,716.94	497.58	455.66

Detailed audit of budget and expenditure under this grant revealed that:

- The unutilised budget provisions/saving under revenue section of the grant ranged from 4.61 *per cent* to 8.38 *per cent* during the period 2017-18 to 2019-20.
- The unutilised budget provisions/savings under capital section of the grant ranged from 11.56 *per cent* to 20.78 *per cent* during the period 2017-18 to 2019-20.
- During 2019-20, out of final saving of ₹ 466.17 crore (5.87 *per cent*) under revenue section, an amount of ₹ 41.92 crore was not surrendered.

Substantial Savings

During 2019-20, there were 18 schemes/programmes where provisions were made in excess and the savings (₹ one crore and more) were more than 30 *per cent* of the total grant/appropriation. In these schemes, there was substantial total savings of ₹ 394.55 crore as detailed in the **Table 3.20** below:

Table 3.20: Substantial Savings noticed under various Programmes/Schemes

S.No.	Name of Head	Total (O+S)	Expen-diture	Saving (Percentage of Saving)	(₹ in crore)	Reasons for Savings given by Departments
					Reasons for Savings given by Departments	
1.	2225-01-793-01 Special Central Assistance for Scheduled Caste Component Plan, Scheduled Castes sub project.	60.00	34.63	25.37 (42)	Lack of interest regarding scheme among people as the financial assistance is relatively less significant than earlier and less sanction of loans by the banks.	

S.No.	Name of Head	Total (O+S)	Expen-diture	Saving (Percentage of Saving)	Reasons for Savings given by Departments
2.	2225-03-196-13-03 Grants for Devnarayan Girls Student Scooty Distribution and Incentive Amount Scheme	7.50	0.29	7.21 (96)	Reduction in expenditure ceiling by the Finance Department.
3.	2225-04-800-01-01 Grants to Rajasthan Waqf Board	3.93	0.34	3.59 (91)	Reasons have not been intimated by the Department.
4.	2235-02-103-05-14 Basic Computer Course for Women	6.31	1.66	4.65 (74)	Reduction in ceiling and late start of training due to COVID.
5.	2235-02-103-12 Women Self Help Group Institutions	2.85	1.35	1.50 (53)	Non-payment of amount after bill passed by Treasury.
6.	2235-02-103-23-01 Ujawala Yojana through Social Justice and Empowerment Department	2.07	0.01	2.06 (100)	Due to delay in submission of required records and Inspection/ Enquiry Committee report by the beneficiary Institutions.
7.	2235-02-196-02-36 Mahila Shakti Kendra	3.72	1.06	2.66 (72)	Delayed receipt of sanction for temporary contract posts from Finance Department.
8.	2235-02-196-05-02 Grants for joint Assistances Programme and Activities	2.05	0.80	1.25 (61)	Non-organization of camps for distribution of organ equipment due to non-receipt of adequate number of application from beneficiaries.
9.	2235-02-196-22-06 Post matic Scholarship Scheme	5.00	1.71	3.29 (66)	Less receipt of number of eligible application forms from beneficiaries.
10.	2235-60-800-03-01 Pension to MISA/D.I.R Prisoners	47.00	22.62	24.38 (52)	Less withdrawal of pension and closing of the pension from October 2019.
11.	2236-02-101-01-01 Through the Integrated Child Development Services Department Nutrition Crash Programme.	265.28	145.52	119.76 (45)	Reasons have not been intimated by the Department.
12.	2236-02-101-01-12 Rajeev Gandhi Kishori Balika Empowerment and Nutrition Scheme.	25.00	2.52	22.48 (90)	Reasons have not been intimated by the Department.
13.	2236-02-101-01-17 National Nutrition Mission (N.N.M)	131.87	42.66	89.21 (68)	Reasons have not been intimated by the Department.
14.	2236-02-101-01-18 Pradhan Mantri Matratav Vandana Yojana (P.M.M.V.Y)	98.59	52.30	46.29 (47)	Reasons have not been intimated by the Department.

S.No.	Name of Head	Total (O+S)	Expenditure	Saving (Percentage of Saving)	Reasons for Savings given by Departments
15.	4225-04-102-01-01 Multiregional Development Programme	60.44	37.64	22.80 (38)	Non-transfer of amount to executive agency due to non-receipt of transfer order from Budget Department.
16.	4235-02-800-10-01 Construction of Ramp and Lift etc.	15.81	4.12	11.69 (74)	Less execution of work related to construction of Ramp and Lift for specially-abled in government offices by PWD.
17.	4236-02-800-03 Building Construction	3.00	0.78	2.22 (74)	Non-availability of land for construction of buildings for District/Project offices and Aangan Bari Centre buildings.
18.	4236-02-800-09 Construction of <i>Aangan Bari</i> Centres under I.C.D.S Mission Mode.	13.96	9.82	4.14 (30)	
Total		754.38	359.83	394.55	

Substantial savings against the budget allocation indicate that the provisions of SBM regarding budget formulation/preparation of demands for grants and monitoring were not adhered to.

Persistent savings

The audit of the grant revealed that there were schemes (with provisions greater than ₹ one crore) having persistent savings from 2017-18 to 2019-20 as detailed below:

Table 3.21: Persistent Savings noticed under various Programmes/Schemes
(₹ in crore)

Name of Head	Year	Total (O+S)	Expenditure	Saving	Percentage of saving
2225-01-793-01 Special Central Assistance for Scheduled Castes Component plan Scheduled Castes sub Plan	2017-18	60.00	59.86	0.14	0.24
	2018-19	60.00	0.14	59.86	99.77
	2019-20	60.00	34.63	25.37	42.29
2225-03-196-06-05 Under Devnarayan Yojana (through the Education Department) Pre matric Scholarship Scheme for Special Backward class (Elementary Education Department)	2017-18	9.65	7.05	2.60	26.95
	2018-19	10.00	6.70	3.30	33.00
	2019-20	7.00	5.28	1.72	24.50
2225-04-800-01-01 Through the Deputy secretary, Minority Affairs Department-Grants to Rajasthan Waqf Board	2017-18	4.23	1.72	2.51	59.38
	2018-19	4.65	0.80	3.85	82.81
	2019-20	3.93	0.34	3.59	91.35
2235-02-103-05-14 Basic Computer course for Women	2017-18	8.16	5.15	3.01	36.94
	2018-19	6.16	3.92	2.24	36.34
	2019-20	6.31	1.66	4.65	73.68
2235-02-103-12 Women Self Help group institution	2017-18	2.40	1.44	0.96	39.96
	2018-19	2.88	1.44	1.44	50.15
	2019-20	2.85	1.35	1.50	52.59

Name of Head	Year	Total (O+S)	Expenditure	Saving	Percentage of saving
2235-02-196-02-33 Chirali Yojana	2017-18	1.40	0.58	0.82	58.49
	2018-19	3.13	0.20	2.93	93.71
	2019-20	1.27	0	1.27	100.00
2236-02-101-01-02 Integrated Child Development Scheme	2017-18	139.34	97.93	41.41	29.72
	2018-19	159.98	104.16	55.82	34.89
	2019-20	150.24	79.65	70.59	46.98
2235-02-196-22-06 Post-matric Scholarship Scheme	2017-18	5.00	0.94	4.06	81.19
	2018-19	5.00	1.28	3.72	74.44
	2019-20	5.00	1.71	3.29	65.76
2236-02-197-01-02 Block/ Intermediate Panchayat level establishment expenditure	2017-18	513.85	502.17	11.68	2.27
	2018-19	860.95	619.92	241.03	28.00
	2019-20	817.94	687.04	130.90	16.00
4225-04-102-01-01 Through the Directorate of Minority Affairs Department-Multiregional Development Programme	2017-18	55.42	55.27	0.15	0.27
	2018-19	61.61	48.87	12.74	20.67
	2019-20	60.44	37.64	22.80	37.72
4225-04-800-01-01 Through the Directorate of Minority Affairs Department- Construction of hostel building	2017-18	5.00	0.62	4.38	87.64
	2018-19	4.00	0.40	3.60	90.09
	2019-20	4.17	0.00	4.17	100.00
4235-02-800-10-01 Scheme for persons under Handicapped Act-Construction of Ramp and Lift etc.	2017-18	7.00	0.47	6.53	93.25
	2018-19	32.00	21.98	10.02	31.32
	2019-20	15.81	4.12	11.69	73.95
4236-02-800-03 Building Construction	2017-18	5.00	1.24	3.76	75.27
	2018-19	5.00	0.40	4.60	92.07
	2019-20	3.00	0.78	2.22	73.94
4236-02-800-09 Construction of <i>Aangan Bari</i> Centre under I.C.D.S. Mission Mode	2017-18	46.06	4.11	41.95	91.08
	2018-19	13.96	0.00	13.96	100.00
	2019-20	13.96	9.82	4.14	29.66
4236-02-800-10 Upgradation and maintenance of <i>Aangan Bari</i> Centres including Creche construction under I.C.D.S. Mission Mode	2017-18	27.20	13.02	14.18	52.13
	2018-19	16.16	0.00	16.16	100.00
	2019-20	4.69	3.70	0.99	21.23

Budget controlling officer attributed the savings mainly to reasons like less execution of work related to construction of Ramp and Lift for specially-abled in government offices by PWD, encroachment on land of hostel building in Barmer, non-passing of bills by the treasury due to Covid-19 pandemic, posts remaining vacant, non-availability of land for construction of building for District/Project offices and *Aangan Bari* Centres and closure of Chirali Yojana in 2019-20.

The Persistent savings indicate that the budget estimates were not realistic and the budgetary controls in the Department were not effective.

Non-utilisation of entire provisions

As per SBM, the estimates of expenditure should be as accurate as possible. Cases under this grant, where entire provisions were not utilised during 2019-20, are given below:

Table 3.22: Non utilisation of provisions under various Programmes/Schemes

(₹ in crore)

S.No	Name of Head	Total (O+S)	Expenditure	Saving	Percentage Saving
1.	2235-02-103-20-01 Mission Gramya Shakti	2.21	0	2.21	100.00
2.	2235-02-196-02-33 Chirali Yojana	1.27	0	1.27	100.00
3.	2235-02-196-19-04 Grant to BPL families for Janshree Bima Yojana	1.92	0	1.92	100.00
4.	2235-02-196-19-18 Assistance to BPL families for Jan Bima Yojana and Pradhanmantri Suraksha Bima Yojana	12.48	0	12.48	100.00
5.	2235-02-196-21-06 Post-matric Scholarship Scheme	0.93	0	0.93	100.00
6.	4225-04-800-01-01 Construction of hostel building	4.17	0	4.17	100.00
7.	4235-02-103-09 Building construction of Woman Self Help Groups	1.00	0	1.00	100.00
8.	4235-02-800-09-01 Construction of college level hostel building	7.00	0	7.00	100.00
9.	6225-03-800-01 Loans to Rajasthan Other Backward Class Finance and Development Coperative Corporation.	1.00	0	1.00	100.00
Total		31.98	0	31.98	

The Social Justice and Empowerment Department accepted the facts and stated (February 2021) that non-utilisation of funds was mainly due to non-transfer of central and state share to LIC of India, non-receipt of applications for scholarship, non-issuance of Administrative and Financial sanctions for construction of hostel building and release of insufficient margin money from Finance department for distribution of loans.

This indicates that the budget provision was prepared on an *ad hoc* basis without assessing the actual requirement.

Further, it was also noticed that in some budgetary heads, provisions were being made continuously for the last three years without keeping in view the principles of SBM due to which the entire provisions were being surrendered at the end of the financial year as given in the **Table 3.23**:

Table 3.23: Non utilisation of provisions under various Programmes/Schemes for the last three years

S.No.	Head	2017-18	2018-19	2019-20
1.	2225-03-196-18-01 Cycle distribution scheme to hostellers	0.50	0.25	0.25
2.	2225-04-190-03 Grants on interest to Rajasthan Minority Finance and Development Cooperation	0.20	0.20	0.50
3.	2235-02-103-20-01 Mission Gramya Shakti	10.60	7.35	2.21
4.	2235-02-196-19-14 Grant for Rehabilitation of persons involved in beggary	0.20	0.10	0.05

S.No.	Head	2017-18	2018-19	2019-20
5.	4235-02-103-09 Building construction of Woman Self Help Groups	0.12	0.12	1.00
6.	4235-02-800-09-01 Construction of college-level hostel buildings	7.00	8.00	7.00
	Total	18.62	16.02	11.01

The Social Justice and Empowerment Department accepted the facts and stated (February 2021) that the reasons for non-utilisation were non-participation of bidders in the bid process for supply of cycles, non-receipt of proposals from NGOs for operation of rehabilitation homes and non-issuance of Administrative and Financial sanctions for construction of Hostel buildings.

Expenditure after Re-appropriation/Surrender

As per SBM, the concerned budget controlling officer is responsible for any expenditure incurred after the surrender of appropriation.

During 2019-20, an amount of ₹ 13.83 lakh was incurred in respect of budget head 2235-60-800-03-01-Pension to MISA/DIR prisoners (committed) after re-appropriation/ surrender in contravention of the SBM provisions.

Token provision in grant

It was observed that in 2019-20, out of the total 313 heads under this grant, there were 93 heads in which token provisions were made which remained as token provisions 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 scheme announcements in the previous Budget speech

Details of Budget Speech announcements and their current status are given in the **Table 3.24:**

Table 3.24: Major scheme announcements in the previous Budget speech

S. No.	Brief of announcements made in Budget Speech	Status of follow up action taken by the Department
1.	<p>During Budget Speech of 2015-16, the State Government proposed ₹ 44.75 crore in selected blocks for infrastructure development, where majority of the population belonged to minorities:</p> <ol style="list-style-type: none"> 1. Construction of four Public Health sub-centres in Sam block and 10 in Sakra block of Jaisalmer district. 2. Construction of building of 6 ITIs in Kishangarhbas, Laxmangarh in Alwar District; Nagar-Bharatpur District; Sedwa (Chauhan), Barmer District; Hanumangarh District and Tonk District. 3. Four new hostel buildings to be constructed for Students of Minority Community in Jodhpur, Kota, 	<p>Department intimated (November 2020) that:</p> <ol style="list-style-type: none"> 1. 13 Public health sub-centres works were completed against the target (14) and against which an amount of ₹ 2.20 crore was incurred against sanction amount of ₹ 3.08 crore. Further, one work was cancelled. 2. Five ITI building works were completed for which an amount of ₹ 24.49 crore was incurred against sanctioned amount of ₹ 28.32 crore. Further, one work is under process in Tonk District. 3. Three Hostel buildings were completed against the target (4) for which an amount of ₹ 5.92 crore was incurred against sanctioned

S. No.	Brief of announcements made in Budget Speech	Status of follow up action taken by the Department
	Ramgarh (Alwar) and Fatehpur (Sikar) at a cost of ₹ 9 crore.	amount of ₹ 7.08 crore. Further, one work could not be started in Fatehpur (Sikar).
2.	During Budget Speech 2016-17, the State Government proposed ₹ 7.98 crore for construction boundary walls of 82 Hostels, toilets in 41 hostels, bathrooms in 27 hostels etc.	The Department intimated (February 2021) that against the proposed amount of ₹ 7.98 crore, financial and administrative sanctions worth ₹ 4.78 crore had been issued to 74 executive agencies (Panchayat Samitis and Municipal bodies) and the amount transferred to their PD accounts. Out of this, UCs worth ₹ 1.06 crore had been obtained from the executive agencies.
3.	During Budget Speech 2016-17, the State Government proposed ₹ 4.44 crore for operation of two under-construction residential schools (one for Scheduled Caste boys and one for girls of all categories) with the capacity of 280 students each at gram panchayat Jaisandar in Barmer district.	Department intimated (February 2021) that the construction work has been completed and the schools may be operationalized from the academic session 2021-22 after receipt of inspection report from District Magistrate, Barmer. The fact remains that the schools could not be operationalised even when they were announced to be made operational from the academic session 2016-17.
4.	During Budget Speech 2016-17, the State Government proposed ₹ 75 crore for strengthening and maintenance of <i>Aangan Bari</i> Centres being operated in government buildings for forthcoming 3 years.	Department intimated (August 2020) that during 2016-17, 2,296 works were completed against the target (4,381) and against which an amount of ₹ 20.95 crore was incurred. Further, 670 works could not be started. During 2017-18, an amount of ₹ 16.84 crore was transferred to Zila Parishad PD accounts against which only ₹ 1.09 crore was incurred and 122 works were completed against the target (2,265). During 2018-19, no financial sanction was issued by the Finance Department. In three years, sanction of an amount of ₹ 48.42 crore has been issued against proposed total amount ₹ 75 crore against which only ₹ 22.05 crore was incurred by the department and only 2,418 works has been completed against target of 6,646 works.
5.	During Budget Speech 2018-19, State Government announced establishment of “Divyang Kosh” with ₹ one crore as contingency fund for welfare of specially-abled persons.	Department intimated (October 2020) that in compliance of finance department instructions, rule format under section 101 of Disabilities Act 2016 is being prepared and publication in gazette is under process after which “Divyang Kosh” will be established.
6.	During Budget Speech 2018-19, the State Government proposed ₹ 12 crore for establishment of multipurpose hostels with a capacity of 100 girls (preparing for competition entrance examination) in each hostel in Dungarpur, Pratapgarh and Banswara districts.	Department intimated (October 2020) that financial sanction for establishment of Hostels in Pratapgarh and Banswara has been issued in October 2020. Hostel has been operationalised in campus of college (already constructed Hostels) in Dungarpur District.
7.	During Budget Speech 2018-19, the State Government proposed ₹ 8 crore for establishment of two separate residential hostels for Scheduled Tribe boys and girls who are studying in Govind Guru Tribal University in Banswara.	Department intimated (October 2020) that financial sanction has been issued in January 2019. Only an amount of ₹ 3.14 crore had been incurred up to August 2020. Work is expected to be completed by June 2021 against prescribed completion date 27 December 2019 by the executive agency (Rajasthan State Road Development and Construction Corporation Ltd.)

S. No.	Brief of announcements made in Budget Speech	Status of follow up action taken by the Department
8.	During Budget Speech 2018-19, the State Government proposed ₹ 5 crore for upgradation of five Sports hostels as Sports academies for improvement in sports performance in Scheduled tribe areas.	Department intimated (October 2020) that approval of works has been issued on May 2018. Technical estimate is being prepared by the executive agency (SWACH project).

Details provided in the above table indicate slow pace of follow up action and unsatisfactory progress of the budget speech announcements.

Non/less utilization of funds on these schemes/programmes not only increases the fiscal burden in the succeeding years but also leads to delays and deprives the benefits to the beneficiaries.

3.6 Good Practices

The aspects of budgetary management in which the State Government made improvements are given below:

- Less emphasis on supplementary grants in comparison to previous years.
- No instance of excess expenditure over budgetary provision in any grant during the last three years.
- Non utilisation of fund from Contingency fund during the last three years.
- Submission of all the Re-appropriation orders and Surrender orders before closing of the financial year.
- Surrender of most of the savings before the end of the year.
- 100 *per cent* reconciliation of receipts and expenditure made by all the budget controlling officers.

3.7 Recommendations

- i. The budgetary control mechanism, specifically the monthly expenditure control and monitoring mechanism, may be strengthened to avoid excessive savings, especially where instances of persistent savings have been observed and to reduce Supplementary provisions which might remain unutilised.
- ii. Government may ensure timely surrender of funds so that they could be utilised in other heads requiring additional funds. Late surrender affected the availability of funds in certain priority areas and affected outcomes. Excessive/unnecessary/inadequate re-appropriations of funds may also be avoided.
- iii. An appropriate control mechanism needs to be instituted by the State Government to enforce proper implementation and monitoring of budget implementation to ensure that large savings within the Grants/Appropriations are controlled, and anticipated savings are identified and surrendered within the specified timeframe. Optimum utilization of IFMS may be useful in this regard.
- iv. Budget Controlling Officers need to be made aware of their responsibility to provide clear explanation of the variations in expenditure from the allocation to facilitate proper analysis of budget and accurate preparation of subsequent Appropriation Accounts.