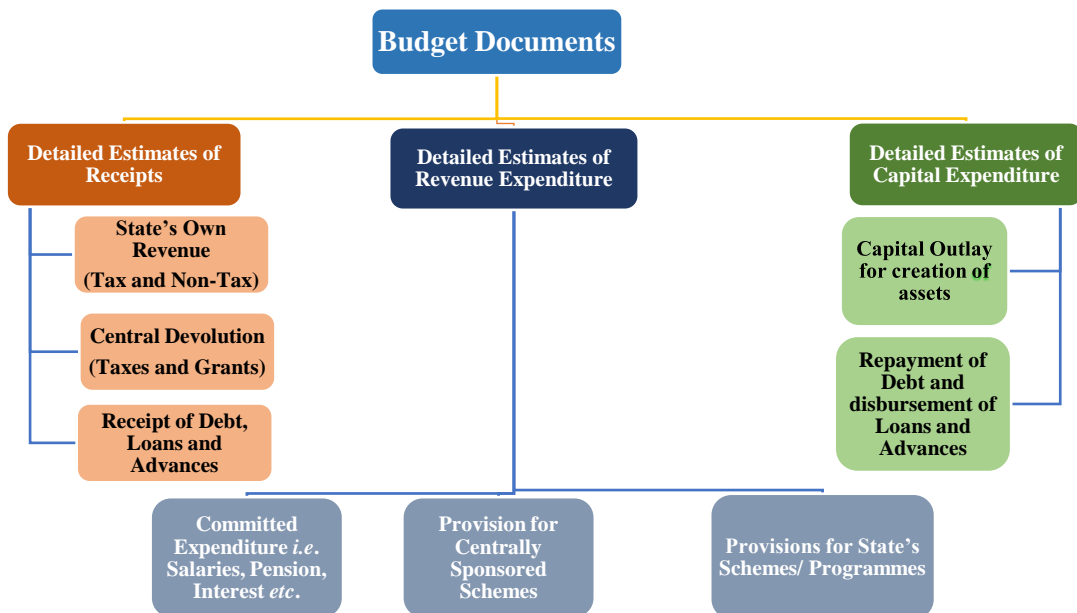


## 3.1 Budget Process

In compliance with Article 202 of the Constitution of India, in regard to every financial year, a statement of the estimated receipts and expenditure of the State for that year, called “the annual financial statement (Budget)”, is to be laid before the State Legislature. The estimates of the expenditure show ‘charged’ and ‘voted’ items<sup>1</sup> of expenditure separately and distinguish expenditure on the revenue account from other expenditure. Legislative authorisation is necessary for incurring of any expenditure by the State Government.

As per the Odisha Budget Manual, the Finance Department is responsible for preparation of the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department, on prescribed dates. The Finance Department consolidates the estimates and prepares the detailed Estimates called ‘Demand for Grants’. The State Budget comprises the following documents, as shown in **Chart 3.1**.

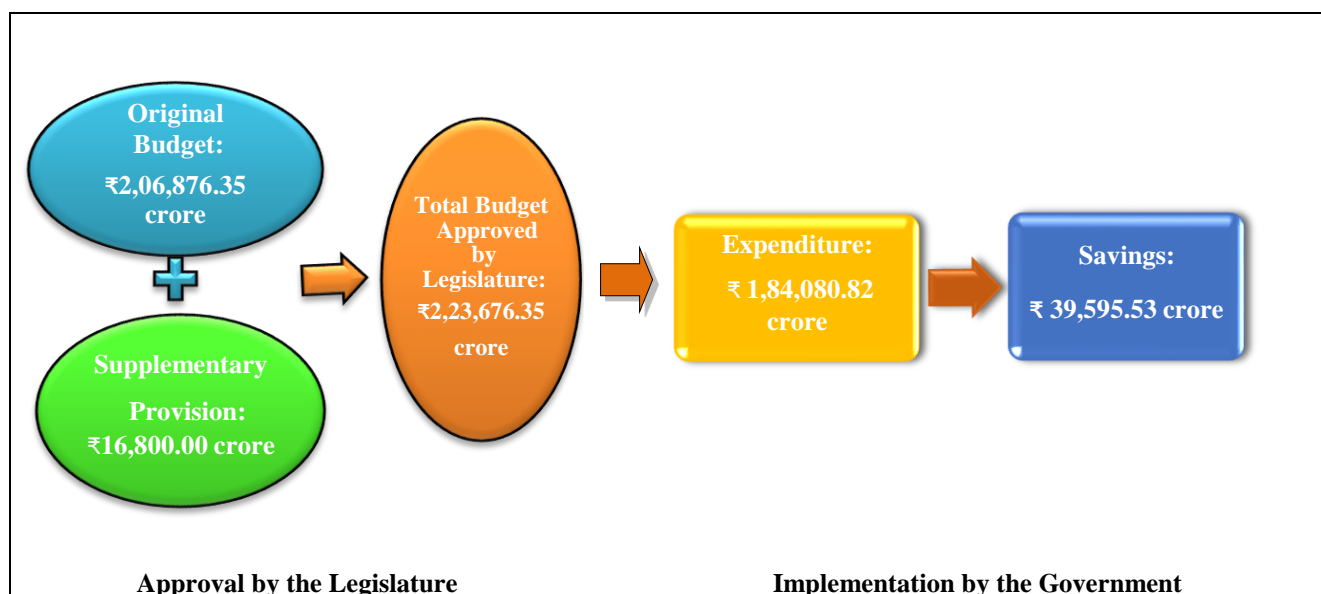
**Chart 3.1: Details of State Budget Documents**



<sup>1</sup> **Charged Expenditure:** Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments etc.), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature. **Voted expenditure:** All other expenditure is voted by the Legislature.

The various components of the budget are depicted in **Chart 3.2**.

**Chart 3.2: Flow Chart of budget implementation**



Source: Appropriation Accounts for FY 2022-23, Government of Odisha

### 3.1.1 Summary of total provisions, actual disbursements and savings during financial year 2022-23

A summarised position of total budget provision, disbursement and savings/excess, with further bifurcation into voted/ charged, during FY 2022-23, for the total 47 grants/ appropriations, is given in **Table 3.1**.

**Table 3.1: Budget provision, disbursement and savings during FY 2022-23**

(₹ in crore)

	Total Budget Provision		Disbursements		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	1,55,997.83	8,749.39	1,28,481.16	5,720.49	27,516.68	3,028.90
Capital	42,603.53	233.35	33,600.61	194.14	8,879.58	39.21
Loans and Advances	2,090.91	0	2,157.60	0	56.64	0
Public Debt	0	14,001.35	0	13,926.83	0	74.52
<b>Total</b>	<b>2,00,692.27</b>	<b>22,984.09</b>	<b>1,64,239.37</b>	<b>19,841.46</b>	<b>36,452.90</b>	<b>3,142.63</b>

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

(There may be difference of 0.01 in absolute figure calculation, due to rounding off)

It can be seen from **Table 3.1** that the utilisation (gross) of budgeted funds was 82.30 per cent in FY 2022-23, which was 1.57 per cent increase as compared to the utilisation of budgeted funds in FY 2021-22.

### 3.1.2 Charged and Voted disbursements

**Table 3.2** shows the break-up of total disbursements into charged and voted, during the last five-year period, from FYs 2018-19 to 2022-23.

**Table 3.2: Break-up of total disbursement into charged and Voted, during the last five years (FYs 2018-19 to 2022-23)**

(₹ in crore)

Year	Disbursements		Savings (-)/ Excess(+)	
	Voted	Charged	Voted	Charged
2018-19	1,06,767.30	9,850.56	(-) 18,577.34	(-) 318.40
2019-20	1,20,176.20	10,676.63	(-) 24,046.16	(-) 731.55
2020-21	1,08,063.73	16,045.41	(-) 42,691.29	(-) 862.84
2021-22	1,29,607.31	28,409.46	(-) 32,195.61	(-) 5,510.98
2022-23	1,64,239.37	19,841.46	(-) 36,452.90	(-) 3,142.63

Source: Appropriation Accounts of respective years.

### 3.1.3 Budget marksmanship

#### Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/ actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved.

**Table 3.3: Aggregated budget expenditure outturn/ actual expenditure**

(₹ in crore)

Description	Original Approved Budget (BE)	Actual Outturn	Difference between Actual and BE*
(1)	(2)	(3)	(4)
Revenue	1,51,828.12	1,34,201.65	(-) 17,626.47
Capital	55,048.23	49,879.17	(-) 5,169.06
<b>Total</b>	<b>2,06,876.35</b>	<b>1,84,080.82</b>	<b>(-) 22,795.53</b>

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

\*Excess of actuals over original provision is denoted as (+) figure and shortage of actuals over original provision is denoted as (-) figure.

In Revenue Section, deviation in outturn compared with BE, was (-) 11.61 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 35 grants and two appropriations, between  $\pm 25$  per cent to  $\pm 50$  per cent in six grants and one appropriation, between  $\pm 50$  per cent to  $\pm 100$  per cent in three grants.

In Capital Section, deviation in outturn compared with BE, was (-) 9.39 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 30 grants and three appropriations, between  $\pm 25$  per cent to  $\pm 50$  per cent in four grants, between  $\pm 50$  per cent to  $\pm 100$  per cent in eight grants and equal to or more than (-) 100 per cent in two grants.

#### Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution, have contributed to variance in expenditure composition.

Table 3.4: Expenditure composition outturn

(₹ in crore)

Description	Original Approved Budget (BE)	Revised RE	Actual outturn	Difference between BE & RE	Difference between Actual and RE*
(1)	(2)	(3)	(4)	(5)	(6)
Revenue	1,51,828.12	1,46,038.91	1,34,201.65	5,789.21	(-) 11,837.26
Capital	55,048.23	53,961.09	49,879.18	1,087.14	(-) 4,081.91
<b>Total</b>	<b>2,06,876.35</b>	<b>2,00,000.00</b>	<b>1,84,080.83</b>	<b>6,876.35</b>	<b>(-) 15,919.17</b>

Source: Appropriation Accounts for FY 2022-23 and Odisha Budget at a glance, 2023-24

In Revenue Section, deviation in outturn compared with RE was (-) 8.11 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 37 grants, between  $\pm 25$  per cent to  $\pm 50$  per cent in nine grants, between  $\pm 50$  per cent to  $\pm 100$  per cent in one grant.

In Capital Section, deviation in outturn compared with RE was (-) 7.56 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 35 grants, between  $\pm 25$  per cent to  $\pm 50$  per cent in six grants, between  $\pm 50$  per cent to  $\pm 100$  per cent in five grants and more than 100 per cent in one grant. No provision was made under capital section in six grants (Grant Nos. 18, 27, 35, 37, 41 and 42).

### 3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of the grants voted and appropriations charged for different purposes, as specified in the schedules, appended to the Appropriation Act, passed under Article 204 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 regard to both Charged and Voted items of budget. Appropriation Accounts, thus facilitate understanding of utilisation of funds, management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants, was in accordance with the authorisation, given under the Appropriation Act and that the expenditure required to be charged, under the provisions of the Constitution (Article 202), is so charged. It also ascertains whether the expenditure incurred, is in conformity with the laws, relevant rules, regulations and instructions.

### 3.3 Integrity of budgetary and accounting process

#### 3.3.1 Un-necessary/excessive supplementary grants

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision, made by the Appropriation Act for the year, can

be made during the current financial year, but not after the expiry of the current financial year. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant, to cover the excess by re-appropriation, the Secretary in the Department concerned, sends a proposal to the Finance Department, for supplementary or additional grant or appropriation.

It was noticed that supplementary provisions of ₹ 8,064.71 crore during the year 2022-23, in 14 cases (more than ₹ 100 crore in each case), proved unnecessary (*Appendix 3.1*), as the expenditure did not come up even to the level of original provision. Similarly, supplementary provisions proved excessive by ₹4,676.86 crore in 22 cases (₹ five crore and above in each case), as full amount of supplementary provisions of ₹ 8,172.48 crore, could not be utilised (*Appendix 3.2*).

### **3.3.2 Injudicious 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 additional funds are needed. During FY 2022-23, re-appropriation orders under 44 grants and two appropriations, amounting to ₹ 16,002.70 crore, were issued. Out of these ₹16,002.70 crore, re-appropriation orders for ₹ 1,192.21 crore, were issued on 31 March 2023, under six grants and two appropriations.

Further, in four schemes (*Appendix 3.3 - Sl. Nos. 6, 10, 25 and 26*), reduction of provision exceeding ₹ one crore, through re-appropriation orders, effected by various departments, proved injudicious, as there was excess expenditure in these cases. In three schemes (*Appendix 3.3 - Sl. Nos. 3, 19 and 24*), augmentation of provision also proved injudicious because expenditure was either equal to or did not come up to the level of original and supplementary budget provision.

### **3.3.3 Unspent amount and surrendered appropriation and/ or large savings/ Surrenders**

All Estimating Officers should strive to provide for all items in the budget that can be foreseen and to provide funds only to the extent necessary. The Administrative and Finance Departments need to consider this, while exercising final check on the estimates.

Budgetary allocations based on realistic proposals, overstretching the potential of resource mobilisation, poor expenditure monitoring mechanism, weak scheme implementation capacities and weak internal controls, promote release of funds towards the end of the financial year. Excessive savings in some heads also deprive other Departments of funds, which they could have utilised.

#### **Unsurrendered Savings**

Analysis of grants and appropriations showed that, in 10 cases (under nine grants), during FY 2022-23, there were large savings, exceeding ₹ 25 crore in each case (*Appendix 3.4*). Audit noticed that, out of the savings of ₹ 3,492.10 crore, only

₹ 2,818.32 crore was surrendered during the financial year, leaving behind an unsurrendered amount of ₹673.78 crore.

### Entire provision remaining unutilised

It was noticed that in three grants, no expenditure out of the total provision, amounting to ₹ 0.60 crore, under charged expenditure (Revenue & Capital), was incurred in FY 2022-23, as shown in **Table 3.5**.

**Table 3.5: Entire provision remaining unutilised, during the financial year 2022-23**

(₹ in crore)			
Sl. No.	Number and Name of grant	Section	Entire provision remaining unutilised
1	4 - Law	Revenue (Charged)	0.05
2	18 - Public Grievances and Pension Administration	Revenue (Charged)	0.05
3	28 - Rural Development	Capital (Charged)	0.50
<b>Total</b>			<b>0.60</b>

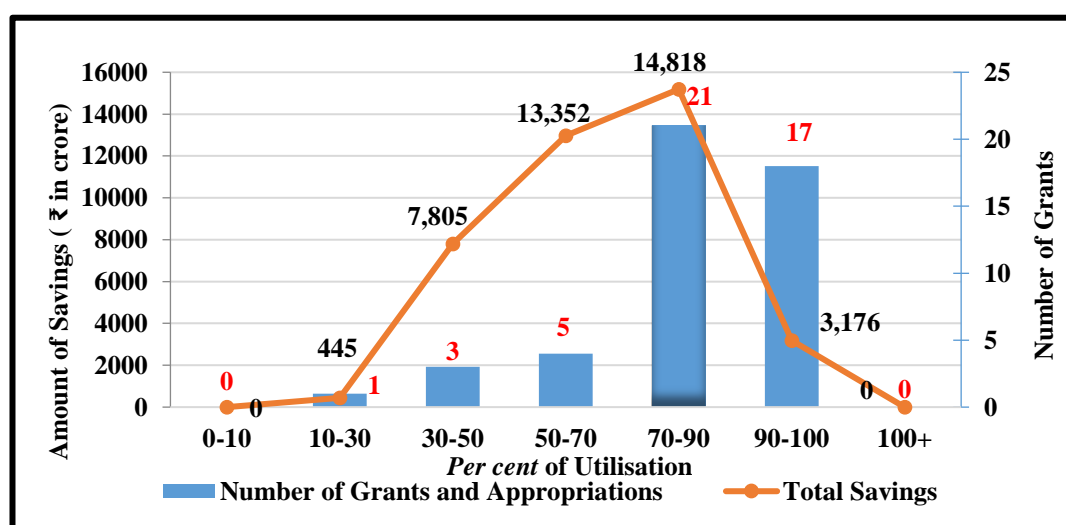
Source: Appropriation Accounts for FY 2022-23, Government of Odisha

### Persistent savings

It was also observed that, in 24 cases, under 21 grants and one appropriation, there were persistent savings, exceeding ₹100 crore in each case (**Appendix 3.5**), during FYs 2020-21 to 2022-23.

Details of grants, grouped by the percentage of utilisation, along with total savings, during FY 2022-23, are shown in **Appendix 3.6** and a graphical presentation of the same is shown in **Chart 3.3**.

**Chart 3.3: Details of grants grouped by the percentage of utilisation, along with total savings, during FY 2022-23**



Source: Appropriation Accounts for FY 2022-23, Government of Odisha

As can be seen from **Chart 3.3**, out of 44 grants and three appropriations, there were only 15 grants and two appropriations, where utilisation of funds was more than 90 per cent.

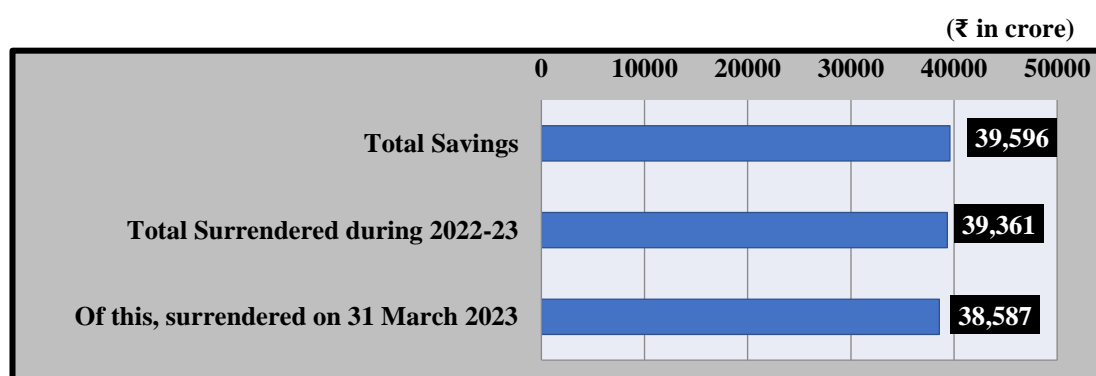
The Departments of Science and Technology (47.52 per cent), Planning and Convergence (46.16 per cent), Disaster Management (33.35 per cent), and Micro, Small and Medium Enterprises (28.64 per cent), were amongst the Departments, where utilisation of funds was less than 50 per cent.

No object is served by keeping back savings, which should ideally be surrendered in time. For this reason, appropriations which are likely to remain unspent, must be reported for surrender, as early as possible. If this is not done, other spending Departments are deprived of the funds which they could have utilised, and avoidable demands for Supplementary Grants are preferred. Surrenders are generally made in the month of March, and a careful study of figures of expenditure incurred and watch over the progress of last month's expenditure, should enable a Controlling Officer to fix upon his final requirements with a reasonable degree of exactness.

When the need for surrender manifests itself, the Controlling Officers should carefully estimate the amounts that can be surrendered. The aim should be to surrender as much as they can, so as to keep the expenditure just within the modified Grant.

It was also noticed that, out of the total savings of ₹39,595.53 crore, an amount of ₹37,014.34 crore (in cases of grants where the surrenders exceeded ₹ 100 crore in each case) was surrendered on the last day of March 2023, as shown in **Appendix 3.7** and **Chart 3.4**.

**Chart 3.4: Savings and surrenders before the close of financial year 2022-23**



Source: Appropriation Accounts for FY 2022-23, Government of Odisha

Analysis of **Chart 3.4** revealed that 99.41 per cent of the savings were surrendered. Out of the surrendered amount of ₹39,361 crore, ₹38,587 crore (98.03 per cent) was surrendered on 31 March 2023.



### Surrender in excess of savings

In three cases (two grants and one appropriation), the amounts surrendered (₹ one crore or more in each case), were in excess of savings, indicating inadequate budgetary control in these Departments. As against the savings of ₹ 1,557.95 crore, the amount surrendered was ₹ 1,715.78 crore, resulting in excess surrender of ₹ 157.83 crore. The details are given in **Table 3.6**.

**Table 3.6: Surrender of funds in excess of savings**

(₹ in crore)						
Sl. No.	Grant Number & Name	Total provision	Expenditure	Savings (-)/ Excess (+)	Amount Surrendered	Excess surrender
<b>Revenue (Voted)</b>						
1	7 - Works	2,240.96	2,117.71	123.25	136.80	13.55
2	12 - Health & Family Welfare	10,894.39	10,319.35	575.03	590.97	15.94
<b>Capital (Voted)</b>						
3	7 - Works	6,433.28	5,573.61	859.67	988.01	128.34
	<b>Total</b>	<b>19,568.63</b>	<b>18,010.67</b>	<b>1,557.95</b>	<b>1,715.78</b>	<b>157.83</b>

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

### 3.3.4 Excess expenditure and its regularisation

As per Article 204 of the Constitution of India, no money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of the Article. Further, as per Article 205 of the Constitution of India, it is mandatory for a State Government to get excess over grant/appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee.

#### 3.3.4.1 Excess expenditure of previous financial years

Excess expenditure remaining un-regularised for extended periods, dilutes legislative control over the executive. Excess disbursements of ₹262.65 crore, pertaining to FYs 2013-14 to 2020-21 (no excess expenditure during FY 2019-20), as shown in **Table 3.7**, are yet to be regularised by the State Legislature.

**Table 3.7: Excess Expenditure relating to previous years, requiring regularisation**

(₹ in crore)				
Year	Grant / Appropriation No.	Name of the Grant/ Appropriation	Amount of excess required to be regularised	Status of regularisation
2013-14	22	Forest and Environment	0.29	
	26	Excise	0.27	
	31	Handlooms, Textile and Handicrafts	18.00	
2014-15	26	Excise	0.01	Not regularised



2015-16	22	Forest and Environment	0.25
2016-17	6003	Internal Debt	56.63
	13	Housing and Urban Development	3.63
2017-18	8	Odisha Legislative Assembly	0.52
2018-19	7	Works	169.77
	8	Odisha Legislative Assembly	3.65
2020-21	7	Works	9.63
<b>Total</b>			<b>262.65</b>

Source: Appropriation Accounts of respective years, Government of Odisha

The excess expenditure indicates that the budgetary control in the department was ineffective and budget estimates were not prepared on realistic basis. Such excess expenditure, remaining unregularised for extended periods, dilutes legislative control over the executive and, therefore, needs to be got regularised at the earliest.

### 3.4. Effectiveness of budgetary and accounting process

#### 3.4.1 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities and weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some departments deprive other departments of funds, which they could have utilised.

The total provision for expenditure in FY 2022-23 was ₹ 2,23,676.35 crore. The actual gross expenditure, during the year, was ₹1,84,080.82 crore. This resulted in savings of ₹39,595.53 crore, of which only ₹39,360.55 crore (99.40 per cent) was surrendered. An amount of ₹38,586.92 crore (97.45 per cent) was surrendered on 31 March 2023. The details are given in **Table 3.8**.

**Table 3.8: Actual expenditure vis-à-vis budget provision during the FY 2022-23**

(₹ in crore)

Nature of Expenditure	Original	Supplementary	Total	Actual Expenditure	Savings (-)/ Excess (+), with reference to total budget	Savings / Excess (in percentage)	Surrendered during FY 2022-23		
							Amount	Per cent	
<b>Voted</b>	<b>I Revenue</b>	1,43,110.38	12,887.46	1,55,997.84	1,28,481.16	27,516.68	17.64	27,346.57	99.38
	<b>II Capital</b>	38,957.33	3,646.19	42,603.52	33,600.61	9,002.91	21.13	8,765.21	97.36
	<b>III Loans and Advances</b>	1,989.86	101.04	2,090.91	2,157.60	66.70	3.19	96.79	145.13
<b>Total Voted</b>	<b>1,84,057.57</b>	<b>16,634.69</b>	<b>2,00,692.27</b>	<b>1,64,239.37</b>	<b>36,452.90</b>	<b>18.16</b>	<b>36,208.57</b>	<b>99.33</b>	

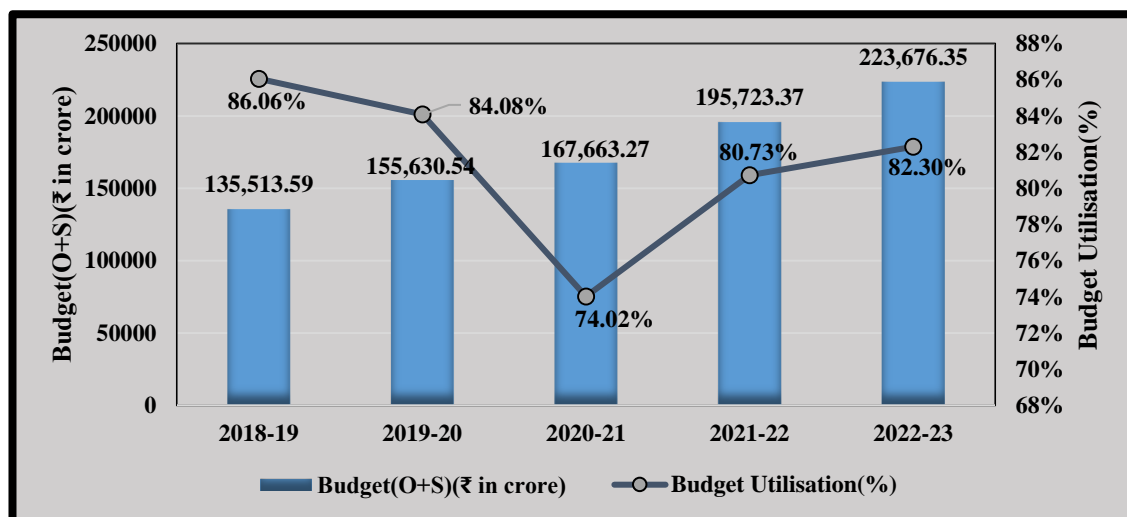
Nature of Expenditure	Original	Supplementary	Total	Actual Expenditure	Savings (-)/ Excess (+), with reference to total budget	Savings / Excess (in percentage)	Surrendered during FY 2022-23	
							Amount	Per cent
Charged	IV Revenue	31.65	8,749.39	5,720.49	3,028.90	34.62	3,035.25	100.21
	V Capital	133.66	233.35	194.14	39.21	16.80	39.21	100
	VI Public Debt Repayment	0.00	14,001.35	13,926.83	74.52	0.53	77.52	104.03
	<b>Total Charged</b>	<b>165.31</b>	<b>22,984.09</b>	<b>19,841.46</b>	<b>3,142.63</b>	<b>13.67</b>	<b>3,151.98</b>	<b>100.30</b>
	<b>Grand Total</b>	<b>2,06,876.35</b>	<b>2,23,676.35</b>	<b>1,84,080.82</b>	<b>39,595.53</b>	<b>17.70</b>	<b>39,360.55</b>	<b>99.41</b>

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

Note: There may be difference of ₹ 0.01 crore in the absolute figure, due to rounding off

The position of budget utilisation during the previous five years, is given in **Chart 3.5**.

**Chart 3.5: Budget Utilisation during FYs 2018-19 to 2022-23**



Source: Appropriation Accounts for FY 2022-23, Government of Odisha

Large amount of savings in allotted funds indicated both inaccurate assessments of requirements, as well as inadequate capacity to utilise the funds for intended purposes.

Trends in the original budgets, revised estimates and actual expenditure, for the period from FYs 2018-19 to 2022-23, are given in **Table 3.9**.

**Table 3.9: Original Budget, Revised Estimate and Actual Expenditure, during FYs 2018-19 to 2022-23**

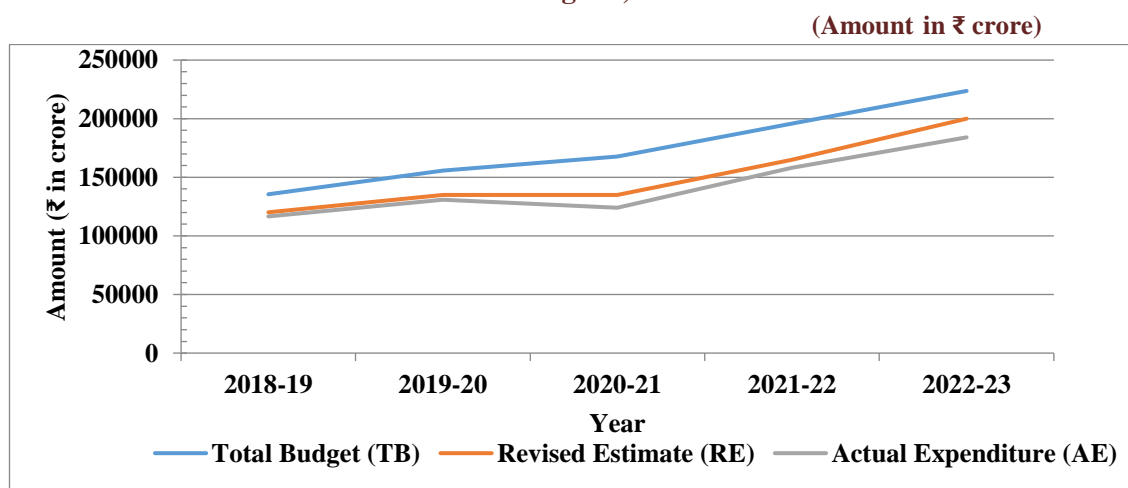
	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Original Budget</b>	1,22,723.59	1,46,061.09	1,55,963.27	1,75,890.24	2,06,876.35
<b>Supplementary Budget</b>	12,790.00	9,569.45	11,700.00	19,833.13	16,800
<b>Total budget (TB)</b>	1,35,513.59	1,55,630.54	1,67,663.27	1,95,723.37	2,23,676.35

	2018-19	2019-20	2020-21	2021-22	2022-23
Revised Estimate (RE)	1,20,125	1,35,000	1,35,000	1,64,999.66	2,00,000
Actual Expenditure (AE)	1,16,617.86	1,30,852.83	1,24,109.14	1,58,016.78	1,84,080.82
Savings	18,895.73	24,777.71	43,554.13	37,706.59	39,595.53
Percentage of supplementary to the original provision	10.42	6.55	7.50	11.28	8.12
Percentage of overall saving/excess to the overall provision	13.94	15.92	25.98	19.27	17.70
TB-RE	15,388.59	20,630.54	32,663.27	30,723.71	23,676.35
RE-AE	3,507.14	4,147.17	10,890.86	6,982.88	15,919.18
(TB-RE) as % of TB	11.36	13.26	19.48	15.70	10.58
(RE-AE) as % of TB	2.59	2.66	6.50	3.57	7.12

Source: Appropriation Accounts of respective years and Odisha Budget at a glance, 2022-23

Table 3.9 shows that the supplementary provision of ₹ 16,800 crore, during FY 2022-23, constituted 8.12 per cent of the original provision, against 11.28 per cent in the previous year.

Chart 3.6: Trend showing TB, RE and Actuals



Source: Appropriation Accounts of respective years and Odisha Budget at a glance, 2022-23

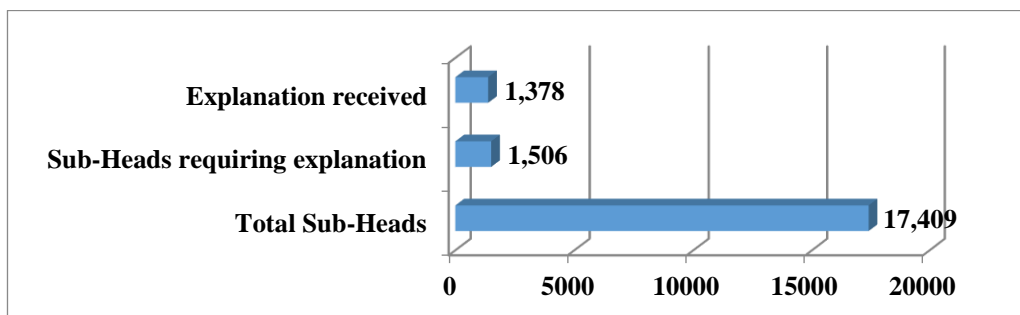
From Chart 3.6, it can be seen that, over the period from FYs 2018-19 to 2022-23, the Revised Estimates (RE) were always lower than the Total Budget (TB) of the State. The gap between the RE and the TB was between 11 to 19 per cent, during the last five years, indicating large estimation errors.

In terms of percentage, the RE was 11.36 per cent more than the TB in FY 2018-19, which increased to 19.48 per cent in FY 2020-21 and reduced to 10.58 per cent in FY 2022-23. Further, the percentage of Actual Expenditure (AE) to TB during the same period, was also lower than the RE and it ranged between 2.59 per cent and 7.12 per cent. As such, the supplementary provisions during FYs 2018-19 to 2022-23 proved unnecessary, since the expenditure did not come up even to the level of original budget provisions.

This indicates that the budgetary allocations were based on unrealistic proposals, as the Budget Estimates of the State were always inflated and the Actual Expenditure was less than the budgetary provisions.

A summary of explanations, for variations in the Appropriation Accounts, is depicted in **Chart 3.7**.

**Chart 3.7: Summary of Explanation for variation in Appropriation Accounts**



Source: Office of the PAG (A&E), Odisha

### 3.4.2 Major policy announcements in budget and their actual funding for ensuring implementation

Several policy initiatives taken up by the Government are wholly or partially not executed, due to non-receipt of proposals, non-settlement of claims *etc.* This deprives the beneficiaries of intended benefits. Savings in such schemes deprives other Departments of the funds, which they could have utilised. It was observed that, in 15 Grants, there was approved outlay of ₹17,129.08 crore for various schemes, which was fully withdrawn in the revised outlay, as shown in **Appendix 3.8**. This reflects that the budgetary allocations were based on unrealistic proposals. The New Schemes, initiated by the State Government, were either partially executed or not executed at all, as detailed in **Table 3.10**.

**Table 3.10: New Schemes, partially executed or not executed, during FY 2022-23**

(₹ in crore)

Sl. No.	New scheme	Grant No. and Name	Budget provision	Expenditure
1	Rural Infrastructure Assistance to State Government (RIAS)	20-Water Resources	100.00	0.00
2	SIDBI Cluster Development Fund (SCDF)	40-Micro, Small and Medium Enterprises	90.00	30.02
3	Kalinga Model Residential Schools (KMRS)	11-Scheduled Tribes and Scheduled Castes Development, Minorities and Backward Classes Welfare	3.78	1.84
4	Medical College & Hospital, Sundargarh	12-Health and Family Welfare	1.84	0.42
5	Medical College, Sundargarh	12-Health and Family Welfare	19.96	7.47
6	Medical College, Keonjhar	12-Health and Family Welfare	19.80	9.57
7	Post Graduate Institute of Medical Education & Research and Capital Hospital, Bhubaneswar	12-Health and Family Welfare	7.95	6.99
8	Diversion of forest land for non-forest use	02-General Administration and Public Grievance	2.50	0.11

Sl. No.	New scheme	Grant No. and Name	Budget provision	Expenditure
9	Odisha University of Health Sciences	12-Health and Family Welfare	15.00	0.41
10	Rourkela Smart City Ltd (RSCL)	13- Housing and Urban Development	496.00	396.00
11	Social Audit Unit	17-Panchayati Raj and Drinking Water	10.00	7.37
12	Project Tiger	22-Forest and Environment	37.59	20.61
13	Empowerment of women in Agriculture	23-Agriculture and Farmers' Empowerment	100	39.66
14	Innovative Agroforestry for Food and Nutrition Security	23-Agriculture and Farmers' Empowerment	10.00	9.93
15	Disaster Response Scheme	30-Energy	25.00	0.00
16	Pradhan Mantri Matsya Sampada Yojana (PMMSY)	33-Fisheries and Animal Resources Development	176.62	128.24
17	Training and Capacity Building	33-Fisheries and Animal Resources Development	19.59	14.54
18	Special Educational Support	11-Scheduled Tribes and Scheduled Castes Development, Minorities and Backward Classes Welfare	333.75	306.80
19	Development of Particularly Vulnerable Tribal Groups (PVTGs)	11-Scheduled Tribes and Scheduled Castes Development, Minorities and Backward Classes Welfare	51.00	17.97
20	Livestock Health & Disease Control Programme (LHDC)	33-Fisheries and Animal Resources Development	60.87	58.08
21	Veterinary Education & Research	33-Fisheries and Animal Resources Development	25.00	13.87
22	Dairy Development	33-Fisheries and Animal Resources Development	30.71	14.92
23	Development Programme (National Livestock Mission)	33-Fisheries and Animal Resources Development	19.16	7.80
24	Intensive Aquaculture & Inland Fisheries Development	33-Fisheries and Animal Resources Development	172.37	108.80
25	Swadhar (SAMARTHYA)	36-Women and Child Development	10.00	3.87
26	New India Literacy Programme (NILP)	10-School and Mass Education	7.16	5.37
27	Pradhan Mantri Adi Adarsh Grama Yojana (PMAAGY)	11-Scheduled Tribes and Scheduled Castes Development, Minorities and Backward Classes Welfare	75.67	37.73
28	State Support to MGNREGS	17-Panchayati Raj and Drinking Water	500.00	350.00
29	Coffee Plantation for sustainable livelihoods	23-Agriculture and Farmers' Empowerment	10.00	9.00
30	Chief Engineer & Basin Manager, Indravati-Kolab Basin, Office Establishment	20-Water Resources	4.12	2.23
		<b>Total</b>	<b>2,435.44</b>	<b>1,609.62</b>

Source: Office of the PAG (A&E), Odisha

This not only deprived beneficiaries of the intended benefits of these schemes, but also deprived other Departments of funds, where these could have been utilised.

### 3.4.3 Release of funds at the end of the financial year

Timely release of funds to the implementing agencies has a direct bearing on successful implementation of the schemes and avoidance of rush of expenditure. As

per Finance Department instructions (07 February 2023), the process of issuance of sanction orders for release of funds, as well as surrender of provisions, should be completed by 28 February 2023, in order to avoid rush of expenditure in the last month of the financial year.

An examination of sanction orders, issued during the financial year 2022-23 revealed that the Government had released ₹3,218.06 crore, for the implementation of different schemes in 16 Departments, in the last week of March 2023 (**Appendix 3.9**). As such, there was no possibility of utilisation of these funds, during the financial year 2022-23. Release of funds in the last week of the financial year indicated that the funds were released primarily to exhaust the budget provision.

### 3.4.4 Rush of expenditure

Rule 62 (3) of the General Financial Rules provides that rush of expenditure particularly in the closing months of the financial year, is regarded as a breach of financial propriety and should be avoided.

As per the Circular issued by the Finance Department, Government of Odisha, on Regulation of Expenditure, 2022-23, in the Cash Management System, the flow of expenditure should be evenly placed. The State Government prescribed, vide its circular dated 20.08.2022, quarter-wise percentages (1<sup>st</sup> Quarter -15 per cent; 2<sup>nd</sup> quarter -15 per cent; 3<sup>rd</sup> Quarter - 30 per cent, 4<sup>th</sup> Quarter - 40 per cent), for incurring expenditure in the cash management system during the year, with the aim of regulating the expenditure in a phased manner.

During FY 2022-23, the Cash Management System was implemented in 20 Departments. Out of these 20 Departments, only seven Departments had spent at least 60 per cent of their original budget provisions by the end of the third quarter. The Micro, Small & Medium Enterprises Department had utilised only 19.93 per cent of its original provision, by the end of the third quarter. The quarterly details of expenditure, incurred across 20 Grants, are shown in **Table 3.11**.

**Table 3.11: Analysis of Cash Management System**

(₹ in crore)

Sl. No.	Grant No/Name of the Department	Original Budget Provision	Up to December 2022		March 2023 (Pre)	
			Expenditure during first three quarters	Percentage of Expenditure	Expenditure during the month	Percentage of Expenditure
<b>The following Departments have followed the guidelines</b>						
1	41-Department of Social Security and Empowerment of Persons with Disability	3,705.61	2,422.13	65.36	307.74	8.30

Sl. No.	Grant No/Name of the Department	Original Budget Provision	Up to December 2022		March 2023 (Pre)	
			Expenditure during first three quarters	Percentage of Expenditure	Expenditure during the month	Percentage of Expenditure
2	9-Food Supplies and Consumer Welfare	1,205.35	789.20	65.47	8.74	0.73
3	12-Health & Family Welfare	12,342.46	8,468.92	68.62	1,780.20	14.42
4	19-Industries	671.4	719.45	107.16	41.81	6.23
5	30-Energy	3,482.48	2,664.63	76.52	160.79	4.62
6	31-Handlooms, Textiles & Handicrafts	203.15	231.76	114.08	27.47	13.52
7	36-Women and Child Development and Mission Shakti	3,566.62	2,348.42	65.84	347.79	9.75
<b>The following Departments have not followed the guidelines</b>						
8	7-Works	8,682.93	4,208.93	48.47	1,928.06	22.21
9	10-School and Mass Education	20,636.1	14,881.40	72.11	3,576.21	17.33
10	11-Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	4,091.99	1,814.39	44.34	985.68	24.09
11	13-Housing and Urban Development	7,297.73	3,378.73	46.30	1,759.41	24.11
12	17-Panchyati Raj & Drinking Water	22,741.44	8,056.76	35.43	5,090.80	22.39
13	20-Water Resources	10,050.8	6,138.80	61.08	1,541.83	15.34
14	22-Forest & Environment	2,217.72	1129.9	50.95	410.21	18.50
15	23-Agriculture and Farmer's Empowerment	6,646.12	3,873.02	58.27	1941.46	29.21
16	28-Rural Development	6,966.64	3,977.85	57.10	1,166.54	16.74
17	33-Fisheries & Animal Resources Development	1,657.54	835.11	50.38	240.64	14.52
18	38-Higher Education	2,836.07	1,625.17	57.30	399.26	14.08
19	39-Skill Development & Technical Education	810.68	459.3	56.66	120.45	14.86
20	40-Micro, Small & Medium Enterprises	622.66	124.07	19.93	25.07	4.03

*Source: Monthly Appropriation Reports for December 2022 and March (Pre) 2023.*



Audit observed that, in 31 sub-heads, the entire expenditure of ₹15,216.56 crore (₹10 crore and more in each case of allocation of funds), had been incurred in the month of March 2023 alone, as shown in **Appendix 3.10**.

### 3.5 Review of selected grants

A review of budgetary procedure and control over expenditure in regard to three selected grants *i.e.* 16 – Planning and Convergence, 20 – Water Resources and 22 – Forest and Environment Departments, was conducted, wherein the magnitude of variations in original grants, supplementary demands and actual expenditure were analysed.

#### 3.5.1 Grant No. 16: Planning and Convergence Department

##### (i) Introduction

Grant No. 16 includes Major Heads 2235 - Social Security and Welfare, 2401 - Crop Husbandry, 2575 - Other Special Areas Programmes, 3451 - Secretariat-Economic Services, 3454 - Census Surveys and Statistics, 4059 - Capital Outlay on Public Works, 4216 - Capital Outlay on Housing and 4575 - Capital Outlay on Other Special Areas Programmes.

##### (ii) Budget and Expenditure

The overall position of budget provisions, actual disbursements and savings, under the grant, for the last three years (FYs 2020-21 to 2022-23), is given in **Table 3.12**.

**Table 3.12: Budget provision *vis-à-vis* Expenditure**

(₹ in crore)					
Year	Section	Budget Provision	Total	Expenditure	Unutilized provision and its percentage
2020-21	Revenue-Original (V )	945.73	945.73	774.27	171.46 (18.13)
	Supplementary	0			
	Revenue-Original (C)	0	0	0	0
	Supplementary	0			
	Capital-Original (V)	235.50	235.50	217.49	18.01 (7.65)
	Supplementary	0			
	<b>Grand Total</b>		1,181.23	991.76	<b>189.47 (16.04)</b>
2021-22	Revenue-Original (V )	1,038.30	1,041.81	895.36	146.45 (14.06)
	Supplementary	3.51			
	Revenue-Original (C)	0	0	0	0
	Supplementary	0			
	Capital-Original (V)	429.36	429.36	232.01	197.35 (45.96)
	Supplementary	0			
	<b>Grand Total</b>		1,471.17	1,127.37	<b>343.80 (23.37)</b>
2022-23	Revenue-Original (V )	1,661.72	1,662.50	1106.78	555.72

Year	Section	Budget Provision	Total	Expenditure	Unutilized provision and its percentage
	Supplementary	0.78			(33.43)
	Revenue-Original (C)	0.03	0.03	0.02	0.01
	Supplementary	0			(33.33)
	Capital-Original (V)	1,373.05	1,373.05	294.47	1,078.58
	Supplementary	0			(78.55)
	<b>Grand Total</b>		<b>3,035.58</b>	<b>1,401.27</b>	<b>1,634.31 (53.84)</b>

Source: Appropriation Accounts for FYs 2020-21 to 2022-23, Government of Odisha

### (iii) Entire provision remaining unutilised

It was observed that the entire budget allocation had remained unutilised, under six schemes, during FY 2022-23, indicating non-implementation of schemes, as shown in Table 3.13.

**Table 3.13: Entire provision (₹ one crore or more) remaining unutilised under Grant No. 16**

(₹ in crore)

Sl. No.	Head of Account	Scheme	Original Budget	Re-appropriations	Savings	Total unutilised amount
1	2401-00-111-0114	Census of Minor Irrigation and Statistics	14.83	(-) 9.93	4.90	14.83
2	2575-02-789-3489	Special Initiative Programme	110.00	(-) 110.00	-	110.00
3	2575-02-796-3489	Special Initiative Programme	150.00	(-) 150.00	-	150.00
4	3451-00-090-3290	Convergence Cell	3.00	(-) 3.00	-	3.00
5	4216-01-106-2197	Construction of building of Planning & Coordination Department	1.00	(-) 1.00	-	1.00
6	4575-02-800-3489	Special Initiative Programmes	1,048.55	(-) 1,048.55	-	1,048.55

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

### (iv) Unnecessary supplementary grants

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision, made by the Appropriation Act for the year, can be made during the current financial year, but not after the expiry of the current financial year. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant to cover the excess by re-appropriation, the Secretary in the Department concerned, proposes to the Finance Department for supplementary or additional grant or appropriation.

Audit analysis showed that supplementary provisions of ₹0.60 crore (Revenue-

Voted) under the head 3451-00-092-1359, during FY 2022-23 proved unnecessary, as the expenditure of ₹0.53 crore did not come up even to the level of original provision of ₹1.13 crore.

### 3.5.1.1 Programme Implementation

Details of financial and physical targets and achievements, under the schemes mentioned in **Table 3.14**, were test-checked in Audit.

**Table 3.14: Achievements against financial and physical targets**

Sl. No.	Head of Accounts	Financial Targets (₹ in crore)			Physical Targets v/s Achievements		Reasons stated by the department for non-achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	
<b>1</b>	<b>Name of the Scheme: Special Initiative Programme</b>						
(i)	2575-02-789-3489-	<b>110.00</b>	<b>00</b>	<b>110.00</b>	Lumpsum budget provision was prepared, without full details of justification of the budget demand and without details of the intended targets and outcomes.		Proposals for utilisation of the lumpsum budget provision were not prepared, during FY 2022-23.
(ii)	2575-02-796-3489-	<b>150.00</b>	<b>00</b>	<b>150.00</b>			
(iii)	2575-02-800-3489-	<b>400.00</b>	<b>7.50</b>	<b>392.50</b>			
(iv)	4575-02-800-3489-	<b>1048.55</b>	<b>0</b>	<b>1048.55</b>			
	<b>Total</b>	<b>1708.55</b>	<b>7.50</b>	<b>1701.05</b>			
<b>Audit Comment:</b> It can be seen that only 0.44 per cent of the total budget provision was utilised under the scheme. The Department stated that the provision under the scheme was made to meet funds, which had been allocated for post-budget initiatives of other Departments and also for meeting the additional requirements of various schemes of the P&C Department. The balance funds, for which no proposals were received, could not be spent during FY 2022-23 and were, therefore, surrendered. The reply was not tenable, as the Department had created a lump sum budget provision, without identification of a specific purpose of end utilisation, in contravention of Rule 59 of the Odisha Budget Manual.							
<b>2</b>	<b>Name of the Scheme: Socio-Economic Transformation and Upliftment (SETU)</b>						
(i)	4575-02-789-3357	<b>3.59</b>	<b>2.33</b>	<b>1.26</b>	Lumpsum budget provision was prepared, without full details of justification of the budget demand and without details of the intended targets and outcomes.		Non-receipt of project proposals from other Departments resulted in the funds remaining unutilised.
(ii)	4575-02-796-3357	<b>30.68</b>	<b>19.87</b>	<b>10.81</b>			
(iii)	4575-02-789-3357	<b>5.73</b>	<b>3.71</b>	<b>2.02</b>			
	<b>Total</b>	<b>40.00</b>	<b>25.91</b>	<b>14.09</b>			
<b>Audit Comments:</b> The Budget Estimates were not based on proposals received from different executing Departments. Instead, as a post-budget exercise, the Department had released funds as and when the proposals were received from different line departments, which indicated lack of a proper budgeting mechanism in the Department, under the SETU scheme.							
<b>3</b>	<b>Name of the Scheme: Construction of Building of Planning &amp; Convergence Department</b>						
(i)	4059-01-051-2197- Construction of Building of P&C Department	<b>5.00</b>	<b>1.05</b>	<b>3.95</b>	Lumpsum budget provision was prepared, without full details of justification of the budget demand and without details of the intended construction of buildings.		Non-receipt of claims.
(ii)	4216-01-106-2197- Construction of Building of P&C Department	<b>1.0</b>	<b>0</b>	<b>1.00</b>			
<b>Audit comments:</b> The budget estimates under the scheme were not based on the budgetary requirements, submitted by the field officers.							

Sl. No.	Head of Accounts	Financial Targets (₹ in crore)			Physical Targets v/s Achievements		Reasons stated by the department for non-achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	
<b>4</b>	<b>Name of the Scheme: District Mineral Foundation Support Cell</b>						
	3451-00-090-3291- District Mineral Foundation Support Cell	<b>5</b>	<b>0.92</b>	<b>4.08</b>	Targets were not fixed by the Department.		Delay in preparation of the web portal for DMF Support Cell.
	<b>Audit Comments:</b> The benefits envisaged under the scheme could not be achieved, due to delay in preparation of the web portal.						
<b>5</b>	<b>Name of the Scheme: Evaluation and Impact Assessment</b>						
	3451-00-102-2824- Evaluation and Impact Assessment Study in different districts	<b>25</b>	<b>0.03</b>	<b>24.97</b>	Targets were not fixed by the Department.		The amount was not utilised, since training programmes had not been conducted.
	<b>Audit Comments:</b> The benefits envisaged under the scheme could not be achieved, due to ineffective monitoring of the scheme.						
<b>6</b>	<b>Name of the Scheme: Census of Minor Irrigation and Statistics</b>						
	2401-00-111-0114-	<b>14.83</b>	<b>4.90</b>	<b>9.93</b>	Targets were not fixed by the Department.		Due to change of plan status, from Central Sector Scheme to Centrally Sponsored Scheme.
	<b>Audit comments:</b> The plan status should have been settled well before the completion of the financial year.						
<b>7</b>	<b>Name of the Scheme :</b> Establishment of an Agency for Reporting Agricultural Statistics in Odisha						
	2401-00-111-0396-	<b>38</b>	<b>27.09</b>	<b>10.91</b>	Targets were not fixed by the Department.		Delay in appointment of new Statistical Field Surveyors (SFSs), <i>etc.</i>
	<b>Audit comments:</b> Delay in appointment of staff indicated ineffective monitoring of the scheme.						
<b>8</b>	<b>Name of the Scheme :</b> Strengthening of Statistical System						
	3454-02-205-3171-	<b>10</b>	<b>3.36</b>	<b>6.64</b>	Targets were not fixed by the Department.		Expenditure committed towards hiring of PMU, DAU & IT equipment had not been incurred.
	<b>Audit comments :</b> Non-adoption of targets and achievements indicated ineffective monitoring of the scheme.						

*Source: Information furnished by Planning and Convergence Department, Government of Odisha*

### 3.5.2 Grant No. 20: Water Resources Department

#### (i) Introduction

Grant No. 20 - Water Resources includes Major Heads 2059 - Public Works, 2070 - Other Administrative Services, 2700 - Major Irrigation, 2701 - Medium Irrigation, 2702 - Minor Irrigation, 2705 - Command Area Development, 2711 - Flood Control and Drainage, 3054 - Roads and Bridges, 4700 - Capital Outlay on Major Irrigation,

4701 - Capital Outlay on Medium Irrigation, 4702 - Capital Outlay on Minor Irrigation and 4711 - Capital Outlay on Flood Control Projects.

**(ii) Budget and Expenditure**

The overall position of budget provisions, actual expenditure and savings, under the grant, for the last three years (FYs 2020-21 to 2022-23), is given in **Table 3.15**.

**Table 3.15: Budget provision vis-à-vis Expenditure**

(₹ in crore)

Year	Section	Budget Provision	Total	Expenditure	Unutilised provision and its percentage
2020-21	Revenue-Original (V )	2,996.17	3,018.53	1,765.77	1,252.76
	Supplementary	22.37			(41.50)
	Revenue-Original (C)	3.50	3.50	0.23	3.27
	Supplementary	0			(93.42)
	Capital-Original (V)	6,340.00	6,340.00	3,586.50	2,753.50
	Supplementary	0.00			(43.43)
	Capital-Original (C)	40.02	40.02	32.19	7.83
Supplementary	0	(19.57)			
	<b>Grand Total</b>		9,402.05	5,384.69	<b>4,017.36</b> <b>(42.73)</b>
2021-22	Revenue-Original (V )	2,642.64	2,743.24	2,453.81	289.43
	Supplementary	100.60			(10.55)
	Revenue-Original (C)	3.00	3.00	2.09	0.91
	Supplementary	0			(0.33)
	Capital-Original (V)	5,582.67	5,783.83	4,529.88	1253.95
	Supplementary	201.16			(21.68)
	Capital-Original (C )	44.13	147.13	109.11	38.02
Supplementary	103.00	(34.85)			
	<b>Grand Total</b>		8,677.20	7,094.89	<b>1,582.31</b> <b>(18.24)</b>
2022-23	Revenue-Original (V )	3,115.96	3,306.86	2,927.66	379.20
	Supplementary	190.91			(11.47)
	Revenue-Original (C)	3.00	3.00	2.93	0.07
	Supplementary	0			(2.33)
	Capital-Original (V)	6847.85	8,252.50	7179.53	1,072.97
	Supplementary	1404.65			(13.00)
	Capital-Original (C )	83.99	83.99	46.08	37.91
Supplementary	0	(45.14)			
	<b>Grand Total</b>		11,646.35	10,156.20	<b>1,490.15</b> <b>(12.79)</b>

Source: Appropriation Accounts of respective years

**(iii) Non surrender of savings**

As per Rule 144 (1) & (2) of the Odisha Budget Manual, spending departments are required to surrender the grants/appropriations or portion thereof, to the Finance Department, as and when savings are anticipated. The position of savings and surrender of unutilised provisions, is shown in **Table 3.16**.

Table 3.16: Surrender of savings

(₹ in crore)

Year	Savings				Amount surrendered (Percentage)			
	Revenue (V)	Revenue (C)	Capital (V)	Capital (C)	Revenue (V)	Revenue (C)	Capital (V)	Capital (C)
2020-21	1,252.76	3.27	2,753.50	7.83	415.40 (33.16)	3.27 (100)	377.70 (13.72)	7.71 (98.47)
2021-22	289.43	0.90	1,253.95	38.02	280.91 (97.06)	0.90 (100)	1,253.85 (99.99)	38.02 (100)
2022-23	379.20	0.07	1,072.97	37.91	371.88 (98.07)	0.02 (28.57)	1,072.96 (100)	37.91 (100)

Source: Appropriation Accounts of respective years  
(Figures in parenthesis indicates percentage to total savings)

## (iv) Persistent savings

It was observed that substantial portions of the budget allocation had remained unutilised, under 18 schemes, under Grant No. 20 - Water Resources, during FYs 2020-21 to 2022-23, indicating non-achievement of the projected financial outlays in the respective years, as shown in Table 3.17.

Table 3.17: Persistent savings under Grant No. 20

(₹ in crore)

Sl. No.	Head of Account	2020-21	2021-22	2022-23
1	2702-03-102-3267, 3534 - Pradhan Mantri Krishi Sinchai Yojana-Har Khet Ko Pani (HKP)	181.05 (100)	19.00 (100)	15.00 (100)
2	2702-03-789-3267, 3534 - Pradhan Mantri Krishi Sinchai Yojana-Har Khet Ko Pani (HKP)	52.00 (100)	4.50 (100)	4.00 (100)
3	2702-03-796-3267, 3534 - Pradhan Mantri Krishi Sinchai Yojana-Har Khet Ko Pani (HKP)	68.00 (100)	6.50 (100)	6.00 (100)
4	2705-00-107-3091 - Command area Development Programme under Central, Southern and Northern RDC Zone	0.95 (51.08)	(3.37) (15.84)	11.48 (37.58)
5	4700-19-796-2177 - JBIC Assisted Rengali Irrigation Project (EAP)-Phase - II	32.92 (41.22)	32.23 (54.07)	7.14 (15.27)
6	4700-20-800-2160 - Accelerated Irrigation Benefit Programme (AIBP)	7.72 (17.83)	41.25 (83.22)	34.67 (64.41)
7	4700-20-800-2954 - CAD & WM Work in AIBP Projects	1.70 (100)	1.68 (75.68)	4.38 (63.66)
8	4701-62-789-2951 - Water Sector Infrastructure Development Programme (WSIDP)	0.90 (60)	5.90 (98.33)	11.88 (99.00)
9	4701-66-800-2951 - Water Sector Infrastructure Development Programme (WSIDP)	1.51 (67.11)	0.55 (57.29)	1.16 (27.62)
10	4701-67-796-2410 - Dam Rehabilitation and Improvement Projects (EAP)	28.00 (100)	4.20 (100)	2.66 (49.90)
11	4701-80-789-3439 - Construction of Instream Storage Projects	100 (100)	100 (76.92)	42.54 (42.54)

Sl. No.	Head of Account	2020-21	2021-22	2022-23
12	4701-80-796-3439 - Construction of Instream Storage Projects	220.00 (100)	125.00 (100)	45.20 (45.20)
13	4701-80-800-3439 - Construction of Instream Storage Projects	772.00 (100)	433.43 (80.35)	136.66 (35.21)
14	4701-80-800-2621 - Periphery Development of Reservoirs	5.00 (100)	24.32 (99.26)	21.23 (86.65)
15	4701-80-789-2160 - Accelerated Irrigation Benefit Programme (AIBP)	8.98 (82.76)	14.74 (100)	17.73 (99.32)
16	4701-80-796-2160 - Accelerated Irrigation Benefit Programme (AIBP)	13.62 (84.33)	16.84 (86.31)	27.12 (99.89)
17	4701-80-800-2160 - Accelerated Irrigation Benefit Programme (AIBP)	31.50 (82.48)	37.77 (88.35)	59.00 (98.33)
18	4702-00-789-3252, 3253 - Parvati Giri Megalift Project	11.33 (37.77)	7.05 (14.10)	10.32 (68.80)

Source: Appropriation Accounts of respective years  
(Figures in parenthesis indicate percentage of total provisions)

**(v) Entire provision remaining unutilised**

It was observed that the entire budget provision had remained unutilised, under 18 schemes, during FY 2022-23, indicating non-implementation of schemes, as shown in **Table 3.18**.

**Table 3.18: Entire provision (₹ one crore or more) remaining unutilised**

(₹ in crore)

Sl. No.	Head of Account	Original budget	Re-appropriations	Provision remaining unutilised
1	2702-03-102-3534-Pradhan Mantri Krishi Sinchayee Yojana-Har Khet Ko Pani (HKP)	15.00	(-) 15.00	15.00
2	2702-03-789-3534-Pradhan Mantri Krishi Sinchayee Yojana-Har Khet Ko Pani (HKP)	4.00	(-) 4.00	4.00
3	2702-03-102-3534-Pradhan Mantri Krishi Sinchayee Yojana-Har Khet Ko Pani (HKP)	6.00	(-) 6.00	6.00
4	4700-14-789-2954-CAD&WM work in AIBP Projects	1.50	(-) 1.50	1.50
5	4700-14-796-2954-CAD&WM work in AIBP Projects	5.00	(-) 5.00	5.00
6	4701-62-796-2951- Water Sector Infrastructure Development Programme (WSIDP)	5.00	(-) 5.00	5.00
7	4701-95-001-2725- Medium Irrigation Project under State Plan	2.39	(-) 2.39	2.39



Sl. No.	Head of Account	Original budget	Re-appropriations	Provision remaining unutilised
8	4701-95-800-2725- Medium Irrigation Project under State Plan	3.21	(-) 3.21	3.21
9	4701-97-789-3562- Rural Infrastructure Assistance to State Government (RIAS)	100.00	(-) 100.00	100.00
10	4701-97-796-3562- Rural Infrastructure Assistance to State Government (RIAS)	80.00	(-) 80.00	80.00
11	4701-97-800-3562- Rural Infrastructure Assistance to State Government (RIAS)	175.67	(-) 175.67	175.67
12	4702-00-789-2951- Water Sector Infrastructure Development Programme (WSIDP)	6.00	(-) 6.00	6.00
13	4702-00-789-3562- Rural Infrastructure Assistance to State Government (RIAS)	17.00	(-) 17.00	17.00
14	4702-00-796-3562- Rural Infrastructure Assistance to State Government (RIAS)	23.00	23.00	23.00
15	4702-00-800-3562- Rural Infrastructure Assistance to State Government (RIAS)	60.00	(-) 60.00	60.00
16	4702-00-789-3536- Pradhan Mantri Krishi Sinchayee Yojana-Har Khet Ko Pani (HKP)	1.40	(-) 1.40	1.40
17	4702-00-796-3536-Pradhan Mantri Krishi Sinchayee Yojana-Har Khet Ko Pani (HKP)	1.85	(-) 1.85	1.85
18	4702-00-800-3536-Pradhan Mantri Krishi Sinchayee Yojana-Har Khet Ko Pani (HKP)	4.75	(-) 4.75	4.75

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

#### (vi) Unnecessary supplementary grants

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision, made by the Appropriation Act for the year, can be made during the current financial year, but not after the expiry of the current financial year. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant to cover the excess by re-appropriation, the Secretary in the Department concerned, is to propose to the Finance Department, for supplementary or additional grant or appropriation.

Audit analysis showed that supplementary provisions of ₹16.10 crore, during FY 2022-23, proved unnecessary, as the expenditure of ₹6.54 crore did not come up even to the level of original provision of ₹13.10 crore, as shown in the **Table 3.19**.

**Table 3.19: Unnecessary supplementary grants under Grant No. 20**

(₹ in crore)

Sl. No.	Head of Account	Original Budget	Supplementary	Actual expenditure	Savings out of the Original provision
1	4702-00-789-3535-Pradhan Mantri Krishi Sinchayee Yojana-Har Khet Ko Pani (Repair, Renovation and Restoration)	2.90	12.19	1.44	1.46
2	4702-00-800-3535-Pradhan Mantri Krishi Sinchayee Yojana-Har Khet Ko Pani (Repair, Renovation and Restoration)	10.20	3.91	5.10	5.10
	<b>Total</b>	<b>13.10</b>	<b>16.10</b>	<b>6.54</b>	<b>6.56</b>

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

**(vii) 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 additional funds are needed. During FY 2022-23, it was observed that the re-appropriation orders had proved injudicious, as there was excess expenditure (Sl. Nos. 1 and 2) / less expenditure (Sl. Nos. 3 and 4), as detailed in **Table 3.20**.

**Table 3.20: Unnecessary re-appropriation under Grant No. 20**

(₹ in crore)

Sl. No.	Number and Name of grant/head of Account	Original grant	Supplementary grant	Re-appropriation	Total	Expenditure	Savings (-)/ Excess (+)
1	4700-19-800-2177-JBIC Assisted Rengali Irrigation Project (EAP)-Phase-II	116.49	0	(-) 42.33	74.16	75.29	(+)1.13
2	4711-01-103-2161-Rural Infrastructure Development Fund	180.00	0	(+) 28.69	208.69	209.67	(+) 0.98
3	2705-00-107-3091-Command area Development Programme under Central, Southern and Northern RDC Zone	30.55	0	(-) 6.03	24.52	19.07	(-) 5.45
4	4711-01-789-2161-Rural Infrastructure Development Fund	110.00	0	(+) 34.84	144.84	143.86	(-) 0.98
	<b>Total</b>	<b>437.04</b>	<b>0</b>	<b>(+) 15.17</b>	<b>452.21</b>	<b>447.89</b>	<b>4.32</b>

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

(viii) Programme implementation

Details of financial and physical targets and achievements under the schemes mentioned in **Table 3.21**, were test-checked in Audit.

**Table 3.21: Achievements against financial and physical targets**

Sl. No.	Head of Accounts	Financial Targets (₹ in crore)			Physical Targets v/s Achievements (in numbers)			Reasons stated by the department for non- achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
<b>1</b>	<b>Name of the Scheme: Odisha Integrated Irrigation Project for Climate Change Resilient Agriculture (OIIPCRA) – (EAP):</b> - OIIPCRA aims at increasing farmers’ yield by diversifying and improving agricultural production, fostering climate-resilient agriculture practices and improving water productivity and access to reliable irrigation.							
(i)	2702-01-789-3229	60	18.56	41.44	2,394 ha	359 ha	2,035 ha	Due to late finalisation of Tender Process
(ii)	2702-01-796-3229	60	18.55	41.45	7,040 ha	1,056 ha	5,984 ha	
(iii)	2702-01-800-3229	180	78.35	101.65	12,566 ha	1,883 ha	10,683 ha	
	<b>Total</b>	<b>300</b>	<b>115.46</b>	<b>184.54</b>	<b>22,000 ha</b>	<b>3,298 ha</b>	<b>18,702 ha</b>	
<b>Audit comments:</b> It could be seen that only 38.49 per cent allotted funds were utilised, due to which the intended benefits could not be achieved.								
<b>2</b>	<b>Name of the Scheme: JBIC Assisted Rengali Irrigation Project (EAP) - Phase-II</b>							
(i)	4700-19-001-2177	20.8	16.68	4.12	1. Main Canal = 6 Km Distributary, Minor and Sub-Minor = 20 Km  2. Ayacut to be created = 7,600	1. Main Canal = 3 Km Distributary, Minor and Sub-Minor = 14.38 Km  2. Ayacut created =7,600	1. Main Canal = 3 Km Distributary, Minor and Sub-Minor = 5.62 Km  2. Nil	Delay in Procurement Process of Package No. D-I, G-I, G-II & J-I; and delay in Land Acquisition and forest diversion.
	4700-19-789-2177	37.31	31.63	5.68				
	4700-19-796-2177	46.76	39.62	7.14				
	4700-19-800-2177	74.16	75.29	(+) 1.13				
	<b>Total</b>	<b>179.03</b>	<b>163.22</b>	<b>15.81</b>				
<b>Audit comments:</b> Issues relating to settlement of land acquisition and forest diversion, should have been addressed, before seeking funds for the project, in order to avoid delay in the execution of projects.								
<b>3</b>	<b>Name of the Scheme: Rural Infrastructure Assistance to State Government (RIAS),</b> to create large water bodies within the river embankment, without causing any displacement of people.							
(i)	4702-00-789-3562	17	0	17	Due to increase in the rate of interest under the RIAS, projects taken over under RIAS were cancelled.			
(ii)	4702-00-796-3562	23	0	23				
(iii)	4702-00-800-3562	60	0	60				
(iv)	4701-97-789-3562	100	0	100				
(v)	4701-97-796-3562	80	0	80				
(vi)	4701-97-800-3562	175.67	0	175.67				
	<b>Total</b>	<b>455.67</b>	<b>0</b>	<b>455.67</b>				

Sl. No.	Head of Accounts	Financial Targets (₹ in crore)			Physical Targets v/s Achievements (in numbers)			Reasons stated by the department for non- achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
<b>Audit comments:</b> Proper assessment was not carried out before commencement of the project, which had resulted in non-execution and non-achievement of project benefits, during FY 2022-23. The State High Power Committee had advised the Department to divert the budget provisions available under RIAS units, to RIDF units, during the supplementary budget for FY 2022-23, which was not done.								
<b>4</b>	<b>Name of the Scheme: Improvement and Production to Saline Embankments</b>							
(i)	4711-02-103-1628	98.25	20.02	78.23	36 embankments	0 embankments	36 embankments	Delay in finalisation of tenders and slow progress of work.
(ii)	4711-02-789-1628	93.25	18.50	74.75				
	<b>Total</b>	<b>191.50</b>	<b>38.52</b>	<b>152.98</b>				
<b>5</b>	<b>Name of the Scheme: Accelerated Irrigation Benefit Programme (AIBP)</b>							
(i)	4700-15-800-2160	40.20	10.98	29.22	Construction of 46.47 Th. Cum C. Concrete	33.41 Th. cum C. Concrete constructed	Construction of 13.06 Th. cum C. Concrete	Kharif & Rabi water supply in the Main canal Branch
(ii)	4701-80-800-2160	60	1	59	Preparation of DPR for Turi-Guntat irrigation project	DPR finalised for Turi-Guntat irrigation project	--	Cancellation of tender and delay in finalisation of the project.
	<b>Total</b>	<b>100.20</b>	<b>11.98</b>	<b>88.22</b>				
<b>6</b>	<b>Name of the Scheme: Construction of In-stream Storage Structure to create large water bodies within the river embankment, without causing any displacement of people.</b>							
(i)	4701-80-789-3439	100	57.46	42.54	In Stream Storage (ISS) at Saptamatruka	--	ISS at Saptamatruka	Shortage of labour.
(ii)	4701-80-796-3439	100	54.80	45.20				
(iii)	4701-80-800-3439	388.08	251.42	136.66				
	<b>Total</b>	<b>588.08</b>	<b>363.68</b>	<b>224.40</b>				

Source: Information furnished by Water Resources Department, Government of Odisha.

### 3.5.3 Grant No. 22 - Forest and Environment Department

#### (i) Introduction

Grant No. 22- Forest and Environment includes Major Head 2059 - Public Works, 2406 – Forestry and Wild Life, 3435 – Ecology and Environment, 3451 – Secretariat - Economic Services, 4406 – Capital Outlay on Forestry and Wild Life, are operated under this Grant. The Forest, Environment and Climate Change Department in the State operates through a number of departmental formations and autonomous bodies. The field formations, under the Forestry set-up, are organised under the under Forest, Wildlife and Kendu leaf wings.

#### (ii) Budget and Expenditure

The overall position of budget provisions, actual expenditure and savings, under the grant, for the last three years (2020-21 to 2022-23), is given in **Table 3.22**.

**Table 3.22: Budget provision vis-à-vis Expenditure**

(₹ in crore)

Year	Section	Budget Provision	Total	Expenditure	Unutilized provision and its percentage
2020-21	Revenue-Original (V )	1,954.40	1,975.95	1,599.53	376.42 (19.05)
	Supplementary	021.55			
	Revenue-Original (C)	0.17	0.17	0.15	0.02 (11.76)
	Supplementary	0			
	Capital-Original (V)	5.00	5.00	5.00	0
	Supplementary	0			
	<b>Grand Total</b>		<b>1,981.12</b>	<b>1,604.68</b>	<b>376.44 (19)</b>
2021-22	Revenue-Original (V )	1,886.60	1,996.41	1,752.76	243.65 (12.20)
	Supplementary	109.81			
	Revenue-Original (C)	0.17	0.17	0.12	0.05 (29.41)
	Supplementary	0			
	Capital-Original (V)	5.00	5.00	3.00	2.00 (40.00)
	Supplementary	0			
	<b>Grand Total</b>		<b>2,001.58</b>	<b>1,755.88</b>	<b>245.70 (12.28)</b>
2022-23	Revenue-Original (V )	2,212.02	2,466.26	1,954.00	512.26 (20.77)
	Supplementary	254.24			
	Revenue-Original (C)	0.17	0.17	0.08	0.09 (52.94)
	Supplementary	0			
	Capital-Original (V)	5.53	10.53	8.51	2.02 (19.18)
	Supplementary	5.00			
	<b>Grand Total</b>		<b>2,476.96</b>	<b>1,962.59</b>	<b>514.37 (20.77)</b>

Source: Appropriation Accounts of respective years

(iii) **Non surrender of savings**

As per Rule 144 (1) & (2) of the Odisha Budget Manual, spending departments are required to surrender the grants/ appropriations or portion thereof to the Finance Department, as and when savings are anticipated. The position of savings and surrenders under Grant No. 22-Forest and Environment, during FYs 2020-21 to 2022-23, is shown in **Table 3.23**.

**Table 3.23: Surrender of savings**

(₹ in crore)

Year	Savings			Amount surrendered		
	Revenue (V)	Revenue (C)	Capital (V)	Revenue (V)	Revenue (C)	Capital (V)
2020-21	376.42	0.02	0.00	382.14	0.02	0.00
2021-22	243.66	0.05	2.00	242.82	0.05	2.00
2022-23	512.26	0.09	2.02	416.58	0.09	2.02

Source: Appropriation Accounts of respective years

**(iv) Entire provision remaining unutilised**

It was observed that entire budget allocation had remained unutilised under various schemes during FY 2022-23, indicating non-implementation of schemes, as shown in **Table 3.24**.

**Table 3.24: Entire provision (₹ one crore or more) remaining unutilised under Grant No. 22 (₹ in crore)**

Sl. No.	Head of Account and name of the Scheme	Original budget	Supplementary	Re-appropriations	Savings
1	2406-01-796-1282-Similipal Biosphere Reserve	10.00	0	(-) 10.00	10.00
2	2406-01-102-2203-National Bamboo Mission	2.19	1.24	(-) 3.43	3.43
3	2406-01-789-2203-National Bamboo Mission	0.68	0.48	(-) 1.16	1.16
4	2406-01-796-2203-National Bamboo Mission	0.90	0.35	(-) 1.25	1.25
5	2406-01-102-2924-National Afforestation Programme	1.75	0	(-) 1.75	1.75
6	2406-01-789-0573-Green India Mission (GIM)	7.50	0	(-) 7.50	7.50
7	2406-01-796-0573-GIM	10.00	0	(-) 10.00	10.00
8	3435-03-102-2693-Climate Change Action Plan	1.10	0.00	(-) 1.10	1.10
9	3435-03-102-2925-Conservation of Natural Resources and Eco-system	8.33	0.00	(-) 8.33	8.33
10	3435-03-102-3130-Conservation and Development of Wetland	11.00	0.00	(-) 11.00	11.00
11	3435-03-102-3666-Sagarmala Project	13.96	0.00	(-) 13.96	13.96
12	4406-01-070-2327-Consturction and Renovation of Forest Buildings	2.00	0.00	(-) 2.00	2.00

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

**(v) Unnecessary supplementary grants**

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision, made by the Appropriation Act for the year, can be made during the current financial year, but not after the expiry of the current financial year. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant to cover the excess by re-appropriation, the Secretary in the Department concerned, is to send a proposal to the Finance Department, for supplementary or additional grant or appropriation.

Audit analysis showed that supplementary provisions of ₹50.60 crore (Revenue-Voted), during the year 2022-23, in two cases, had proved unnecessary, as the expenditure did not come up even to the level of original provision, as shown in **Table 3.25**.

**Table 3.25: Unnecessary supplementary grants under Grant No. 22**

					(₹ in crore)
Sl. No.	Head of Account	Original Budget	Supplementary	Actual expenditure	Savings out of Original provision
1	2406-04-789-3364-Compensatory Afforestation Fund (CAF)	187.90	19.55	160.39	27.51
2	2406-04-796-3364-(CAF)	298.44	31.05	276.56	21.88
	<b>Total</b>	<b>486.34</b>	<b>50.60</b>	<b>436.95</b>	<b>49.39</b>

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

**(vi) Inadequate 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 additional funds are needed. During FY 2022-23, it was observed that reduction of provision by re-appropriation orders, proved inadequate in certain cases, as the expenditure was less than the final appropriated amount. It was noticed that such an exercise was not done diligently in the cases, mentioned in **Table 3.26**, proving that either the re-appropriation itself was inadequate and could have been issued for a different amount to avoid savings at the end of the financial year.

**Table 3.26: Inadequate Re-appropriation of Funds under Grant No. 22**

(Amount in ₹ crore)

Sl. No.	Head of Account & Name of the Scheme	Original Grant	Supplementary Grant	Re-appropriation	Total	Expenditure	Savings(-)
1	2406-04-103-3364-Compensatory Afforestation Fund (CAF)	618.98	0	-73.01	545.97	493.42	(-) 52.55
2	2406-04-789-3364-CAF	187.90	19.55	-23.72	183.73	160.39	(-) 23.34
3	2406-04-796-3364-CAF	298.44	31.05	-33.09	296.40	276.56	(-) 19.84
	<b>Total</b>	<b>1,105.32</b>	<b>50.60</b>	<b>-129.82</b>	<b>1026.10</b>	<b>930.37</b>	<b>(-) 95.73</b>

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

**(vii) Programme implementation**

Details of financial and physical targets and achievements, under the schemes mentioned in **Table 3.27**, were test-checked in Audit.



**Table 3.27: Achievement against financial and physical targets**

Sl. No.	Head of Accounts	Financial Target (₹ in crore)			Physical Targets v/s Achievements (Numbers)			Reasons stated by the department for non- achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
1	<b>Name of the Scheme: Compensatory Afforestation Fund (CAF),</b> mainly focuses on maintenance of old plantations, forest protection, fire protection, wildlife management, relocation of villages from protected areas and forest infrastructure development <i>etc.</i>							
(i)	2406-04-103-3364-CAF	618.98	493.42	125.56	1,269.492 Hectare	168.078 Hectare	1,101.414 Hectare	The shortfall was mainly due to non-approval of some plantations, Wildlife Management activities, and delay in execution work in the State forest Academy <i>etc.</i>
(ii)	2406-04-789-3364-CAF	207.45	160.40	47.05				
(iii)	2406-04-796-3364-CAF	329.49	276.56	52.93				
	<b>Total</b>	<b>1,155.92</b>	<b>930.22</b>	<b>225.70</b>				
2	<b>Name of the Scheme: Similipal Bio-sphere Reserve</b>							
(i)	2406-02-796-1282	10	0	10	Target not furnished by the Department			The entire provision was surrendered, due to non-release of funds.
3	<b>Name of the Scheme: Forest fire Prevention and Management</b>							
(i)	2406-01-101-3330	23.20	4.46	18.74	i) Fire line-5,000 km ii)Pre-fire season workshop: 24 nos. iii) Incentivizing villagers for protection against forest fire – 3,750 nos.	i) Fire line-3,007 km ii) Pre-fire season workshop: Nil iii) Incentivizing villagers for protection against forest fire - 108 nos.	i) Fire line-1,993 km ii) Pre-fire season workshop: 24 nos. iii) Incentivizing villagers for protection against Forest fire – 3,642 nos.	The shortfall was due to non-release of funds by GoI.
	<b>Total</b>	<b>23.20</b>	<b>4.46</b>	<b>18.74</b>				
4	<b>Name of the Scheme: National Bamboo Mission:</b> The objective of the Scheme is to increase the area under bamboo plantation in non-forest Government and private lands to supplement farm income and contribute towards resilience to climate change, as well as availability of quality raw material requirements of industries.							
(i)	2406-01-102-2203	3.42	0	3.42	Financial and Physical achievements were NIL.			
(ii)	2406-01-789-2203	1.15	0	1.15				
(iii)	2406-01-796-2203	1.26	0	1.26				
	<b>Total</b>	<b>5.83</b>	<b>0</b>	<b>5.83</b>				

Source: Information furnished by Forest and Environment Department, Government of Odisha.

### 3.6 Review of Specific Budgets

Women, children, environment, forest and climate change are among the most important areas requiring attention and public funds meant for them, require more attention, transparency and a concerted approach. Odisha prepares Gender Budget, Child Welfare Budget and Green Budget.

The Gender Budget and Child Welfare Budget were reviewed in Audit and the findings are discussed in the succeeding paragraphs.

#### 3.6.1 Review of Gender Budget

‘Gender Budgeting’ (GB) is an important step for mainstreaming gender in the design, implementation and evaluation of financial allocations, across all government expenditures. This broadly indicates the significance of translating gender commitments into budgetary commitments.

GoI presented the Gender Budget for the first time in Budget 2005-06. In line with Government of India’s steps for achieving gender equality, Government of Odisha developed its first Gender Budget Statement (GBS) in FY 2012-13, focussing on women specific schemes and programmes. The Women and Child Development Department acts as the nodal department to co-ordinate and monitor the schemes under this budget. An overview of the Gender Budget, for the last three years (FYs 2020-21 to 2022-23), is presented in **Table 3.28**.

**Table 3.28: Total resources allotted under Gender Budget**

(Amount in ₹ crore)

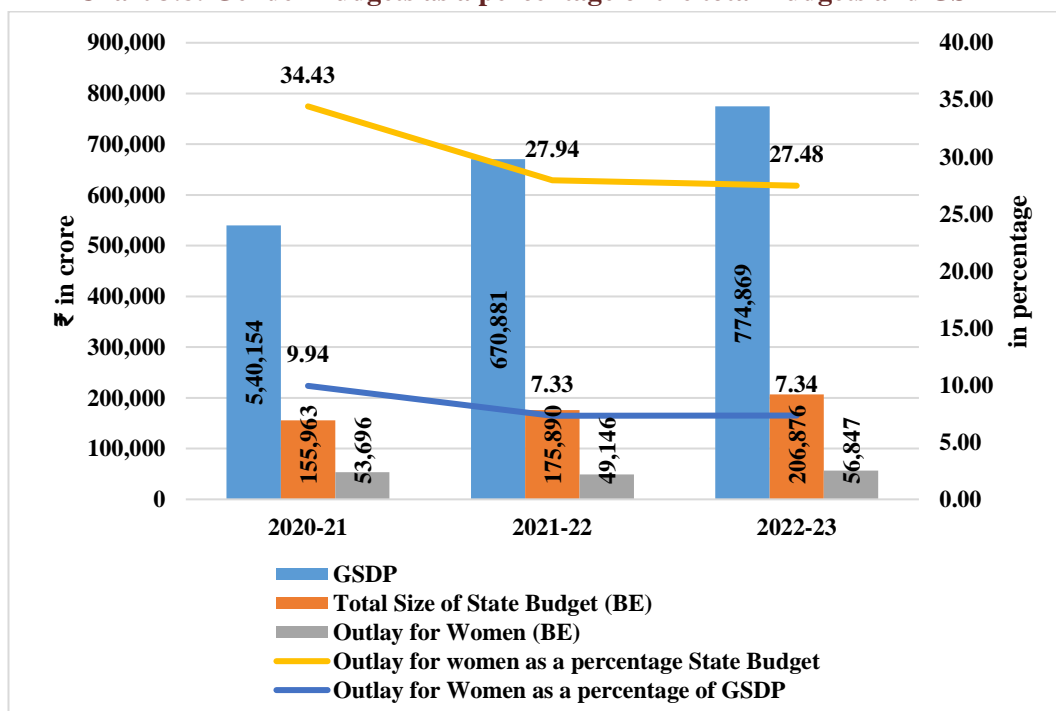
Details	2020-21	2021-22	2022-23
Outlay for women (BEs)	53,696.13	49,145.94	56,846.81
Total size of State Budget (BEs)	1,55,963.27	1,75,890.24	2,06,876.35
Share (in <i>per cent</i> ) outlay for women in the State Budget	34.43	27.94	27.48
GSDP	5,40,154	6,70,881	7,74,869
Outlay for women as percentage of GSDP	9.94	7.33	7.34

(Source: Gender Budget for FYs 2022-21 to 2022-23, Department of Finance, Govt. of Odisha)

During FY 2022-23, an amount of ₹ 56,846.81 crore was allotted for Gender Budget (B.E.) for 505 schemes under 35 Departments (out of 44 Grants). However, only 85 schemes (categorized as Category A), running under 15 Departments, were designed to specially benefit women. The expenditure was proposed to be incurred on schemes designed to benefit women under Category ‘A’ (100 *per cent* for benefit of women; ₹ 6,079.73 crore for 85 schemes) and Category ‘B’ (at least 30 *per cent* for benefit of women; ₹ 50,767.08 crore for 420 schemes). The actual utilisation was ₹ 55,050.64 crore (96.84 *per cent*) for 505 schemes (₹ 8,733.52 crore under Category ‘A’ and ₹ 46,317.12 crore under Category ‘B’), during FY 2022-23.

**Chart 3.8** highlights the percentages of gender budgets in relation to the GSDP, as also the total budgets, during FYs 2020-21 to 2022-23.

**Chart 3.8: Gender Budgets as a percentage of the total Budgets and GSDP**



(Source: Budget and Gender Budgets for FYs 2022-21 to 2022-23)

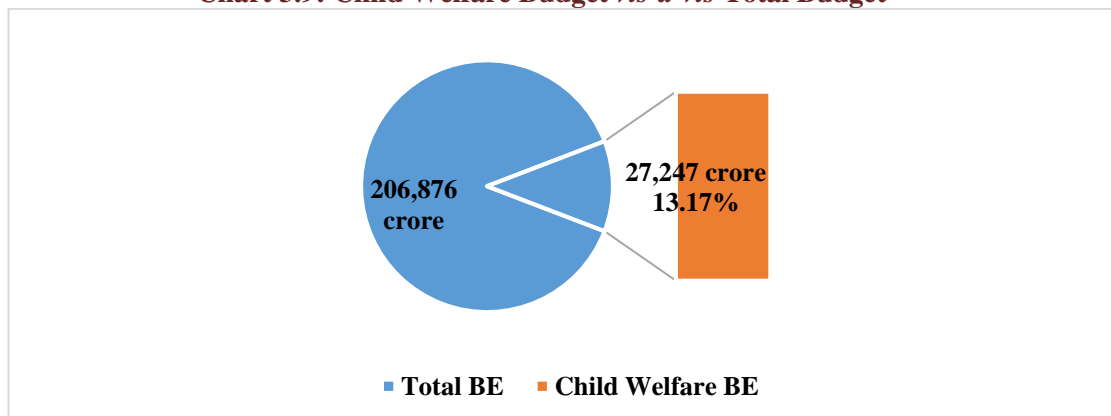
From **Chart 3.8**, it can be observed that:

- ❖ The share of the gender budget, as a percentage of the total State Budget, in FY 2022-23 (BEs), was 27.48 per cent, registering a decrease of 0.46 per cent, from 27.94 per cent, in FY 2021-22.
- ❖ The overall gender budget (in absolute terms) increased from ₹ 49,146 crore in FY 2021-22 (BEs) to ₹ 56,847 crore in FY 2022-23 (BEs), registering an overall increase of 15.67 per cent.

### 3.6.2 Review of Child Welfare Budget

In Odisha, out of the total population of 4.2 crore, children below 18 years constitute about 34 per cent, which is almost one third of its total population. This is one of the most vulnerable segments of the society and the State Government has to be committed to allocate public finance for their all-round development. In accordance with the United Nations Convention on the Rights of the Child (NCT) and the National Policy for Children, 2013, the Government of Odisha introduced its first Child Budget Statement in the fiscal year 2019-20. A sum of ₹ 27,246.54 crore had been earmarked (BEs) for the Child Budget 2022-23, which was around 13.17 per cent of the total budget of the State.

Chart 3.9: Child Welfare Budget vis-à-vis Total Budget



(Source: Appropriation Accounts and Gender Budget for FY 2022-23)

Department-wise details of State Child Welfare Budget, from FYs 2020-21 to 2022-23, are shown in **Table 3.29**.

Table 3.29: Department-wise State Child Welfare Budget

(₹ in crore)

Grant No.	Name of the Department	2020-21 (Actuals)	2021-22 (RE)	2022-23 (BE)
1	Home	4.32	72.75	44.57
4	Law	0.16	0.03	0.16
7	Works	4.97	6.00	6.62
10	School and Mass Education	15,123.72	19,024.63	20,587.47
11	ST, SC &MBC Development	2,090.88	2,025.85	2,917.19
12	Health & Family Welfare	117.69	117.45	123.33
14	Labour and Employees' State Insurance	2.85	2.73	2.73
15	Sports and Youth Services	0.10	0.13	0.17
28	Rural Development	3.12	0.00	0.00
36	Women and Child Development & Mission Shakti	2,805.05	3,290.78	3,456.59
38	Higher Education	20.31	30.43	35.06
41	Social Security & Empowerment of Person with Disability	43.40	71.23	72.65
42	Disaster Management	9.59	79.78	0.00
		<b>20,226.16</b>	<b>24,721.80</b>	<b>27,246.54</b>

Source: Child Welfare Budgets of respective years, Government of Odisha

- ❖ The total budget on Child Welfare Budget, through various child specific schemes and programmes, increased from ₹20,226.16 crore in FY 2020-21, to ₹27,246.54 crore in FY 2021-22 (BE).
- ❖ During FY 2022-23, the share of the Child Budget to the State Budget was 13.17 per cent and that of GSDP was 3.52 per cent.

The National Policy for Children (2013), has classified the public expenditure on children into four priority areas, which are: (i) child survival (ii) health and nutrition (iii) child education and development and (iv) child protection and child participation. Based on the National Policy for Children (2013), child centric schemes and programmes of Odisha, have been classified into four sectors, viz. Development, Health, Education and Protection (DHEP)<sup>2</sup>.

The percentage share of child-centric expenditure, in terms of the sectoral distribution in regard to Development, Health, Education and Protection, in Odisha, for FY 2022-23, is presented in **Table 3.30**.

**Table 3.30: Overview of Child Welfare Budget for FY 2022-23, as per the National Policy for Children, 2013**

(Amount in ₹ crore)			
Segment	No. of schemes	Amount	Percentage
Education	162	23,516.09	86.31
Health	24	3,097.41	11.37
Development	52	382.71	1.40
Protection	23	250.33	0.92
	<b>261</b>	<b>27,246.54</b>	<b>100</b>

(Source: Child Welfare Budgets and Appropriation Accounts for FY 2022-23)

It can be observed from **Table 3.30** that:

- ❖ During FY 2022-23, there were 52 schemes and programmes for Development, 24 for Health, 162 for Education and 23 for Protection.
- ❖ In FY 2022-23 (BE), 86.31 per cent of the share was concentrated in Education, followed by Health (11.37 per cent), Development (1.40 per cent), and Protection (0.92 per cent).

### 3.7 Conclusion

Supplementary provisions were not made on a realistic basis, as, in 14 cases, the supplementary provisions (₹100 crore or more in each case) were unnecessary. The Budgetary allocations were also based on unrealistic proposals, as Audit noticed that, under nine grants (10 cases), savings, excluding surrenders, were more than ₹ 5 crore.

Excess expenditure of ₹262.65 crore, for the period from FYs 2013-14 to 2020-21 (no excess expenditure during FYs 2021-22 and 2022-23), requires regularisation by the State Legislature.

<sup>2</sup> (1) **Development:** ensure child development opportunity, with due regard to special needs (2) **Health:** ensure equitable access to comprehensive and essential preventive, promotive, curative and rehabilitative health care of the highest standard (3) **Education:** secure the right of every child to education, learning with regard to special needs and (4) **Protection:** create a caring, protective and safe environment for all children, to reduce their vulnerability in all situations and to keep them safe at all places.

The budgetary system of the State Government was not up to the mark, as the overall utilisation of budget was 82.30 *per cent* of the total grants and appropriations, during FY 2022-23.

Under 45 schemes, there was approved outlay of ₹ 17,129.00 crore (₹50 crore or more in each scheme), but no expenditure had been incurred.

There was rush of expenditure at the fag end of the year. In 31 Sub-Heads, the entire expenditure of ₹ 15,216.56 crore (₹ 10 crore and more in each case of allocation of funds), had been incurred in the month of March 2023 alone.

### **3.8 Recommendations**

- 1) Government should prepare realistic budget estimates, backed with correct assessment for availability of resources and potential to expend, to avoid large savings and supplementary provisions
- 2) Government should ensure strict compliance of provisions of budget manual in the preparation of supplementary provisions and ensure transparency in estimation, for avoiding unnecessary supplementary provisions
- 3) Government may consider formulating strategies for actual execution of major policy decisions in the State, at the time of preparing budgetary estimates; and
- 4) Government should adhere to quarterly targets, fixed for incurring expenditure through periodic monitoring, to avoid rush of expenditure towards the end of the year, and for proper utilisation of savings through timely surrender.

