CHAPTER III

Budgetary Management

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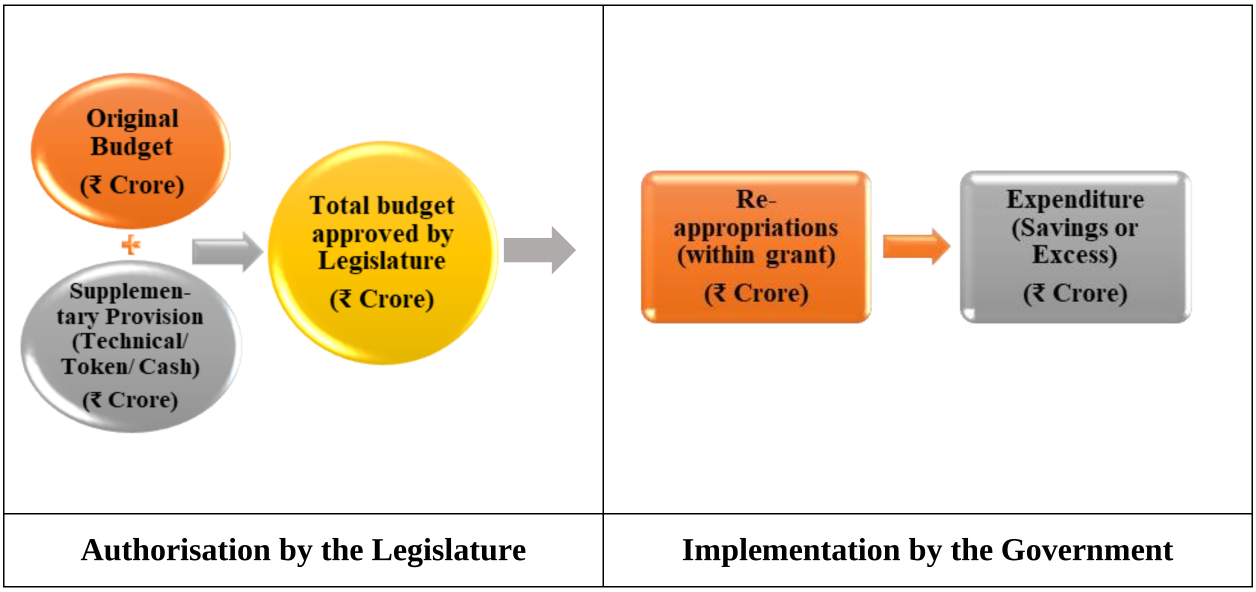
3.1 Budget Process

The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. The Budget process commences with the issue of the Budget Circular, normally in August each year, providing guidance to the Departments in framing their estimates, for the next financial year. The various components of the budget are depicted in the **Chart 3.1**.

Chart 3.1: Various components of the Budget



Source: Based on the procedure prescribed in Budget Manual and Appropriation Accounts

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

A summarised position of total budget provision, disbursement and savings/excess, with its further bifurcation into voted/charged, is shown in **Table 3.1.**

Table 3.1: Budget provision, disbursement and savings/excess during 2022-23

	Total Budget Provision		Disbursements		Saving		Excess	
	Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
	(₹ in crore)							
Revenue	2,07,545	40,623	1,84,761	40,521	26,108	175	3,325	73
Capital	36,637	60,506	23,535	29,804	13,767	30,702	665	0
Total	**2,44,182**	**1,01,129**	**2,08,296**	**70,325**	**39,875**	**30,877**	**3,990**	**73**

Source: Appropriation Accounts

Analysis of the budget provision, disbursements and savings/excess during 2022-23 revealed that:

- The Revenue (Voted) section had savings of 12.58 *per cent* (₹ 26,108 crore) in respect of 54 grants. This was mainly due to savings of ₹ 9,888 crore and ₹ 2,112 crore in Grant No. 40-Panchayats and Rural Development (BP: ₹ 23,611 crore) and Grant No. 68-Home & Hill Affairs (BP: ₹ 13,320 crore) which represented 41.88 and 15.86 *per cent* of the BP under those sections respectively.

  Schemes having cent *per cent* savings in the net grant in (i) 'Pradhan Mantri Awas Yojana – Rural (Central Share)' (₹ 4,040 crore) and (ii) 'National Rural Employment Guarantee Scheme (Central Share)' (₹ 3,613 crore) attributed to savings under Grant No. 40 while (iii) savings of ₹ 1,108 crore and ₹ 452 crore respectively in the scheme 'West Bengal Police' and 'CAPF related expenditure for conducting Elections in the State' which represented 17.25 and 95.76 *per cent* of the savings out of net grant attributed to savings under Grant No. 68.
- The Revenue (Charged) section had savings of 0.43 *per cent* (₹ 175 crore) in respect of 15 grants. This was mainly due to savings of ₹ 97 crore in Grant No. 34-Judicial which accounted for 30.41 *per cent* of the BP (₹ 319 crore) under this section. Major scheme which contributed to savings under this grant was 'High Courts Administrative Expenditure Appellate Side' (savings of ₹ 55 crore, representing 27.92 *per cent* of the Net Grant ₹ 197 crore).
- The Capital (Voted) section had savings of 37.58 *per cent* (₹ 13,767 crore) in respect of 47 grants. This was mainly due to savings of ₹ 1,849 crore and ₹ 1,580 crore in Grant No. 40-Panchayats and Rural Development (BP: ₹ 2,702 crore) and Grant No. 38-Minority Affairs and Madrasah Education (BP: ₹ 2,157 crore) which accounted for 68.43 and 73.25 *per cent* of the BP respectively under this section.

  Major schemes which contributed to savings were (i) 'Road Works under Pradhan Mantri Gram Sadak Yojana (PMGSY) (Central Share)' (savings of ₹ 1,149 crore being 76.96 *per cent* of the Net Grant of ₹ 1,493 crore) under Grant No. 40 and (ii) 'Scheme for Development and Welfare of Minorities' (savings of ₹ 470 crore being 81.46 *per cent* of the Net Grant of ₹ 577 crore) under Grant No. 38.
- The Capital (Charged) section had savings of 50.74 *per cent* (₹ 30,702 crore) in respect of 15 grants. This was mainly due to savings of ₹ 30,696 crore in Grant No. 18-Finance which accounted for 50.86 *per cent* of the BP (₹ 60,358 crore) under this section. The major scheme which contributed to savings under this grant was 'Ways and Means Advances from the RBI – Special' (savings of ₹ 20,000 crore which is 100 *per cent* of the Net Grant).
- The Revenue (Voted) section had excess of 1.60 *per cent* (₹ 3,325 crore) in respect of three grants. This was mainly due to excess of ₹ 2,708 crore in Grant No. 74-Women & Child Development and Social Welfare which accounted for 13.56 *per cent* of the BP (₹ 19,967 crore). Schemes which

represented significant excesses were (i) 'Lakshmir Bhandar' (₹ 917 crore being 12.84 *per cent* excess of the Net Grant: ₹ 7,142 crore) and (ii) 'Widow Pension Scheme under Jai Bangla' (₹ 642 crore being 116.73 *per cent* excess of the Net Grant: ₹ 550 crore).

- The Revenue (Charged) section had excess of 0.18 *per cent* (₹ 73 crore) in respect of five grants. Major scheme which contributed to excess under this section was 'Compensation Money payable to claimants on various grounds' (₹ 36 crore which is 94.74 *per cent* of the Net Grant: ₹ 38 crore) under Grant No 18.
- The Capital (Voted) section had excess of 1.82 *per cent* (₹ 665 crore) in respect of four grants. This was mainly due to excess of ₹ 650 crore in Grant No. 31- Information Technology & Electronics which accounted for 2,500 *per cent* of the BP (₹ 26 crore). The scheme which represented excess in this grant was 'Development and upgradation of infrastructure relating to Information Technology' (₹ 650 crore being 3,250 *per cent* excess of the Net Grant of ₹ 20 crore).

3.1.2 Charged and Voted disbursements

The Charged and Voted expenditure during 2018-23, as well as a trend analysis of the net savings and excess, is discussed in **Table 3.2**.

Table 3.2: Details of disbursement, savings and excess (charged and voted) for the last five years

Year	Disbursements		Net Savings		Net Excess	
	Voted	Charged	Voted	Charged	Voted	Charged
	(₹ in crore)					
2018-19	1,56,129	75,346	11,324	Nil	Nil	2,818
2019-20	1,52,826	72,307	35,249	12,358	Nil	Nil
2020-21	1,65,679	61,015	33,215	23,946	Nil	Nil
2021-22	1,94,473	68,610	38,850	31,028	Nil	Nil
2022-23	2,08,296	70,325	35,885	30,804	Nil	Nil

Source: Appropriation Accounts
Note: Net Savings (-)/Excess (+) arrived at after deducting the gross savings from the gross excess.

During 2018-23, the net savings, *vis-à-vis* the budget provisions under the voted section, ranged from ₹ 11,324 crore (6.76 *per cent*) to ₹ 38,850 crore (16.65 *per cent*), while the net savings under the charged section ranged between ₹ 12,358 crore (14.60 *per cent*) and ₹ 31,028 crore (31.14 *per cent*), except in 2018-19, where the net excess stood at ₹ 2,818 crore (3.89 *per cent*). Reasons for savings/excess for voted and charged sections have been explained below.

Voted Section: Savings of (i) ₹ 818 crore in 'Nirmal Bharat Abhiyan' under Grant No. 40, (ii) ₹ 3,053 crore in 'Supply of rice to APL/BPL families in the TPDS at subsidised rate' under Grant No. 21, (iii) ₹ 1,732 crore in 'MGNREGA (Central Share)' under Grant No. 40 and (iv) ₹ 3,162 crore in 'Pradhan Mantri Awas Yojna – Rural (Central Share)' under Grant No. 40 during 2018-19, 2019-20, 2020-21 and 2021-22 respectively were the attributable reasons behind net savings under the voted section.

In the current year (2022-23), savings in the following schemes contributed to the net savings in the voted section.

- 'Pradhan Mantri Awas Yojana – Rural (Central Share)' (savings of ₹ 4,040 crore which is 100 *per cent* of the Net Grant) under Grant No. 40-Panchayats and Rural Development.
- 'National Rural Employment Guarantee Scheme (MGNREGA) (Central Share)' (savings of ₹ 3,613 crore which is 100 *per cent* of the Net Grant) under Grant No. 40.
- 'West Bengal Police' (savings of ₹ 1,108 crore which is 17.25 *per cent* of the Net Grant of ₹ 6,423 crore) under Grant No. 68-Home and Hill Affairs.

Charged Section: Major savings in the charged section occurred due to savings of (i) ₹ 2,215 crore in the scheme 'Interest on Market Loans: 8.00% West Bengal Loan (New Loan)', (ii) ₹ 10,610 crore in the scheme 'Ways and Means Advances from the RBI-Special' and (iii) ₹ 16,807 crore in the scheme 'Ways and Means Advances from the RBI-Special' under Grant No. 18-Finance during 2019-20, 2020-21 and 2021-22 respectively.

In the current year also, high percentage of savings in this section was largely driven by the Finance Department (₹ 30,696 crore), reasons for which are discussed below.

- In the scheme 'Ways and Means Advances from the RBI-Special', there was no expenditure against the budget provision of ₹ 20,000 crore, leading to 100 *per cent* savings of Net Grant.
- In the scheme 'Ways and Means Advances from the RBI-Normal', there was no expenditure against the budget provision of ₹ 5,000 crore, leading to 100 *per cent* savings of Net Grant.
- In the scheme 'Ways and Means Advances from the RBI-Overdraft', there was no expenditure against the budget provision of ₹ 5,000 crore, leading to 100 *per cent* savings of Net Grant.

During 2018-19, the excess in Charged section was owing to excess of ₹ 824 crore and ₹ 725 crore, respectively, in the schemes 'Ways and Means Advances from the RBI –Overdraft' and '9.50 *per cent* Government of West Bengal (NSSF) Special Securities 2016', under Grant No. 18-Finance.

3.2 Appropriation Accounts

Audit of appropriations by the CAG seeks to ascertain whether the expenditure that had been incurred under various grants is 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) was so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

3.3 Comments on integrity of the Budgetary and Accounting Process

3.3.1 Expenditure incurred without authority of law

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 204 of the Constitution. Again, as per Para 14 of the West Bengal

Budget Manual, 'Expenditure for which no provision has been made in Budget Estimate of the current year should rarely, if ever, be incurred'. Further, as per Memorandum dated 26 May 1981, issued by the Finance Department, which lays down the criteria for treating an expenditure as a New Service/New Instrument of Service, also emphasized that such expenditure should not be incurred without obtaining specific approval of the Legislature in the form of Supplementary Demands for Grants.

Thus, expenditure on a new scheme should not be incurred on a scheme/service without provision of funds, except after obtaining additional funds by re-appropriation, supplementary grant or appropriation or an advance from the Contingency Fund of the State. In 145 new schemes covering 32 grants, expenditure amounting to ₹ 2,084.12 crore had been incurred, without budget provision (**Table 3.3**).

Table 3.3: Summary of Expenditure without Budget Provision

Grant/Appropriation	Expenditure incurred (₹ in crore)	Number of Schemes involved
5	0.05	01
6	9.66	04
7	11.16	03
10	0.05	01
11	19.40	04
15	0.11	01
16	2.50	02
18	128.04	12
20	5.69	04
21	229.61	02
22	0.82	03
23	7.83	06
24	509.62	42
30	0.46	03
31	5.45	07
32	10.50	01
33	0.61	02
34	0.69	01
37	0.87	01
38	0.16	01
42	115.20	04
45	0.06	01
50	0.45	01
52	16.43	01
53	64.38	06
68	5.93	05
69	1.95	02
70	2.50	02
72	39.73	04
73	0.38	03
74	893.76	14
75	0.07	01
Total	**2,084.12**	**145**

Source: Appropriation Accounts

In the following major schemes, expenditure (₹ 200 crore and above) had been incurred without budget provision:

- Umbrella ICDS-Anganwadi Services under Saksham Anganwadi and POSHAN 2.0(60:40) (Central Share) (₹ 271.15 crore) under Grant No. 74- Women & Child Development and Social Welfare;
- Assistance to State Agencies for Intra-State movement of Food grains and FPS Dealers Margin under NFSA (4048) (Central Share) (₹ 226.32 crore) under Grant No 21- Food & Supplies; and
- Establishment Charges of Saksham Anganwadi and POSHAN 2.0 (erstwhile ICDS) (₹ 201.26 crore) under Grant No. 74- Women & Child Development and Social Welfare.

Incurring such expenditure without budget provision (original or supplementary) undermines the authority and will of the Legislature.

3.3.2 Misclassification of revenue expenditure as capital expenditure

Misclassification of expenditure and receipts has significant impact on the integrity of the financial statements.
Audit noticed that an amount of ₹ 3,231.57 crore had been incorrectly booked as Capital Expenditure, instead of Revenue Expenditure, as shown in **Table 3.4.**

Table 3.4: Revenue Expenditure misclassified as Capital Expenditure

Sl. No.	Object of Expenditure	Head of account as per voucher	Head of account under which booking was to be made	Amount (₹ in crore)
1.	Water Supply Project including House Service connection under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) (Demand No. 72)	4217	2217	25.00
2.	Construction of boundary wall surrounding Graveyards/Idgah/Mazar, etc. for Minority	4225	2225	32.67
3.	Development of Wakf Properties	4225	2225	0.61
4.	Development of Aliah University	4225	2225	8.01
5.	Development of Universities	4202	2202	56.33
6.	Assistance to West Bengal University of Animal and Fishery Sciences	4403	2415	1.75
7.	Road works under PMGSY	4515	3054	572.87
8.	Various expenses under the scheme- AMRUT	4217	2217	2,280.65
9.	Implementation of Strengthening and extending Electricity Distribution Network Phase III	4801	2801	20.00
10.	High Voltage Distribution System Project	4801	2801	122.48
11.	Tourism Infrastructure Development, Mobilisation/other Advance and different construction works	4235	2235	1.89

Sl. No.	Object of Expenditure	Head of account as per voucher	Head of account under which booking was to be made	Amount (₹ in crore)
12.	Fund given to several Zilla Parishads for construction of road works under different RIDF Schemes	4515	2515	45.25
13.	Grant to WBTDCL for construction and renovation of several Tourist Lodges	5452	3452	11.76
14.	AMC of entire electrical installation & Refilling of different tube of fire extinguisher at both residential, non-residential of Main building & Circuit Bench of Calcutta High Court respectively and office furniture for new hostel building at Institute of Fire Service, WBF&ES	4059	2059	0.37
15.	Medical & para-medical equipments and surgical items	4210	2210	4.68
16.	Payment made for human resource support and to the project manager consultant of WBMIFMP for remuneration	4700	2700	10.53
17.	Payment against the work of consultancy services from NGO under WBADMIP project & Remuneration of contractual staff of DPMU, MSD	4702	2702	0.12
18.	Surfacing works in several roads	5054	3054	35.06
19.	Paying of studying of institutional strengthening and business planning for transport deptt, WB & fuel charges of cars in c/w world bank supported WBIWTLSDP	5056	3056	1.53
	Total			**3,231.57**

Source: Finance Accounts
Note: Difference of ₹0.01 crore is due to rounding.

Due to the above misclassifications, revenue deficit had been understated by ₹ 3,231.57 crore, as discussed in **Table 1.8** and **Para 2.9**. Of this amount, ₹ 3,179.27 crore[62] had been misclassified on account of violation of IGAS 2.

3.3.3 Unnecessary or 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. In respect of 32 grants, supplementary provision amounting to ₹ 8,773 crore proved unnecessary since actual expenditure (₹ 2,12,551 crore) remained less than the original provision (₹ 2,65,698 crore). Unnecessary supplementary grants (₹ 100 crore or more in each case) provided during 2022-23, are shown in **Table 3.5**.

Table 3.5: Details of cases where supplementary provision (₹ 100 crore or more in each case) proved unnecessary

(₹ in crore)

Sl. No.	Name of the Grant	Original provision	Supple-mentary Provision	Total Provision	Actual Expendi-ture	Savings out of Provision
Revenue (Voted)						
1.	24-Health & Family Welfare	15,338.06	797.58	16,135.64	14,678.45	1,457.19
2.	40-Panchayats and Rural Development	22,468.10	1,142.70	23,610.80	13,723.07	9,887.73
3.	68-Home and Hill Affairs	11,684.10	1,636.33	13,320.43	11,208.04	2,112.39
	Total	**49,490.26**	**3,576.61**	**53,066.87**	**39,609.56**	**13,457.31**

62 From Sl. No. 1 to 13

Sl. No.	Name of the Grant	Original provision	Supple-mentary Provision	Total Provision	Actual Expendi-ture	Savings out of Provision
Capital (Voted)						
4.	24-Health &Family Welfare	2,263.99	138.20	2,402.19	2,181.06	221.13
5.	43-Power	1,852.36	211.98	2,064.34	1,345.41	718.93
	Total	**4,116.35**	**350.18**	**4,466.53**	**3,526.47**	**940.06**
	Grand Total	**53,606.61**	**3,926.79**	**57,533.40**	**43,136.03**	**14,397.37**

Source: Appropriation Accounts

It can be seen from **Table 3.5** that, in all five cases, the actual expenditure was less than the original provisions and hence the supplementary provisions were unnecessary. Further, supplementary provisions of ₹ 3,577 crore, and ₹ 350 crore proved unnecessary, in respect of three grants under Revenue (Voted) and two grants under Capital (Voted) sections, respectively. As the actual expenditure was only 80.47 *per cent* of the original provision, there was no need to augment the funds through supplementary provision. Thus, the supplementary provision of ₹ 3,927 crore (7.33 *per cent* of the original provision) proved unnecessary.

Such provisioning of Supplementary Grant where Original Grant remained unutilised, indicates inflated budgeting.

3.3.4 Re-appropriations undertaken require prior Legislative authorisation

Re-appropriation means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation. The Government is thus allowed to re-appropriate provisions from one unit of appropriation to another within the same Grant, thus altering the destination of an original provision for one purpose to another, subject to the limits and restrictions laid down. Provisions relating to re-appropriation are laid down in individual State Budget Manuals. However, there are certain broad instructions that are universally applicable:

1. Limitation for Executive:

(i) No re-appropriation is permissible from Capital to Revenue & *vice versa*.

(ii) No re-appropriation is permissible from Voted to Charged & *vice versa*.

(iii) No re-appropriation is permissible from one Grant to another.

During 2022-23, there was re-appropriation amounting to ₹ 1,197 crore, in respect of 583 sub-heads, constituting 52 grants. However, despite re-appropriation, there were savings of ₹ 5,287 crore in respect of 375 sub-heads and excess of ₹ 1,946 crore in respect of 102 sub-heads. Audit scrutiny further revealed that there were 29 cases of savings (₹ 372.23 crore) and two cases of excess expenditure (₹ 11.30 crore), even after re-appropriation, on the last working day.

The lapses noticed in re-appropriation cases, are discussed in subsequent paragraphs.

3.3.5 Unnecessary, excessive or insufficient re-appropriation

- In 37 grants, re-appropriation amounting to ₹ 200 crore proved unnecessary, in respect of 135 sub-heads.
- In 25 grants, re-appropriation amounting to ₹ 115 crore proved excessive, in respect of 49 sub-heads.
- In 27 grants, re-appropriation amounting to ₹ 224 crore proved insufficient, in respect of 75 sub-heads.

3.3.6 Unspent amount and surrendered appropriations and/or large savings/surrenders

Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/weak internal controls etc., promote release of funds towards the end of the financial year resulting in funds remaining unspent. Excessive savings also deprive other departments of funds which they could have utilised. During 2022-23, of the total savings of ₹ 70,752 crore, only ₹ 3,682 crore (5.20 *per cent* of savings) was surrendered, leaving a balance of ₹ 67,070 crore. Again, of the surrendered amount, ₹ 172 crore (4.67 *per cent*) was surrendered on the last day of the financial year.

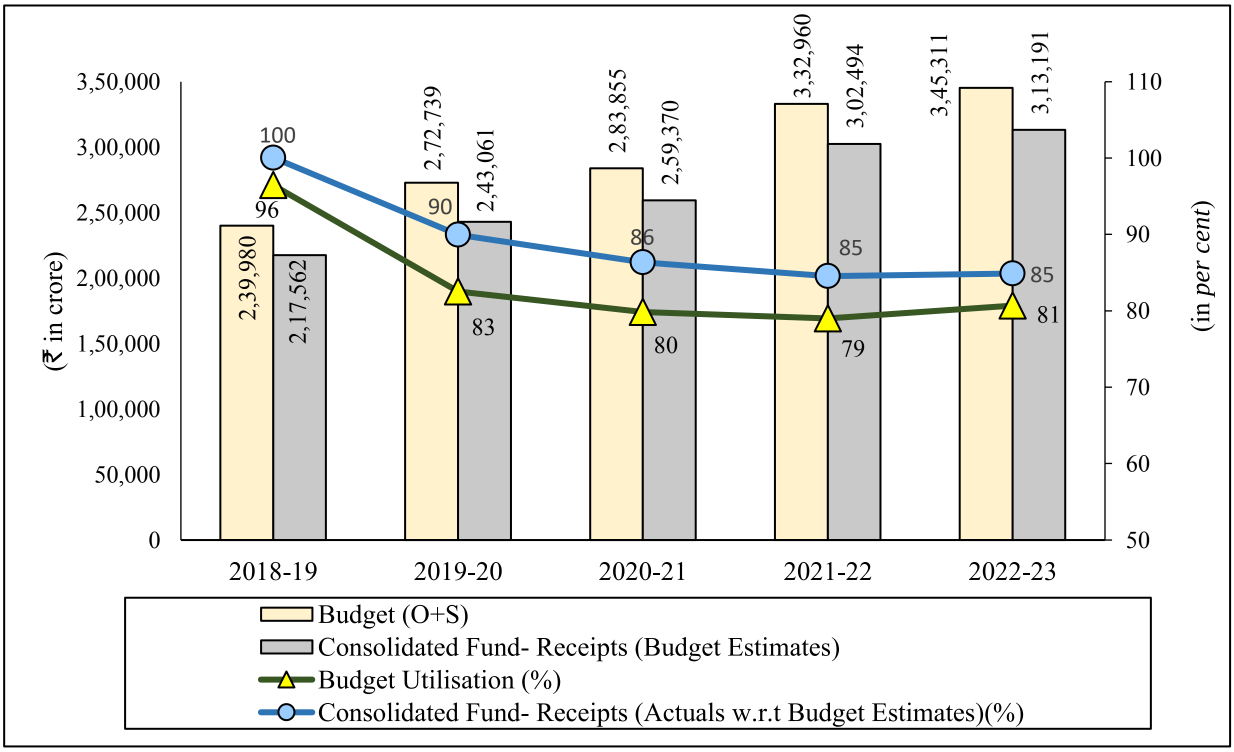
Out of savings of ₹ 58,200 crore, in respect of 11 grants, having total savings exceeding ₹ 1,000 crore each, only ₹ 2,757 crore was surrendered (4.74 *per cent*), leaving a balance of ₹ 55,443 crore.

- In Grant No. 15 – School Education, under Revenue (Voted) section, the surrendered amount (₹ 654 crore) exceeded the savings (₹ 567 crore) by ₹ 87 crore (15.34 *per cent*).
- In Grant No. 72 – Urban Development and Municipal Affairs, under Capital (Voted) section, the surrendered amount (₹ 1,868 crore) exceeded the savings (₹ 191 crore) by ₹ 1,677 crore (878.01 *per cent*).
- In Grant No. 43 – Power, under Revenue (Voted) section, ₹ 1 crore was surrendered despite excess expenditure of ₹ 8 crore.
- In Grant No. 70 – Higher Education, under Revenue (Voted) section, ₹ 6 crore was surrendered despite excess expenditure of ₹ 609 crore.
- Again, in Grant No. 74 – Women & Child Development and Social Welfare, under Revenue (Voted) section, ₹ 2 crore was surrendered despite excess expenditure of ₹ 2,708 crore.

The total unsurrendered savings (94.80 *per cent*), as well as excess surrenders over savings and surrenders in spite of excess expenditure, were indicative of ineffective budgetary control.

Budget Utilisation and actuals, with respect to Budgeted Receipts in the Consolidated Fund, during 2018-19 to 2022-23, are shown in **Chart 3.2**.

Chart 3.2: Budget Utilisation during 2018-19 to 2022-23



Source: Appropriation Accounts, Finance Accounts and Budget Publications

Budgetary allocations during 2018-23 increased at a CAGR of 9.52 *per cent*, while budgeted receipts in Consolidated Fund increased at a CAGR of 9.54 *per cent*. Utilisation of the budget, in the period mentioned *ibid*, kept decreasing from 2018-19 to 2021-22, whereas, in the current financial year, the budget utilisation was two *per cent* higher than the last financial year. The percentage of actual receipts, with respect to the budgeted receipts, also kept decreasing from 2018-19 to 2021-22 and remained same in 2022-23, in comparison to the previous financial year. In the current year, 19 *per cent* of the budget allocation remained un-utilised whereas shortfall in budgeted receipts remained at 15 *per cent*.

During the year 2022-23, 81.56 *per cent* of the total provisions[63] had been utilised (***Appendix 3.1***). Such shortfall in respect of budgeted receipts to the Consolidated Fund and high percentage of budgetary provisions remaining unutilised in the current year, indicates lacunae in the budget preparation process.

3.3.7 Excess expenditure and its regularisation

Article 205(1)(b) of the Constitution provides that if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, the Governor shall cause to be presented to the Legislative Assembly of the State, a demand for such excess.

[63] Total Provision = Original Provision *plus* Supplementary Provision *minus* Surrender

Although no time limit for regularisation of excess 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 (PAC). Failure to do so is in contravention of constitutional provisions and defeats the objective of ensuring accountability by the Legislature of the executive over utilisation of public money.

During 2022-23, in 12 grants, excess expenditure of ₹ 4,063 crore over provisions, was yet to be regularised, as of December 2023 (**Table 3.6**).

Table 3.6: Summary of excess disbursements over grants/appropriations during 2022-23

(₹ in crore)

Sl. No.	Grant number- Name of Department	Revenue		Capital		Total
		Voted	Charged	Voted	Charged	
1.	01-Legislative Assembly Secretariat	-	0.06	-	-	0.06
2.	10-Consumer Affairs	-	-	5.89	-	5.89
3.	18-Finance	-	72.60	-	-	72.60
4.	31-Information Technology & Electronics	-	-	649.92	-	649.92
5.	32-Irrigation & Waterways	-	0.01	-	-	0.01
6.	34-Judicial	-	-	8.83	-	8.83
7.	42-Personnel & Administrative Reforms	-	0.10	-	0.14	0.24
8.	43-Power	8.02	-	-	-	8.02
9.	45-Public Health Engineering	-	0.01	-	-	0.01
10.	70-Higher Education	608.87	-	-	-	608.87
11.	74-Women & Child Development and Social Welfare	2,708.04	-	-	-	2,708.04
12.	78-Non-Conventional and Renewable Energy Sources	-	-	0.13	-	0.13
Total		**3,324.93**	**72.78**	**664.77**	**0.14**	**4,062.62**

Source: Appropriation Accounts

3.3.7.1 Persistent excess expenditure

Cases of excess expenditure are reported every year through Audit Reports on State Finances. There were, however, two grants, in which excess expenditure had occurred persistently during the last three years, details of which are given in **Table 3.7**.

Table 3.7: Persistent excess expenditure

Sl. No.	Number and name of the Grant	Amount of Excess (₹ in crore)		
		2020-21	2021-22	2022-23
Revenue Voted				
1.	43-Power	134.04	128.84	8.02
2.	70-Higher Education	303.46	62.13	608.87

Source: Appropriation Accounts

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

3.3.7.2 Regularisation of excess expenditure of previous financial years

Excess expenditure remaining un-regularised for extended periods dilutes legislative control over the executive. In 52 grants, excess expenditure of ₹ 48,953 crore pertaining to the years 2009-22 is yet to be regularised. For this purpose, the departments concerned are required to submit explanatory notes for excess expenditure to PAC through the Finance Department.

PAC, based on such explanatory notes and after due discussion with departmental heads in presence of Principal Accountant General (A&E) and Principal Accountant General (Audit-I), recommended[64] regularisation of excess expenditure, under both voted grants and charged appropriations, for the financial years 2009-14. However, Government was yet to take step to regularise the excess expenditure pertaining to the years 2009-22 as of October 2023.

Thus, the expenditure of ₹ 53,016 crore[65] remained un-regularised indicating violation of the Article 205(1)(b) of the Constitution. The above instances also indicate inadequate financial management on the part of the controlling officers.

3.3.8 Grant-in-aid for creation of capital assets

Grants-in-aid are payments in the nature of assistance, donations or contributions made by one government to another government, body, institution or individual. Grants-in-aid are given for specified purpose of supporting an institution including creation of assets.

As per IGAS 2, Grants-in-aid disbursed by a grantor to a grantee shall be classified and accounted for as revenue expenditure, irrespective of the purpose for which the funds disbursed as Grants-in-aid are to be spent by the grantee, except in cases where it has been specifically authorised by the President, on the advice of the Comptroller and Auditor General of India. Misclassification of GIA as Capital Expenditure and its impact on Revenue deficit, is given in **Table 3.8**.

[64] Recommendation for the years 2009-12 and 2012-14 given in November 2019 and February 2021, respectively

[65] ₹ 48,953 crore pertaining to the years 2009-22 *plus* ₹ 4,063 crore during 2022-23

Table 3.8: Extent of classification of GIA as Capital Expenditure

(₹ in crore)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
GIA booked as Capital Expenditure	4,734	322	1,114	1,562	3,179
Total Capital Expenditure	23,717	15,971	13,034	17,484	22,009
Share of GIA in Capital Expenditure (in *per cent*)	19.96	2.02	8.55	8.93	14.44
Impact on Revenue Deficit (RD) (-)/Revenue Surplus (+), if expenditure from GIA is treated as Revenue Expenditure	RD (₹ 10,399 cr.) understated by ₹ 4,734 cr.	RD (₹ 19,661 cr.) understated by ₹ 322 cr.	RD (₹ 29,527 cr.) understated by ₹ 1,114 cr.	RD (₹ 32,000 cr.) understated by ₹ 1,562 cr.	RD (₹ 27,295 cr.) understated by ₹ 3,179 cr.

Source: Finance Accounts of respective years

Table 3.8 shows that, due to booking of Grants-in-aid as Capital Expenditure, ranging between ₹ 322 crore and ₹ 4,734 crore during 2018-23, the Revenue Deficits had been understated to that extent.

3.4 Comments on effectiveness of the 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 the funds which they could have utilised. A summarised position of Actual Expenditure *vis-à-vis* Budget (Original/Supplementary) provisions, during the financial year, is given in **Table 3.9**.

Table 3.9: Summarised position of Actual Expenditure *vis-à-vis* Budget (Original/Supplementary) provisions during the financial year

Nature of expenditure		Original Grant/App.	Supplementary Grant/App.	Total	Actual expenditure	Net of Savings (-)	Surrender during March	
							Amount	Per cent
		(₹ in crore)						
		(A)	(B)	(C)=(A+B)	(D)	(E)=(C-D)	(F)	*(G)=(F/E)*100*
Voted	I. Revenue	1,88,562	18,982	2,07,544	1,84,761	22,783	711	3.12
	II. Capital	33,741	1,357	35,098	22,790	12,308	192	1.56
	III. Loans & Advances	1,158	201	1,359	565	794	Nil	Nil
Total		**2,23,461**	**20,540**	**2,44,001**	**2,08,116**	**35,885**	**903**	**2.52**
Charged	I. Revenue	39,705	919	40,624	40,521	103	Nil	Nil
	II. Capital	1	37	38	36	2	Nil	Nil
	III. Public Debt-Repayment	60,401	67	60,468	29,768	30,700	Nil	Nil
Total		**1,00,107**	**1,023**	**1,01,130**	**70,325**	**30,805**	Nil	Nil
Appropriation to Contingency Fund		**Nil**	**180**	**180**	**180**	**Nil**	Nil	Nil
Grand Total		**3,23,568**	**21,743**	**3,45,311**	**2,78,621**	**66,690**	**903**	**1.35**

Source: Appropriation Accounts; Difference of ₹ 1 crore is due to rounding.

Table 3.9 shows that net savings (₹ 66,690 crore) were 19.31 *per cent* of the total provision. Out of the 6,202 schemes, variations in the form of savings or excess occurred in 5,972 schemes (96.29 *per cent*). However, explanations in respect of 164 schemes (2.75 *per cent*), only have been received. Non-receipt of explanations violates the basic norms approved by the PAC of the West Bengal Legislature, adopted for comments on the Appropriation Accounts.

During 2022-23, in five schemes (₹ 50 crore or more) ₹ 1,203 crore was allotted through supplementary provision, but no expenditure was incurred against these schemes.

3.4.2 Rush of expenditure

Rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety. Maintaining a steady pace of expenditure is a crucial component of sound public financial management.

During 2022-23, in 42 grants, constituting 222 sub-heads, the entire expenditure had been incurred in the month of March 2023. Out of this, in five grants, constituting six sub-heads (₹ 50 crore and above), 100 *per cent* expenditure had been incurred in the month of March 2023 (**Table 3.10**).

Table 3.10: Sub-Head (Schemes) where entire expenditure was incurred in March 2023 (₹ 50 crore and above)

Sl. No.	Grant No.	Head of Account (up to Sub-head)	100 *per cent* expenditure in March 2023 (₹ in crore)
1.	31	4859-01-004-001 Development and upgradation of infrastructure relating to information technology [IT]	669.92
2.	21	2408-01-101-005 Assistance to State Agencies for Intra-State movement of Food grains and FPS dealers Margin under NFSA (4048) (Central Share)	226.32
3.		2408-01-101-006 Assistance to State Agencies for Intra-State movement of Food grains and FPS dealers Margin under NFSA (4048) (Central Share) (OCASPS) [FS]	226.32
4.	74	2235-02-102-101 Transfer of salary & wages under Saksham Anganwadi and POSHAN 2.0 to SNA (25:75) (State share)	90.00
5.	07	2225-03-277-015 Post Matric Scholarship for OBC, EBCs and DNTs-PMYASASVI (Central Share) (State Share) (OCASPS) [SC]	65.22
6.	53	5075-60-001-002 Construction of Jetty	62.04

Source: VLC Data

Table 3.11 shows that, in three grants, more than 50 *per cent* of the total expenditure had been incurred in the month of March 2023.

Table 3.11: Grant with more than 50 *per cent* of expenditure in March 2023 alone

Sl. No.	Grant No.	Description	Total Expenditure	Expenditure in March 2023	Expenditure in March as a percentage of total expenditure
			(₹ in crore)		
1.	31	Information Technology & Electronics	758.34	717.63	94.63
2.	78	Non-Conventional and Renewable Energy Sources	16.66	12.34	74.07
3.	58	Paschimanchal Unnayan Affairs	186.31	119.14	63.95

Source: VLC Data

3.5 Outcome of Review of Selected Grants

To ascertain compliance with budgeting processes, utilisation of funds and expenditure control mechanism during 2020-23, two grants, viz., Higher Education Department (Grant No. 70) and Women & Child Development and

Social Welfare Department (Grant No. 74), were selected for detailed audit scrutiny. Audit findings, in this regard, are discussed below.

3.5.1 Grant No. 70: Higher Education Department

- ***Budget and Expenditure***

Against the budget allocation of ₹ 5,822 crore, the actual expenditure during 2022-23 was ₹ 6,168 crore, leading to excess expenditure of ₹ 346 crore (5.94 *per cent*). Details of budgetary provisions, actual expenditure, and savings/excess in this grant, during 2020-23, are shown in **Table 3.12**.

Table 3.12: Budget provision *vis-à-vis* Expenditure during 2020-23

Section	2020-21			2021-22			2022-23		
	B	E	S/E	B	E	S/E	B	E	S/E
	(₹ in crore)								
Revenue	4,290	4,593	(+) 303 (7.06%)	5,616	5,678	(+) 62 (1.10%)	5,460	6,069	(+) 609 (11.15%)
Capital	314	80	(-) 234 (74.52%)	383	79	(-) 304 (79.37%)	362	99	(-) 263 (72.65%)

B: Budget; E: Expenditure; S/E: Savings (-)/Excess (+)
Source: Appropriation Accounts of Government of West Bengal (2020-21 to 2022-23)

In the Revenue section, the 11 *per cent* excess was mainly due to excess expenditure of ₹ 1,008 crore under the scheme 'West Bengal Government Merit-cum-Means Scholarship'. In the Capital section, the 73 *per cent* savings were mainly due to the unutilized provision of ₹ 67 crore under the scheme 'Development of Universities'.

- ***Substantial savings under the Schemes during the year 2022-23***

As per Rule No. 334 of the WBFR, each Budgeting Authority will be responsible for the correct preparation of the estimates (both for budget and supplementary estimate) in respect of the receipts and expenditure with which he is concerned.

Further, as per Rule No. 340 of WBFR, in case of fluctuating items of expenditure, neither the actual of the previous year, nor the progress of actual of the current year, should be used as the only guide, but due consideration should be given to exceptional circumstances of the previous years and special features of the current year.

Scrutiny revealed that, during the year 2022-23, in nine cases, savings exceeded ₹ one crore and 50 *per cent* of the net grant (**Table 3.13**).

Table 3.13: Savings exceeding ₹ 1 crore and 50 *per cent* of the net grant during 2022-23

Sl. No.	Year	Head of Account	Purpose	Net Grant (₹ in crore)	Expenditure (₹ in crore)	Savings (% of savings w.r.t. Net Grants)
1.	2022-23	4202-01-203-V-003	Development of Hooghly Mohsin College, Hooghly (Higher)	3.15	0.00	3.15 (100.00)
2.		4202-03-800-V-009	Assistance to WBCHE	10.50	0.00	10.50 (100.00)
3.		4202-01-203-V-002	Development of Darjeeling Government College, Darjeeling (Higher)	5.25	0.10	5.15 (98.10)
4.		4202-01-203-V-004	Development of other Government Colleges (Higher)	49.05	6.93	42.12 (85.87)
5.		4202-01-203-V-005	Establishment of new Government Colleges (Higher)	57.25	3.07	54.18 (94.64)
6.		4202-01-203-V-006	Development of Govt. B.Ed. Colleges (Higher)	5.25	0.18	5.07 (96.57)
7.		4202-04-104-V-001	Development of State Archives (Higher)	5.20	0.92	4.28 (82.31)
8.		4202-80-001-V-001	Strengthening of Education Administration (Higher)	9.37	0.83	8.54 (91.14)
9.		4202-01-203-V-020	Development of New Universities and Higher Education [HE]	10.00	0.00	10.00 (100.00)

Source: VLC data

- ***Unutilised Supplementary grant led to increase in savings***

It was noticed that ₹ 10 crore was allotted, during the year 2022-23, as supplementary budget, under the scheme "Development of New Universities and Higher Education under head of account '4202-01-203-V-020", but no expenditure was incurred thereagainst, which resulted in savings of the total amount.

- ***Excess Expenditure over Budget Provision***

In course of scrutiny of the Budget documents, sub-head accounts and Appropriation Accounts it was observed that, during 2022-23, in five cases, the excess expenditure had either exceeded ₹ one crore or was more than 50 *per cent* of the net budget provision (**Table 3.14**).

Table 3.14: Excess expenditure exceeding ₹ 1 crore or 50 *per cent* of the net grant

Sl. No	Year	Head of Account	Purpose	Net Grant (₹ in crore)	Expenditure (₹ in crore)	Excess Exp. (% of Excess Exp w.r.t. Net Grants)
1.	2022-23	2202-80-107-V-019	West Bengal Government Merit-cum-Means Scholarship [HE]	500.00	1,508.40	1,008.40 (201.68)
2.		2202-03-104-V-001	Assistance to Non-Govt. College and Institutes	2,550.62	2,586.08	35.46 (1.39)
3.		2202-03-103-V-009	Government Colleges and Institutes	309.31	323.28	13.97 (4.52)
4.		2203-00-112-V-015	New Engineering College at Purulia	5.22	6.50	1.28 (24.52)
5.		2202-03-800-V-014	Assistance to West Bengal Council of Higher Education	0.28	0.53	0.25 (89.29)

Source: VLC data

- ***Persistent Savings***

In respect of four schemes, savings exceeding ₹ 30 crore were consistently noticed from 2020-21 to 2022-23, details of which are shown in **Table 3.15**.

Table 3.15: Persistent savings occurred during the last three years (2020-23)

Sl. No.	Year	Head of Account	Purpose	Net Budget (₹ in crore)	Expenditure (₹ in crore)	Savings (₹ in crore)
1.	2020-21	4202-02-105-V-001	Development of Engineering Colleges-(Higher) [HE]	59.00	10.14	48.86
	2021-22			72.00	10.95	61.05
	2022-23			75.60	27.89	47.71
2.	2020-21	4202-01-203-V-004	Development of other Government Colleges (Higher)	50.86	12.01	38.85
	2021-22			61.00	11.78	49.22
	2022-23			49.05	6.93	42.12
3.	2020-21	4202-03-102-V-002	Development of Universities [HE]	128.00	38.29	89.71
	2021-22			140.80	42.92	97.88
	2022-23			122.84	56.33	66.51
4.	2020-21	4202-01-203-V-005	Establishment of new Government Colleges (Higher)	49.82	14.03	35.79
	2021-22			64.05	8.27	55.78
	2022-23			57.25	3.07	54.18

Source: Appropriation Accounts

- ***Rush of Expenditure***

It was observed that, in four object heads (detail head), expenditure in the month of March of the financial year 2022-23, had exceeded ₹ one crore and 25 *per cent* of the total expenditure, leading to rush of expenditure (details in **Table 3.16**).

Table 3.16: Rush of expenditure exceeding ₹ 1 crore and 25 *per cent* compared to the total expenditure

Sl. No.	Detailed Head	Detailed Head Description	Total Expenditure (₹ in crore)	Expenditure in March (₹ in crore)	In *per cent*
1.	33	Subsidies	1.70	1.50	88.24
2.	34	Scholarships & Stipends	1,508.40	1,049.10	69.55
3.	78	Outsourcing of Services	5.08	2.21	43.50
4.	50	Other charges	8.98	2.40	26.73

Source: VLC data

The Higher Education Department did not furnish replies to the audit observations (August 2023), though called for.

3.5.2 Grant No. 74: Women & Child Development and Social Welfare Department

- ***Budget and Expenditure***

Against the budgetary allocation of ₹ 20,252 crore, the actual expenditure during 2022-23 was ₹ 22,864 crore, leading to excess expenditure of ₹ 2,612 crore (12.90 *per cent*). Details of budgetary provisions, actual expenditure, and savings/excess in this grant, during 2020-23, are shown in **Table 3.17**.

Table 3.17: Budget provision *vis-à-vis* Expenditure incurred during 2020-23

Section	2020-21			2021-22			2022-23		
	B	E	S/E	B	E	S/E	B	E	S/E
	(₹ in crore)								
Revenue	5,671	4,636	(-) 1,035 (18.25%)	18,139	15,270	(-) 2,869 (15.82%)	19,967	22,675	(+) 2,708 (13.56%)
Capital	2,005	1,288	(-) 717 (35.76%)	336	91	(-) 245 (72.92%)	285	189	(-) 96 (33.68%)

***B**: Budget; **E**: Expenditure; **S/E**: Savings (-)/Excess (+)*

Source: Appropriation Accounts of Government of West Bengal (2020-21 to 2022-23)

Under the Revenue section of the grant, there were savings of 18 and 16 *per cent* during 2020-21 and 2021-22, respectively, which converted to excess expenditure of 14 *per cent* in 2022-23. This occurred mainly due to excess expenditure of ₹ 917 crore and ₹ 642 crore, respectively, under the schemes '*Lakshmir Bhandar*' and '*Widow Pension under Jai Bangla*'. The Capital section of the grant, during 2022-23, registered savings of 34 *per cent*, mainly due to the unutilized provision of ₹ 79 crore in the scheme 'Special repair & renovation of Government homes and buildings'.

- ***Excess Expenditure over Budget Provision***

Year-wise excess expenditure, exceeding ₹ 100 crore or 10 *per cent* over the budget provision, is shown in **Table 3.18**.

Table 3.18: Excess expenditure over budget provision

Sl. No.	Head of Account	Name of Scheme	Budget Provision	Actual Expenditure	Excess Expenditure (in *per cent*)
			(₹ in crore)		
Year: 2022-23					
1.	2235-02-103-073	Widow Pension Scheme under Jai Bangla	550.16	1,191.77	641.61 (116.62%)
2.	2235-02-789-073		195.95	396.11	200.16 (102.15%)
3.	2235-02-104-028	Old Age Pension Scheme under Jai Bangla	1,000.74	1,380.08	379.34 (37.91%)
4.	2235-02-102-095	Umbrella ICDS-Anganwadi services under Saksham Anganwadi and Poshan 2.0 (60:40) (Central Share) (OCASPS)[WC]	81.92	346.92	265.00 (323.49%)
5.	2235-02-102-096		38.48	234.31	195.83 (508.91%)
6.	2235-02-102-099	Establishment charges of Saksham Anganwadi and Poshan 2.0 (erstwhile ICDS)	Nil	291.22	291.22
7.	2235-02-103-076	Lakshmir Bhandar	7,142.00	8,059.26	917.26 (12.84%)
8.	2235-02-789-078		2,945.00	3,177.75	232.75 (7.90%)
Total			**11,954.25**	**15,077.42**	**3,123.17 (26.13%)**
Year: 2021-22					
9.	2235-02-103-073	Widow Pension Scheme under Jai Bangla	170.00	336.74	166.74 (98.08%)

Sl. No.	Head of Account	Name of Scheme	Budget Provision	Actual Expenditure	Excess Expenditure (in *per cent*)
			(₹ in crore)		
10	2235-02-104-028	Old Age Pension Scheme under Jai Bangla	200.00	726.06	526.06 (263.03%)
11	2235-02-789-074		80.00	263.31	183.31 (229.14%)
12	2235-02-102-020	Establishment of I.C.D.S. Project	120.00	678.25	558.25 (465.21%)
13	2235-02-789-016	Establishment of I.C.D.S. Project	80.00	241.70	161.70 (202.13%)
14	2235-02-103-068	Implementation of Rupashree Prakalpa	412.60	572.91	160.31 (38.85%)
Total			**1,062.60**	**2,818.97**	**1,756.37 (165.29%)**
Year: 2020-21					
15	2235-02-103-073	Widow Pension Scheme under Jai Bangla	0.00	195.65	195.65
16	2235-02-104-028	Old Age Pension Scheme under Jai Bangla	0.00	416.01	416.01
17	2235-02-789-074		0.00	133.80	133.80
18	2235-02-101-039	Implementation of Manabik Scheme	152.00	252.23	100.23 (65.94%)
19	2235-02-102-026	ICDS (Central Share) (WC)	411.08	664.30	253.22 (161.60%)
20	2235-02-102-020	Establishment of I.C.D.S. Project	418.81	682.10	263.28 (62.86%)
Total			**981.89**	**2,344.09**	**1,362.19 (138.73%)**

Source: Sub-heads of accounts

The Office of the AG (A&E) WB, periodically issues warning slips in regard to those cases where the cumulative expenditure, in any sub-head of accounts, exceeds the provision. During 2022-23, the warning slips issued upto February 2023, in respect of five schemes, had however, not elicited any corrective actions by the Department.

The Department replied (July 2023) that the following underlying reasons were attributable to the excess expenditure:

(i) Old age pension and widow pension: Enhancement of quota in various phases during the last three years, based on applications received at '*Duare Sarkar*[66]' camps

(ii) Saksham Anganwadi and Poshan 2.0 (erstwhile ICDS): Increase in the number of beneficiaries under the RTE[67] act and increased cost of food grains

[66] An initiative of the Government of West Bengal for delivery of specific schemes of the State Government at the doorsteps of the people through outreach camps organized at the level of Gram Panchayat and Municipal Ward levels.

[67] Right to Education

(iii) Lakshmir Bhandar: Increasing number of beneficiaries.

- ***Unnecessary and Unjustified Re-Appropriation***

It was noticed that, during 2020-21 to 2022-23, enhancement of provision through re-appropriation in 14 cases[68] had proved unnecessary. Two instances are elaborated below.

During 2020-21, in the scheme "Implementation of Rupashree Prakalpa", ₹ 0.01 crore was enhanced through Re-appropriation, though the actual expenditure of ₹ 206.25 crore was far less than the net budget provision of ₹ 382.48 crore. This resulted in savings of ₹ 176.24 crore and, thus, Re-appropriation proved un-necessary.

Further, during 2022-23, in the "Old Age Pension Scheme under Jai Bangla", the budget provision had got reduced to ₹ 1,000.74 crore after curtailment of provision (₹ 0.16 crore) through Re-Appropriation. This reappropriation proved unjustified, since there was excess expenditure of ₹ 379.34 crore against the reduced provision.

- ***Unjustified Supplementary Provisions***

Audit observed that, during 2020-21 to 2022-23, supplementary provisions proved unnecessary in eight cases under the Revenue-Voted segment and in one case under the Capital-Voted segment. An illustration is given below.

During 2021-22, supplementary provision amounting to ₹ 19.57 crore proved unjustified in the "*Lakshmir Bhandar*" scheme since the actual expenditure being ₹ 4,074.27 crore, remained below the original budget provision of ₹ 7,000 crore.

- ***'Nil' expenditure against the Budget Provision***

During 2020-23, in six schemes[69], there was 'Nil' expenditure, despite budget provisions. For instance, in the scheme 'National Action Plan for Drug Demand Reduction', there was 'Nil' expenditure during 2020-21, 2021-22 and 2022-23, despite having budget provisions of ₹ 2.20 crore, ₹ 1.35 crore and ₹ 1.42 crore, respectively.

- ***Short surrender of savings***

Rule 384 of the West Bengal Financial Rules 1979, stipulates that the Departmental Controlling Officer or Disbursing Officer at whose disposal the grant is placed, should keep himself informed of such circumstances as may affect the progress of expenditure, in order to take early steps for obtaining supplementary grants or surrendering any probable savings as may be necessary.

Scrutiny of net grant statements revealed that, during 2022-23, in the following four head of accounts under '*Kanyashree Prakalpa*', expenditure remained below the budget provision, leading to savings of ₹ 291.21 crore. However,

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[68] Six numbers of cases in the FY 2020-21, four numbers of cases each in the FYs 2021-22 and 2022-23

[69] (i) State Advisory Board for Juvenile Justice, (ii) National Mission for Empowerment of Women including Indira Gandhi Matritav Sahyog Yojana (Central Share), (iii) National Mission for Empowerment for Women including Indira Gandhi Matritav Sahyog Yojana (State Share), (iv) Vocational Training for Girls and Women in Government Home, (v) National Action Plan for Drug Demand Reduction & (vi) Scheme for prevention and control of Juvenile Social Mal-adjustment

only a negligible portion (₹ 0.78 crore; 0.27 *per cent*) of the savings was surrendered, as shown in **Table 3.19**.

Table 3.19: Short surrender of savings under the *Kanyashree Prakalpa*

Sl. No.	Head of Account	Scheme Description	Budget Provision	Actual Expenditure	Savings	Amount surrendered
			(₹ in crore)			
1.	2235-02-103-066	Implementation of Kanyashree Prakalpa	7.61	7.23	(-)0.38	-
2.	2235-02-103-026		899.86	752.39	(-)147.47	0.78
3.	2235-02-789-048		680.00	576.62	(-)103.38	-
4.	2235-02-796-049		278.00	238.02	(-)39.98	-
Total			**1,865.47**	**1,574.26**	**(-)291.21**	**0.78**

Source: Sub-heads of accounts

- ***Rush of expenditure during the month of March***

Rule 389A of Section XVI of the West Bengal Financial Rules (Volume-I) relates to avoiding rush of expenditure towards the close of financial year. Rush of expenditure, particularly in the closing months of the financial year, is ordinarily to be regarded as a breach of financial regularity.

Scrutiny disclosed that, in respect of 11, seven and six detailed head of accounts, expenditure in the month of March for the financial years 2020-21, 2021-22 and 2022-23, respectively, crossed 25 *per cent* of the total expenditure. Of these, the cases where expenditure in the month of March was more than ₹ one crore and more than 25 *per cent* of the total expenditure under that detailed head, are shown in **Table 3.20**.

Table 3.20: Rush of expenditure in the month of March

Sl. No.	Detailed Head Description	Expenditure (₹ in crore) in the Month of March	Expenditure (₹ in crore) during the Year	Expenditure in March *w.r.t* the Total (in *per cent*)
F.Y: 2020-21				
1.	13-Office Expenses	6.15	12.02	51.16
2.	14-Rent, Rates & Taxes	10.44	16.51	63.23
3.	27-Minor Works/Maintenance	8.65	10.66	81.14
4.	45-Interest/Dividends	18.77	19.48	96.36
5.	50-Other Charges	34.93	84.12	41.52
6.	53-Major Works/Land & Buildings	21.91	27.78	78.87
F.Y: 2021-22				
7.	13-Office Expenses	2.36	9.02	26.16
8.	14-Rent, Rates & Taxes	31.98	31.99	99.97
9.	21-Materials and Supplies/Stores and Equipment	1,252.81	1,742.57	71.89
F.Y: 2022-23				
10.	13-Office Expenses	3.71	11.53	32.18
11.	14-Rent, Rates & Taxes	16.76	41.90	40.00
12.	50-Other Charges	73.03	145.70	50.12
13.	53-Major Works/Land & Buildings	101.10	189.15	53.45

Source: VLC data

Reasons behind the expenditure exceeding 25 *per cent* in the month of March and corrective steps, if any, taken to arrest the expenditure at the fag end of the year, were not furnished by the Department, though called for (September 2023).

3.6 Conclusions

- Expenditure of ₹ 2,084 crore was incurred during the year 2022-23, without any provision in the original budget estimates/supplementary demands and without issuance of any re-appropriation orders to this effect.
- Supplementary provisions had also not been prepared on realistic basis, as, in five cases, supplementary provisions involving ₹ 100 crore or more, in each case, were unnecessary.
- Budgetary allocations were based on unrealistic proposals and, out of the total savings of ₹ 70,752 crore, only 5.20 *per cent* (₹ 3,682 crore) was surrendered.
- Government is required to take action for regularization of the excess expenditure of ₹ 48,953 crore, for the period 2009-10 to 2021-22 and ₹ 4,063 crore, for the year 2022-23, from the State Legislature.
- The budgetary system of the State Government was not up to the mark, as overall utilization of budget was 81 *per cent* of total grants and appropriations during 2022-23.
- During 2022-23, there was re-appropriation amounting to ₹ 1,197 crore in respect of 583 sub-heads constituting 52 grants. However, despite reappropriation, there were savings of ₹ 372 crore in respect of 29 sub-heads and excess of ₹ 11 crore in respect of two sub-heads.
- There was rush of expenditure at the fag-end of the year. In six sub heads each, 100 *per cent* of the expenditure, ranging between ₹ 62 crore and ₹ 670 crore, was incurred in the month of March 2023.

3.7 Recommendations

1. *Government may take steps to ensure that its budgetary assumptions are arrived at in a more realistic manner based on reliable assumptions of the needs of the departments and their capacity to utilise the allocated resources.*
2. *Excess expenditure over grants approved by the Legislature constitutes a serious violation and needs to be regularised at the earliest.*
3. *An appropriate control mechanism needs to be instituted by the Government to enforce proper implementation and monitoring of budget to ensure that savings are curtailed, large savings within the Grants/Appropriations are controlled, and anticipated savings are identified and surrendered within the specified timeframe.*