

**Chapter-III**

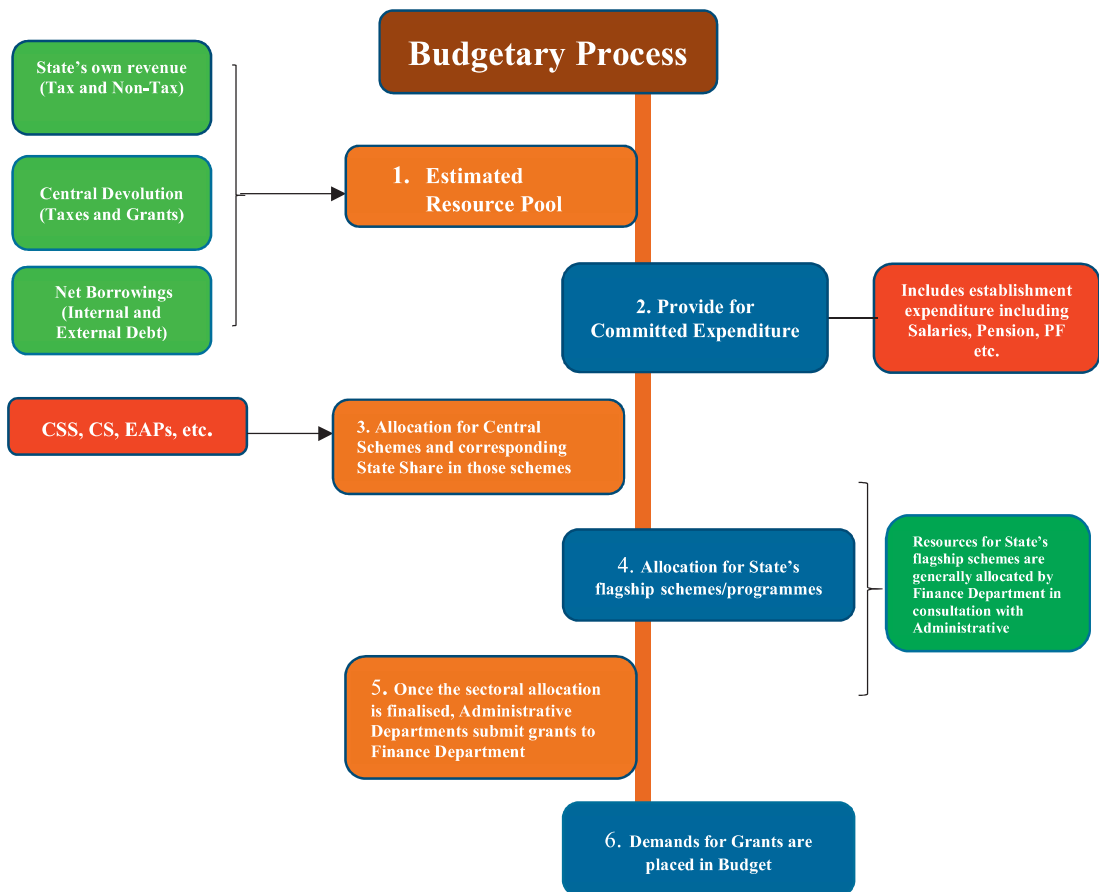
**Budgetary Management**



### 3.1 Budget Process

The Budget process commences with the issue of the Budget circular, normally in August each year, providing guidance to Departments in framing their estimates, for the next financial year. The Budget of the State is based on the Departmental estimates submitted by the controlling officers and these Departmental estimates are themselves mostly based on the estimates submitted by the District officers of the departments. The budget preparation process in the State is given in **Chart 3.1**.

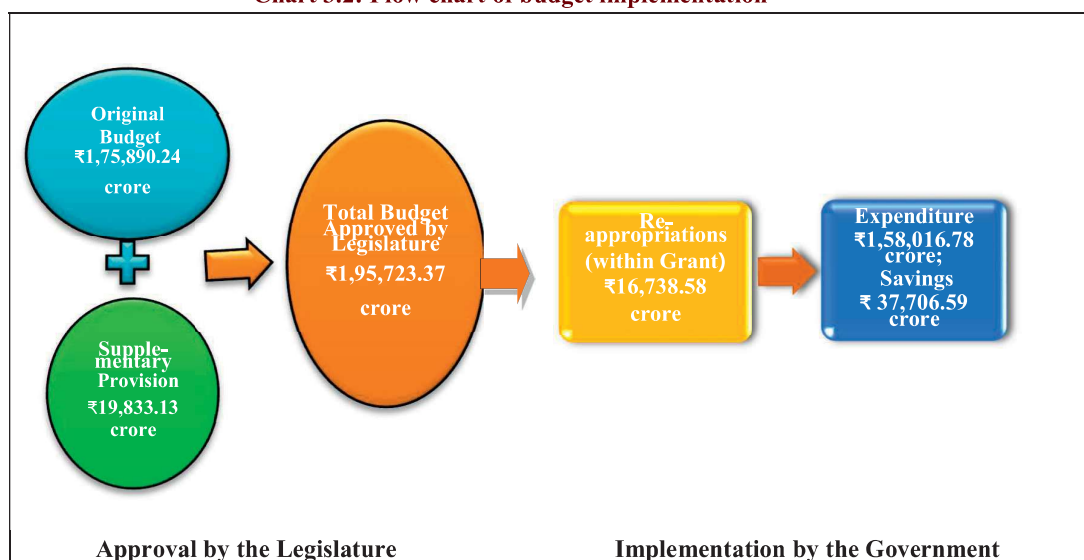
**Chart 3.1: Flow Chart of the Budgetary Process**



The annual financial statement, also called the general budget, is placed prior to the commencement of the financial year in the State Legislature, in accordance with Article 202 of the Constitution. The State Legislature initially approves the annual

Budget. When the initial allocation is found to be inadequate or expenditure has to be incurred on a new item, the Government presents supplementary demands (Para 166 of the Budget Manual of the Government of Odisha) before the Legislature. Further, the mechanism of re-appropriation allows the State Government to transfer savings from one sub-head (usually a scheme) to another, provided such transfers occur within the same grant<sup>30</sup> and under the same section<sup>31</sup>. The various components of the budget are depicted in **Chart 3.2**.

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



Source: Appropriation Accounts: 2021-22, Government of Odisha

### 3.1.1 Summary of total provisions, disbursements and savings during 2021-22

The annual financial statement or Budget, should show the expenditure charged on consolidated fund and other expenditure separately. It should also distinguish expenditure on revenue account from other expenditure. A summarised position of total Budget provision, disbursement and savings/ excess during 2021-22, with further bifurcation into voted/charged, is given in **Table 3.1** below:

**Table: 3.1 Summarised position of Expenditure vis-à-vis Budget provision**

(₹ in crore)

Total Budget (O+S) Provision		Total	Disbursements		Total	Savings		Total
Voted	Charged		Voted	Charged		Voted	Charged	
1,61,802.92	33,920.45	1,95,723.37	1,29,607.31	28,409.46	1,58,016.78	32,195.61	5,510.98	37,706.59

Source: Appropriation Accounts 2021-22, Government of Odisha

It can be seen from the table that the utilisation (gross) of budgeted funds was 80.73 per cent in 2021-22, which was 6.70 per cent increase as compared to the utilisation of budgeted funds in 2020-21.

<sup>30</sup> Grant means the amount voted by the Legislative Assembly in regard to demand for grant.

<sup>31</sup> Capital, Revenue or Loans.



### 3.1.2 Charged and voted disbursements

**Table 3.2** shows the break-up of charged and voted disbursements during the five-year period from 2017-18 to 2021-22.

**Table: 3.2 Break-up of total disbursement into charged and voted during 2017-22**

Year	Disbursements			Savings/ Excess		
	Voted	Charged	Total	Voted	Charged	Total
2017-18	89,635.62	9,186.48	98,822.10	20,405.17 (22.76)	801.31 (8.72)	21,206.48 (21.46)
2018-19	1,06,767.30	9,850.56	1,16,617.86	18,577.34 (17.40)	318.40 (3.23)	18,895.74 (16.20)
2019-20	1,20,176.20	10,676.63	1,30,852.83	24,046.16 (20.01)	731.55 (6.85)	24,777.71 (18.94)
2020-21	1,08,063.73	16,045.41	1,24,109.14	42,691.29 (39.51)	862.84 (5.38)	43,554.13 (35.09)
2021-22	1,29,607.31	28,409.46	1,58,016.78	32,195.61 (24.84)	5,510.98 (19.40)	37,706.59 (23.86)

*Source: Appropriation Accounts of respective years. Figures inside the bracket denote percentage of corresponding disbursements.*

As can be seen from the table above, the percentage of savings under 'Voted' ranged between 17.40 per cent to 39.51 per cent and under 'Charged', it ranged between 3.23 per cent to 19.40 per cent, during 2017-22. The overall savings of ₹37,706.59 crore during 2021-22 were around twice the supplementary budget of ₹19,833.13 crore obtained during the year, indicating deficiencies in the budget formulation process.

The large amount of savings in allotted funds indicate both- inaccurate assessment of requirements, as well as inadequate capacity to utilise the funds for the intended purposes.

### 3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, as specified in the schedules appended to the Appropriation Act, passed under Articles 204 and 205 of the Constitution of India. Appropriation Accounts are on Gross basis. They facilitate understanding of the utilisation of funds, management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Audit of appropriations by the C&AG 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 was so charged. It also seeks to ascertain whether the expenditure incurred is in conformity with the law, relevant rules, regulations and instructions.

### 3.3 Comments on integrity of budgetary and accounting process

The following section explores in detail the State Government's compliance to the budgetary and accounting process, as duly required by law.

### **3.3.1 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, as is necessary to meet:

- i. Expenditure on Schemes of New Expenditure to be taken up within the current financial year.
- ii. Inadequacy of provision.
- iii. Fresh expenditure, but not technically “Schemes of New Expenditure.”
- iv. Omissions of provision.

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.

#### **3.3.1.1 Un-necessary supplementary grants**

Audit analysis showed that supplementary grants<sup>32</sup> (₹ one crore and above) of ₹9,742.06 crore *i.e.*, 49.12 *per cent* of the total supplementary grants was entirely unnecessary in 43 cases, relating to 31 grants (*Appendix 3.1*), as the expenditure did not even reach the threshold of original provision. This indicated significant errors in accurate estimation of Budget.

The Government stated (January 2023) that, many times funds, as indicated in the Union Budget, are not released to the State, thereby leading to surrender of funds. In certain cases of Centrally Sponsored Schemes, funds are released by Government of India very late in the year with limited scope for expenditure. Provision taken against a scheme is also surrendered, due to delay in scheme appraisal and approval. This situation also leads to surrender of supplementary grants. The reply is not convincing as the surrender of funds does not take place only in case of Centrally Sponsored schemes.

#### **3.3.1.2 Excessive supplementary grants**

Supplementary provision (₹ one crore and above) aggregating ₹7,894.35 crore, proved excessive by ₹2,081.07 crore, in 17 cases under 15 grants. (*Appendix 3.2*).

### **3.3.2 Un-necessary or excessive re-appropriations**

By definition, Re-appropriations are meant for transfer of savings from one scheme / unit to another within the same grant and under the same section (*i.e.*, Capital, Revenue or Loans). During 2021-22, re-appropriation orders, amounting to ₹ 16,738.58 crore (988 cases), were issued.

---

<sup>32</sup> ‘Supplementary grant’ means a grant voted by the Legislative Assembly on a supplementary statement of expenditure, presented to it within a financial year, under Article 205 of the Constitution.

Audit analysis of re-appropriation orders showed that the re-appropriation of funds proved unnecessary/excessive in 11 cases, since the amounts were not fully utilised, resulting in less expenditure of ₹ 39.23 crore, as detailed in **Appendix 3.3**.

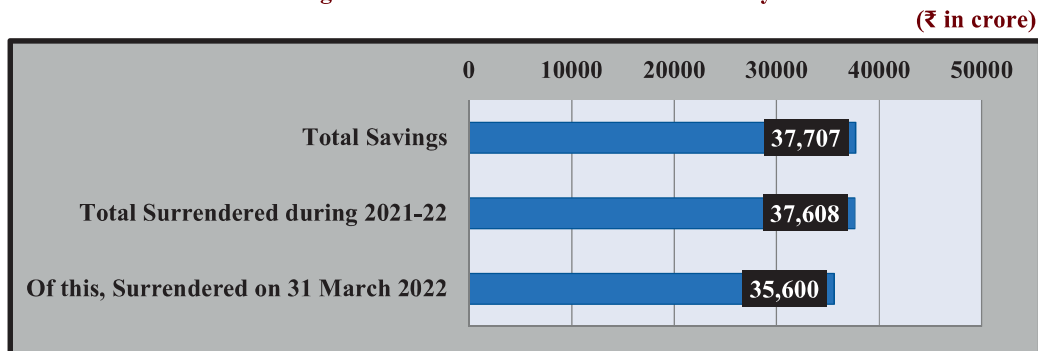
The Finance Department had instructed (07 February 2022) that the deadline of the re-appropriations was 25 February 2022. Despite that, 32 cases of re-appropriation orders amounting to ₹6,610.03 crore (₹ one crore and above in each case) were issued under 10 Grants and two Appropriations on 31 March 2022, as detailed in **Appendix 3.4**.

This indicates that the expenditure control mechanism was not adequate and that re-appropriation was not done on time and on the basis of realistic estimates.

### 3.3.3 Savings/ Surrenders

Against the overall savings of ₹37,706.59 crore, ₹37,608.04 crore (99.73 per cent) was surrendered during the year 2021-22. Out of the surrendered amount of ₹37,608.04 crore, ₹35,600.04 crore was surrendered on the last day of the year i.e., 31 March 2022. Out of the remaining savings of ₹ 2,008 crore, ₹ 98.55 crore were not surrendered during 2021-22. The details are shown in **Chart 3.3**.

**Chart 3.3: Savings and surrenders before close of financial year 2021-22**

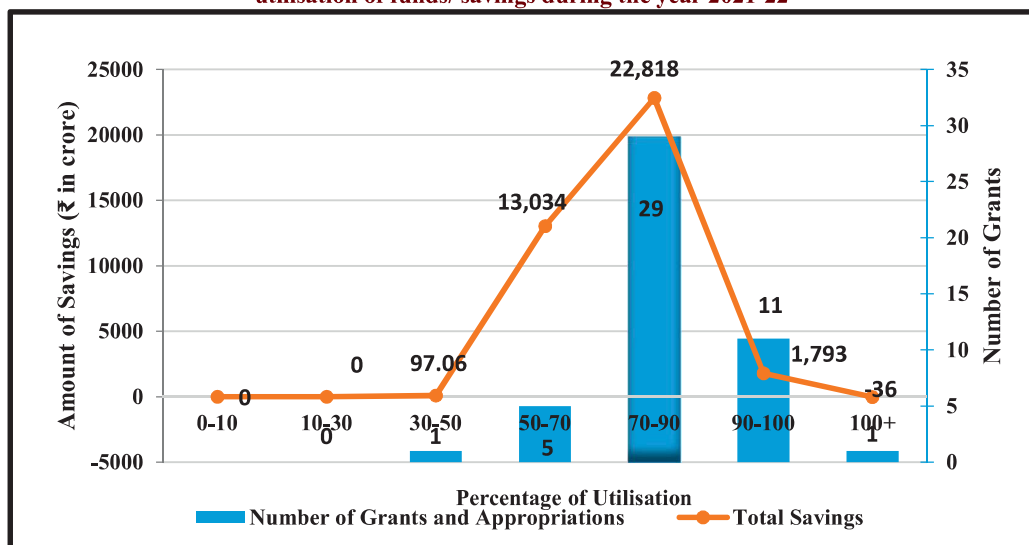


Source: Appropriation Accounts for the year 2021-22, Government of Odisha

Of these overall savings, ₹ 31,325.92 crore (83.08 per cent) pertained to 23 grants and one appropriation with savings of more than ₹100 crore each (**Appendix 3.5**). The main Departments with substantial savings were Panchayati Raj and Drinking Water (₹7,670.90 crore), Finance (₹4,519.17), School and Mass Education (₹3,423.94 crore), and Disaster Management (₹2,963.21). Such large savings under these departments indicated deficiencies in expenditure monitoring mechanism, scheme implementation capacities and weak internal controls.

The distribution of the number of Grants/ Appropriations grouped by the percentage of savings along with total savings in each group is detailed in **Chart 3.4**.

**Chart 3.4: Distribution of number of Grants/Appropriations grouped by the Percentage of utilisation of funds/ savings during the year 2021-22**



Source: Appropriation Accounts 2021-22, Government of Odisha

As can be seen from **Chart 3.4** above, out of 47 grants and appropriations (43 grants and four appropriations), there were only eleven grants and one appropriation, where the utilisation of funds was more than 90 per cent.

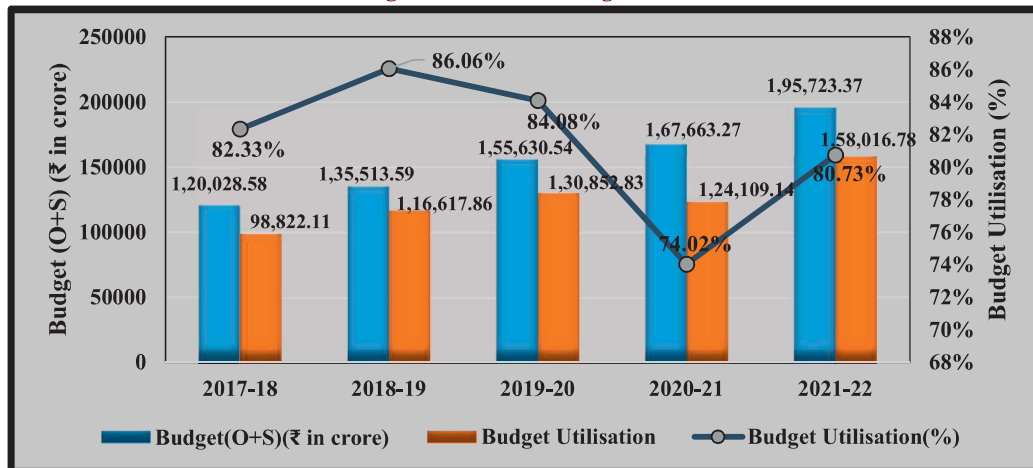
Panchayati Raj and Drinking Water (67.87 per cent), Labour and Employees State Insurance (64.25 per cent), Rural Development (63.01 per cent), Disaster Management (62.23 per cent), Commerce (52.03 per cent), and Information and Public Relations (49.09 per cent) were amongst the Departments, where utilisation of funds was less than 70 per cent.

The State Government stated (January 2023) that large savings are surrendered due to non-receipt of Central Assistance under CSS schemes provided in the Budget Estimate. As part of a control mechanism, Chief Secretary reviews the expenditure in the All-Secretaries' Meeting on monthly basis. Necessary instructions are also issued from time to time by Finance Department to expedite (or curtail) expenditure depending on the prevailing priorities.

### 3.3.3.1 Trends in Utilisation of Budgeted Funds

The extent of utilisation of budget during the five-year period from 2017-18 to 2021-22 is given in **Chart 3.5**.

Chart 3.5: Budget Utilisation during 2017-18 to 2021-22



Source: Appropriation Accounts 2021-22, 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.

### 3.3.4 Substantial surrenders

Surrenders of 100 per cent of total provision of ₹ 7,757.06 crore were made in 29 cases (₹ 50 crore or more in each case) under 14 grants. These represented different schemes/ programmes/ projects and activities (*Appendix 3.6*). The surrenders were mainly attributed to non-receipt of Central Assistance, non-receipt of project proposals, diversions to AMRUT mission and Smart City mission, non-finalisation of work and tender process, delay in land acquisition and forest clearance, non-concurrence of proposal by Finance Department and closure of the scheme. In 14 cases, the concerned Departments did not furnish any reasons for 100 per cent surrender.

#### 3.3.4.1 Surrender in excess of savings

In two cases (two grants), 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 ₹ 2,789.31 crore, the amount surrendered was ₹ 3,044.08 crore, resulting in excess surrender of ₹ 254.77 crore. The details are given in *Table 3.3*.

Table 3.3: Surrender of funds in excess of savings

(₹ in crore)							
Sl. No.	Grant Number & Name	Original	Supplementary	Total Provisions	Savings (-)/ Excess (+)	Amount Surrendered	Excess surrendered
<b>Revenue (Voted)</b>							
1	7 - Works	2,133.28	76.42	2,209.70	80.81	137.34	56.53
2	10 - School & Mass Education	17,525.60	1,580.73	19,106.33	2708.50	2,906.74	198.24
	<b>Total</b>	<b>19,658.88</b>	<b>1,657.15</b>	<b>21,316.03</b>	<b>2,789.31</b>	<b>3,044.08</b>	<b>254.77</b>

Source: Appropriation Accounts 2021-22, Government of Odisha

### 3.3.4.2 Anticipated savings not surrendered/ partially surrendered

As per Rule 146 of the Odisha Budget Manual (OBM), the spending Departments are required to surrender the grants/ appropriations or portion thereof to the Finance Department, as and when savings are anticipated. Finance Department's instructions also stipulated that the surrender of unutilised funds should be made on or before 28 February 2022. Audit reviewed figures of savings and surrender and noticed that:

- Out of the total savings of ₹37,706.59 crore, only ₹37,608.04 crore was surrendered and ₹ 98.55 crore were not surrendered during 2021-22. Out of the surrendered amount of ₹37,608.04 crore, ₹35,600.04 crore was surrendered on 31 March 2022.
- Some instances where savings were only partially surrendered are detailed in *Appendix 3.7*. The major Departments where savings were not surrendered well in advance were Health and Family Welfare (₹61.45 crore) and Disaster Management (₹33.36 crore).

### 3.3.5 Regularisation of excess expenditure of previous financial years

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excess expenditure over a grant/ appropriation regularised by the State Legislature. The excess expenditure needs to be regularised after discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). For this purpose, the Departments concerned are required to submit Explanatory Notes for excess expenditure to PAC through Finance Department.

The State Government, however, failed to get the excess expenditure amounting to ₹262.65 crore over and above the allocation, pertaining to the years 2013-14 to 2020-21, regularized as of March 2022, details of which are given in **Table 3.4**.

**Table 3.4: Excess Expenditure of previous years**

(₹ in crore)

Year	Grant No. / Appropriation	Grant/ Appropriation details	Amount of excess required to be regularised as commented in the Appropriation Accounts	Status of regularisation
2013-14	22	Forest and Environment	0.29	Not yet regularised
	26	Excise	0.27	-do-
	31	Handlooms, Textile and Handicrafts	18.00	-do-
2015-16	22	Forest and Environment	0.25	-do-
	26	Excise	0.01	-do-
2016-17	6003	Internal Debt	56.63	-do-
	13	Housing and Urban Development	3.63	-do-
2017-18	8	Odisha Legislative Assembly	0.52	-do-
2018-19	7	Works	169.77	-do-
	8	Odisha Legislative Assembly	3.65	-do-
2020-21	7	Works	9.63	-do-
<b>Total</b>			<b>262.65</b>	

Source: Appropriation Accounts 2021-22, Government of Odisha



Excess expenditure, remaining un-regularised for extended periods, dilutes legislative control over the Executive.

The State Government stated (January 2023) that steps are being taken for regularisation of the excess expenditures incurred during the previous years.

### **3.3.6 Grants-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 construction of assets. As per Indian Government Accounting Standards (IGAS) 2, Grant-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.

As per Appendix III of the Finance Accounts for the year 2021-22, total funds released as Grants-in-Aid were ₹25,930.97 crore, of which, funds allotted for creation of Capital Assets were ₹5,387.86 crore (20.78 per cent).

### **3.4 Comments on the effectiveness of the budgetary and accounting process**

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/ weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some Departments deprives other Departments of funds which they could have utilised.

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

Several policy initiatives/ schemes (₹ one crore and above) were initiated by the State Government during 2021-22 and it was seen that these were either partially executed or not executed at all, as detailed below:

**Table 3.5: New Schemes, not executed by the State Government during the year 2021-22**

(₹ in crore)

Sl. No.	Name of the new scheme	Grant No. and Department	Budget provision, 2021-22	Expenditure
1	Free Treatment for Trauma Fund (FTTF)	12 - Health and Family Welfare	40	0
2	SOPAN	36 - Women and Child Development and Mission Shakti	51	0
3	SAMBAL	-do-	12	4.20
4	Innovative Projects	23 - Agriculture and Farmer's Empowerment	20	0
5	Use of Solar Photovoltaic System	30 - Energy	24	20
<b>Total</b>			<b>147</b>	<b>24.20</b>

*Source: Budget Speech (Part-II) and Odisha Budget 2021-22*

Further, Audit noticed that under 64 existing sub-schemes, the Original Budget provision as well as Supplementary Budget provision, involving an amount of ₹8,615.12 crore (**Appendix 3.8**), remained completely unutilised during the year 2021-22, as no expenditure was incurred.

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

### **3.5 Cash Management System**

Pursuant to the provisions of sub-section (1-a) of Section 8 of the Odisha Fiscal Responsibility and Budget Management Act, 2016, Government of Odisha laid down guidelines for timely spending of Budgetary grants through the Cash Management System in 20 Departments, during 2021-22.

As per the Circular issued by Finance Department, Government of Odisha on Regulation of Expenditure, 2021-22 in Cash Management System, the flow of expenditure should be evenly placed. In terms of Finance Department's instructions dated 23 March 2020, the level of expenditure, at the end of the third quarter, should not be less than 60 *per cent* and, during the month of March, the same should not be more than 15 *per cent* of the budget provision.

During 2021-22, the Cash Management System was implemented in 20 Departments. Out of these 20 Departments, only six Departments had spent at least 60 *per cent* of their original budget provisions by the end of the third quarter. The Industries Department had utilised only 19.86 *per cent* of its original provision, by the end of the third quarter. Similarly, 12 Departments had exceeded the expenditure of 15 *per cent* of the original budget provision in the month of March 2022 (the excess ranged from 15.52 to 164.41 *per cent*), as indicated in **Table 3.6**:

**Table 3.6: Analysis of Cash Management System**

(₹ in crore)

Sl. No.	Grant No/Name of the Department	Original Budget Provision	Up to December 2021		March 2022 (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	10-School and Mass Education	18,280	11,899.6	65.10	1,982.54	10.85
2	23-Agriculture and Farmer's Empowerment	5,919	3,722.12	62.88	596.37	10.08
3	38-Higher Education	2,417	1,509.71	62.46	314.14	13.00
4	41-Department of Social Security and Empowerment of Persons with Disability	2,767	2,072.13	74.89	215.23	7.78
5	9-Food Supplies and Consumer Welfare	1,098	1,996.57	181.84	8.24	0.75



Sl. No.	Grant No/Name of the Department	Original Budget Provision	Up to December 2021		March 2022 (Pre)	
			Expenditure during first three quarters	Percentage of Expenditure	Expenditure during the month	Percentage of Expenditure
6	36-Women and Child Development and Mission Shakti	3,906	2,367.86	60.62	454.71	11.64
<b>The following Departments have not followed the guidelines</b>						
7	7-Works	7,015	3,243.74	46.24	1,088.67	15.52
8	11-Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	3,606	1,611.99	44.70	941.17	26.10
9	Health & Family Welfare	9,164	6,328.46	69.06	2,112.21	23.05
10	13-Housing and Urban Development	5,811	2,892.47	49.78	2,195.63	37.78
11	17-Panchyati Raj & Drinking Water	20,301	10,988.78	54.13	2,589.64	12.76
12	19-Industries	431	85.6	19.86	210.08	48.74
13	20-Water Resources	8,272	4,260.15	51.50	1,634.74	19.76
14	22-Forest & Environment	1,892	956.81	50.57	941.17	49.74
15	28-Rural Development	5,489	1,229.03	22.39	1,466.75	26.72
16	30-Energy	1,799	592.23	32.92	2,957.7	164.41
17	31-Handlooms, Textiles & Handicrafts	163	85.07	52.19	18.71	11.48
18	33-Fisheries & Animal Resources Development	1,415	802.7	56.73	274.97	19.43
19	39-Skill Development & Technical Education	664	389.09	58.60	154.75	23.31
20	40-Micro, Small & Medium Enterprises	465	246.43	53.00	85.52	18.39

*Source: Monthly Appropriation Reports for December 2021 and March (Pre) 2022.*

It is evident from the above table that, out of 20 Departments, only four Departments (Sl. Nos. 01 to 06) had followed the guidelines for timely spending of budgetary grants through the Cash Management System.

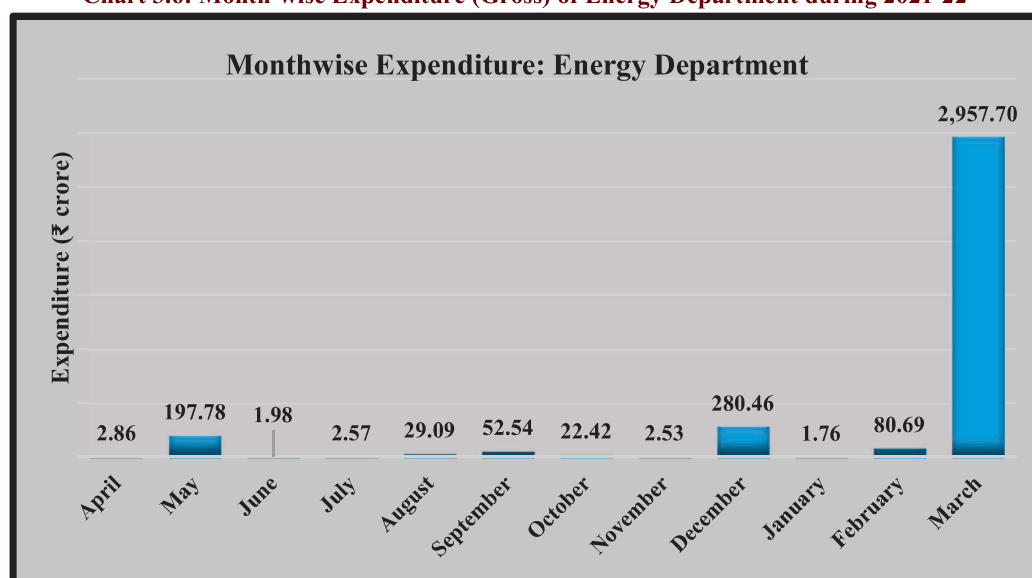
Thus, contrary to the spirit of financial regulation, a substantial quantum of expenditure was incurred by the Government at the end of the year.

### 3.5.1 Rush of expenditure

In terms of Rule 147 of OBM, rush of expenditure in the closing month of the financial year is a breach of financial regularity, which should be avoided. Contrary to this, there were 68 schemes (sub heads) in 25 Departments and two appropriations, where 100 *per cent* of the total expenditure was incurred (with one crore or more in each case) in March 2022, as detailed in **Appendix 3.9**.

High percentage of expenditure in March indicates that uniform flow of expenditure during the year, a primary requirement of budgetary control, was not maintained. It also indicates deficiencies in monitoring the Cash Management System in these Departments. As an example, month-wise expenditure incurred by the Energy Department, is given below:

**Chart 3.6: Month-wise Expenditure (Gross) of Energy Department during 2021-22**



Source: Records of the Office of the Principal Accountant General (A&E), Odisha

As seen from the chart above, contrary to the spirit of financial regulation, a substantial quantum of expenditure *i.e.*, ₹2,957.70 crore (81.43 *per cent* of the total expenditure of ₹3,632.38 crore) was incurred by the department during March 2022, indicating inadequate control over expenditure monitoring.

### 3.6 Review of selected grants

Audit conducted detailed scrutiny of three grants, *viz.*, (i) Grant No. 7 – Works (ii) Grant No. 10 – School and Mass Education and (iii) Grant No. 17 – Panchayati Raj and Drinking Water Departments. Outcome of the Audit is discussed in the succeeding paragraphs.

#### 3.6.1 Grant No. 7 - Works Department

Road communication is a key element for the economic development of the State. Development and maintenance of an extensive road network is a major pre-requisite on which the pace and pattern of development rests. As assigned by the State

Government, Public Works like construction of roads, bridges, Cross Drainage works on nallahs, etc. are being executed by the Works Department. Besides, this Department has also an important role for improvement of building infrastructure of the State. Construction of new building infrastructures / maintaining the existing ones and above all planning for the upcoming building projects by tapping funds from various sources *i.e.*, the State Budget / Central schemes / Deposits *etc.* Nine Major Heads *viz.*, 2052-Secretariat-General Services, 2059-Public Works, 2216-Housing, 2230-Labour and Employment, 3053-Civil Aviation, 3054-Roads and Bridges, 4059-Capital Outlay on Public Works, 4216-Capital Outlay on Housing and 5054-Capital Outlay on Roads and Bridges, are operated under this Grant.

### 3.6.1.1 Budget and Expenditure

The overall position of budget provisions, actual expenditure and savings/ excess under this Grant during the last three years, *i.e.*, 2019-22, is given in **Table 3.7**.

**Table 3.7: Budget provision vis-à-vis Expenditure**

		(₹ in crore)		
	Particulars	2019-20	2020-21	2021-22
	<b>Total Budget provision (Revenue + Capital)</b>	5,810.97	6,606.15	7,123.86
	<b>Expenditure</b>	5,627.46	6,139.49	6,108.58
	<b>Savings</b>	183.51	466.67	1,015.28
	<b>Percentage of Savings to total provision</b>	3.16	7.06	14.25
<b>Revenue (voted &amp; Charge)</b>	<b>Original budget (O)</b>	1,812.25	2,010.10	2,140.24
	<b>Supplementary budget (S)</b>	108.45	5.28	78.42
	<b>Total Budget Provision (O+S)</b>	1,920.70	2,015.38	2,218.66
	<b>Expenditure</b>	1,752.90	2,023.24	2,136.62
	<b>(-) Savings/ Excess</b>	(-)167.80	7.86	(-) 82.04
	<b>Surrender</b>	165.12	526.64	138.57
	<b>Percentage of savings to total revenue provision</b>	8.74	0.00	3.70
<b>Capital (voted &amp; Charge)</b>	<b>Original budget (O)</b>	2,247.3	4,420.92	4,875
	<b>Supplementary budget (S)</b>	1,642.97	169.85	30.2
	<b>Total Budget Provision (O+S)</b>	3,890.27	4,590.77	4,905.2
	<b>Expenditure</b>	3,874.56	4,116.25	3,971.96
	<b>(-) Savings/ Excess</b>	(-) 15.71	(-) 474.52	(-) 933.24
	<b>Surrender</b>	15.71	469.2	933.1
	<b>Percentage of savings to total capital provision</b>	0.40	10.34	19.03

*Source: Appropriation Accounts for the years 2019-20 to 2021-22, Government of Odisha*

As can be seen from the above table, savings, as a percentage of the total budget provision, ranged between 3.16 *per cent* and 14.25 *per cent*, during 2019-22.

Persistent large savings are indicative of incorrect assessment of actual needs and call for a critical review of the budget preparation exercise of the Department. The

Department attributed savings to non-receipt of Central Assistance and constraints in the functioning of implementing agencies.

**3.6.1.2 Surrender of Savings**

The savings were surrendered mainly under the Heads 5054-04-337-1219 - Road Works under Road Development Programme (₹ 433.41 crore), 5054-04-789-1219 - Road Works under Road Development Programme (₹258.20 crore) and 2059-80-1-0442 - Executive Engineer Roads and Buildings Establishment (Salary Component) (₹ 36.79 crore). There was excess surrender of ₹56.53 crore during 2021-22, against savings of ₹82.04 crore. During 2020-21, ₹526.64 crore had been surrendered against excess expenditure of ₹7.86 crore

**3.6.1.3 Unnecessary Supplementary Grant**

From **Table 3.7**, it can be seen that, under the Revenue section, the entire supplementary provisions during 2019-20 and 2021-22 were unnecessary, as the actual expenditure did not come up to the level of original provision. Similarly, under the Capital Section, the entire supplementary provisions during the year 2020-21 and 2021-22 were unnecessary, as the actual expenditure did not come even up to the level of original provision.

**3.6.1.4 Excess Expenditure**

Excess expenditure of ₹56.52 crore was incurred over and above the budgeted funds of ₹478.54 crore under the Head 3054-80-797-1361-State Road Fund. Reply of the Department on reasons for the excess expenditure, is awaited.

**3.6.1.5 Programme implementation**

Details of financial and physical targets and achievements under the schemes mentioned in **Table 3.8**, were test-checked in Audit.

**Table 3.8: Achievement against financial and physical targets**

Sl No.	Head of Accounts	Financial Target (₹ in crore)			Physical Targets v/s Achievements (Nos.)			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: Biju Expressway Projects (BEP)</b>							No specific reasons furnished by the Department.
(i)	5054-03-337 (Road Works)-3010-BEP	50	0	50	Roads: 10.00 km	Roads: Nil Bridges: 2 Nos.	Roads: 10.00 km – (1) Sohella Nuapada Road and (2) Sinapalli Dharma- garh Road	
(ii)	5054-03-789 (Special component Plan for Scheduled Castes)-3010-BEP	50	34.68	15.32				
(iii)	5054-03-796 (Tribal Area Sub-Plan)-3010- BEP	100	20.56	79.44				
	<b>Total</b>	<b>200</b>	<b>55.24</b>	<b>144.76</b>				

Sl No.	Head of Accounts	Financial Target (₹ in crore)			Physical Targets v/s Achievements (Nos.)			Reasons stated by the department for non- achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
<b>2</b>	<b>Name of the Scheme: Rural Infrastructure Development Fund (RIDF)</b>							
(i)	5054-04-337-2161	276	275.45	0.55	Bridges: 8 Nos. Roads: 200 km	Bridges: 3 Nos. Roads: 220 km	Bridges: 5 Nos. Roads: Nil	Due to non-acquisition of land, design issue, shifting of utilities and slow progress of the agency.
(ii)	5054-04-789-2161	34.82	22.24	12.58				
(iii)	5054-04-789-2161	172.43	168.32	4.11				
(iv)	5054-04-796-2161	47.12	26.81	20.31				
(v)	5054-04-800(Other Expenditure)-2161	122.92	67.92	55.00				
	<b>Total</b>	<b>653.29</b>	<b>560.74</b>	<b>92.55</b>				
<b>3</b>	<b>Name of the Scheme: Road Works under Road Development</b>							
(i)	5054-04-337-1219	950.03	556.62	393.41	Roads: 1000 km. Bridges: 30 Nos. Railway over Bridges: 2 Nos. Fly-over: 1 No.	Roads: 631.66 km and Bridges: 29 Nos.	Roads: 368.34 km Bridge: 1 No. Railway Overbridge: 2 Nos. Fly-over: 1 No.	Progress of work hampered due to cyclone 'Yass', continuous flood, rains, Panchayat / Urban Elections and non-finalisation of Tender
(ii)	5054-04-789-1219	634.12	375.92	258.20				
(iii)	5054-04-796-1219	202	198.89	3.11				
	<b>Total</b>	<b>1,786.15</b>	<b>1,131.43</b>	<b>654.72</b>				
<b>4</b>	<b>Name of the Scheme: Odisha State Road Project-Road Improvement Component (EAP)</b>							
(i)	5054-03-337-1994	20	5	15	No data available with the Department			Non-settlement/dispute of final bill
(ii)	5054-03-337-1994	6	4.52	1.48				
	<b>Total</b>	<b>26</b>	<b>9.52</b>	<b>16.48</b>				
<b>5</b>	<b>Name of the Scheme: Construction of Check Dams/ Bridge-cum-weirs across the State Primary on Small bridges resting on raft foundation</b>							
	5054-04-101(Bridges)-3526	30	4.08	25.92	Check dams: 49 Nos.	Check dams: 12 Nos.	Check dams: 37 Nos.	Due to non-finalisation of Tenders and slow progress of work owing to Panchayat & Urban Elections
<b>6</b>	<b>Name of the Scheme: Road Reconstruction Plan in Left Wing Extremism Affected Areas</b>							
	5054-04-796-3204	46.46	0	46.46	Bridges: 2 Nos. Roads: 97.072 km.	Bridges: 2 Nos. Roads: 49 km.	Roads: 48.072 km.	Due to slow progress of work and effect of COVID-19 pandemic during the period from April 2020 to September 2020, the progress of work was continuously hampered and the targets for works could not be achieved.

*Source: Information furnished by Works Department, Government of Odisha.*

Thus, due to non-completion of roads / bridges *etc.*, the intended benefits to the beneficiaries could not be achieved.

### 3.6.2 Grant No. 10 - School and Mass Education Department

The School and Mass Education Department was created as a separate Department in January 1993, to look into the issues pertaining to Elementary Education, Secondary Education *etc.* The provision of funds for the development of these sectors is being made, keeping in view the availability of State resources for education sector and assistance from the Central Government under various schemes. Five Major Heads *viz.*, 2202 - General Education, 2235 - Social Security and Welfare, 2251- Secretariat-Social Services, 4202 - Capital Expenditure on Education, Sports, Art and Culture and 4216 - Capital Expenditure on Housing, are operated under this Grant.

#### 3.6.2.1 Budget and Expenditure

The budget provisions, actual expenditure and savings under this Grant, during the three-year period from 2019-20 to 2021-22, are given in **Table 3.9**.

**Table 3.9: Budget provision *vis-à-vis* Expenditure incurred during 2019-22**

		(₹ in crore)		
Particulars		2019-20	2020-21	2021-22
<b>Total Budget Provision (Revenue + Capital)</b>		<b>17,388.09</b>	<b>17,914.92</b>	<b>19,885.05</b>
<b>Expenditure</b>		<b>15,292.45</b>	<b>15,123.72</b>	<b>16,460.99</b>
<b>Savings</b>		<b>2,095.64</b>	<b>2,791.20</b>	<b>3,424.06</b>
<b>Percentage of Savings to Total Provision</b>		<b>12.05</b>	<b>15.58</b>	<b>17.22</b>
Revenue (Voted and Charged)	Original Budget (O)	15,979.27	16,849.42	17,525.75
	Supplementary Budget (S)	841.09	456.5	1,580.73
	Total Budget provision (O+S)	16,820.36	17,305.92	19,106.48
	Expenditure	14,839.58	14,843.73	16,397.87
	Savings	1,980.78	2,462.19	2,708.61
	Surrender	1,979.51	2,460.15	2,906.86
	Percentage of Savings to total provision	11.78	14.23	14.18
Capital Expenditure (Voted and Charged)	Original Budget (O)	487.73	609	754.07
	Supplementary Budget (S)	80	0	24.5
	Total Budget provision (O+S)	567.73	609	778.57
	Expenditure	452.87	279.99	63.12
	Savings	114.86	329.01	715.45
	Surrender	114.86	329.01	715.45
	Percentage of Savings to total provision	20.23	54.02	91.89

Source: Appropriation Accounts for the years 2019-20 to 2021-22, Government of Odisha.

#### 3.6.2.2 Savings

During 2019-22, savings, as a percentage of the total provision, ranged between 12.05 *per cent* and 17.22 *per cent*. In the capital section, savings as a percentage of total provision ranged between 20.23 *per cent* and 91.89 *per cent*. There were persistent savings under both Revenue and Capital Sections during 2019-22, which is indicative of deficiencies in budgetary monitoring or lack of utilisation capacity or both.

### 3.6.2.3 Surrender of Savings

The anticipated savings were surrendered mainly under the Heads 2202-01-101-0538- General Primary School (₹861.65 crore), 2202-01-109-1261- Secondary School (₹314.84 crore), 2202-01-113-3381 Samagra Shiksha (₹385.10 crore), and 2202-01-796-3381- Samagra Shiksha (₹227.04 crore). Surrender of funds exceeded the savings by 7.32 per cent during the year 2021-22.

### 3.6.2.4 Unnecessary Supplementary Grant

The entire supplementary provisions proved unnecessary during all the three years under both Revenue and Capital sections, as the actual expenditure during these years did not reach the threshold of the original provision.

### 3.6.2.5 Programme implementation

Details of financial and physical targets and achievements under the schemes mentioned in **Table 3.10**, were test-checked in Audit.

**Table 3.10: Achievement against financial and physical targets**

Sl. No.	Particulars	Financial Target (₹ in crore)			Physical target (Nos.)			Reasons of short-fall stated by the department
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
<b>1) NAME OF THE SCHEME: 2202-01-(113,789,796)-3381- SAMAGRA SHIKSHA</b>								
Samagra Shiksha is an integrated scheme for improving school education, measured in terms of equal opportunities for schooling and equitable learning outcomes.								
<b>(a) Distribution of Free Uniform (Girls/ST Boys/SC Boys/BPL Boys)</b>								
i	Girls Students	128.20	123.20	5.00	21,36,681	18,41,549	2,95,132	Due to Covid 19 pandemic
ii	ST Boys	44.57	40.62	3.95	7,42,767	6,21,227	1,21,540	
iii	SC Boys	27.30	26.49	0.81	4,54,953	3,92,318	62,635	
iv	BPL Boys	45.23	44.51	0.72	7,53,905	6,51,402	1,02,503	
	<b>Total</b>	<b>245.3</b>	<b>234.82</b>	<b>10.48</b>	<b>40,88,306</b>	<b>35,06,496</b>	<b>5,81,810</b>	
<b>(b) Text Books</b>								
v	Text Books (Classes I-VIII)	137.40	102.60	34.80	44,46,922	44,24,243	22,679	Due to Covid 19 pandemic
vi	Large Print Books (Classes I-VIII)	0.15	0.10	0.05	4,574	4,574	0	
vii	Braille Books (Class VI-VIII)	0.05	0.01	0.04	1,610	1,610	0	
	<b>Total</b>	<b>137.6</b>	<b>102.71</b>	<b>34.89</b>	<b>44,53,106</b>	<b>44,30,427</b>	<b>22,679</b>	
<b>(c) Special Training for Out of School Children (OoSC)</b>								
viii	Special Training for OoSC Non-Residential (No. of students)	0.15	0	0.15	490	0	490	Due to Covid 19 pandemic



Sl. No.	Particulars	Financial Target (₹ in crore)			Physical target (Nos.)			Reasons of short-fall stated by the department
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
ix	Special Training for OoSC Residential (No. of Students)	0.22	0	0.22	218	0	218	Due to Covid 19 pandemic
<b>(d) Community Mobilization</b>								
x	Training of School Management Committee (SMC) / Capacity building training of SMC Members (No. of Schools)	14.17	10.25	3.92	47,247	28,271	18,976	Due to Covid 19 pandemic
xi	Community Mobilization (Active Community Participation through various initiatives like - Suravi, Enrolment drive, Street play, Shiksha Mahasabha / Potential counselling (No. of Schools)	7.09	5.16	1.93	47,247	27,627	19,620	Due to Covid 19 pandemic
<b>Total</b>		<b>21.26</b>	<b>15.41</b>	<b>5.85</b>	<b>94,494</b>	<b>55,898</b>	<b>38,596</b>	
<b>(e) Innovation Projects (Elementary) (Recurring)</b>								
xii	Safety and Security at School Level (No. of Schools)	9.45	7.40	2.05	47,247	32,344	14,903	Due to Covid 19 pandemic
xiii	Holistic Report Card for Students (No. of Students)	0.79	0	0.79	15,77,594	0	15,77,594	
xiv	Orientation programme for teachers on Safety and Security (No. of Teachers)	9.87	6.38	3.49	1,97,378	1,12,613	84,765	
<b>Total</b>		<b>20.11</b>	<b>13.78</b>	<b>6.33</b>	<b>18,22,219</b>	<b>1,44,957</b>	<b>16,77,262</b>	
<b>Audit comment: Due to non-optimal use of funds, the objective of the scheme could not be achieved in full. Reasons stated by the department on each unit of the scheme (a-e) were not tenable, as lockdowns and shut downs were in force only for two months during the year 2021-22.</b>								
<b>2) NAME OF THE SCHEME:- 2202-02-(789,796)-3381- SAMAGRA SHIKSHA</b>								
<b>Rashtriya Aavishkar Abhiyan</b>								
i	Science Exhibition / Book fair (No. of Districts)	0.06	0.01	0.05	30	5	25	Due to Covid 19 pandemic
ii	School Monitoring by Higher education institute (No. of Schools)	1.50	0.2	1.30	3,000	300	2,700	
iii	Quiz competition (No. of Districts)	0.06	0.01	0.05	30	5	25	
iv	Participation of children in Science exhibition (No. of Districts)	0.06	0.01	0.05	30	4	26	
<b>Total</b>		<b>1.68</b>	<b>0.23</b>	<b>1.45</b>	<b>3,090</b>	<b>314</b>	<b>2,776</b>	



Sl. No.	Particulars	Financial Target (₹ in crore)			Physical target (Nos.)			Reasons of short-fall stated by the department
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
<b>Special Projects for equity, Recurring support VE - New/ Existing</b>								
v	Incentive to girls @ 10 girls per District (No. of Teachers)	0.15	0	0.15	30	0	30	Due to Covid 19 pandemic
vi	Aptitude test at school Level (No. of Schools)	0.29	0	0.29	5,789	0	5,789	
vii	Total for in-Service Training (No. of Teachers)	5.54	0.91	4.63	55,399	8,910	46,489	
viii	Adolescent programme for girl students (No. of Schools)	1.07	0	1.07	5,338	0	5,338	
ix	Stipend for Girls (up to highest class-XII) (No. of Girl Students)	1.01	0.85	0.16	5,068	4,632	436	
x	Assessment and certification cost (No. of Students)	3.13	1	2.13	52,141	30,560	21,581	
<b>Audit comment: Due to non-optimal use of funds, the objective of the scheme could not be achieved in full. Reasons stated by the department were not tenable, as lockdowns and shut downs were in force only for two months during the year 2021-22.</b>								
<b>3) NAME OF THE SCHEME:- 2202-02-(003,789,796)-3381- SAMAGRA SHIKSHA</b>								
<b>Teacher Education</b>								
i	DIETs	1.17	0	1.17	22	0	22	Due to Covid 19 pandemic
ii	Diksha National teacher Portal (No. of Components)	0.40	0	0.40	2,000	500	1,500	
<b>Audit comment: Thus due to non-optimal use of funds the objective of the scheme could not be achieved in full. Reasons stated by the department were not tenable, as lockdowns and shut downs were in force only for two months during the year 2021-22.</b>								
<b>4) NAME OF THE SCHEME- 2202-1(800)-3501-Strengthening Teaching-Learning and Results for States (STARS Project)-The programme aims at improving the assessment system in schools and ensuring equal education in all.</b>								
i	Training for in-Service teachers (Need-based) and Head Teachers (No. of Teachers)	10.06	0	10.06	1,73,833	0	1,73,833	Due to Covid 19 pandemic
ii	Digital Library (No. of Districts)	4.50	0	4.50	30	0	30	
iii	Website design and digital creation (No. of Districts)	3.00	0	3.00	30	0	30	
iv	Online course for Skill enhancement (No. of Districts)	3.00	0	3.00	30	0	30	
v	Learning enhancement Programme	2.00	0	2.00	1,50,000	0	1,50,000	

Sl. No.	Particulars	Financial Target (₹ in crore)			Physical target (Nos.)			Reasons of short-fall stated by the department
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
vi	Holistic Report card (No. of Students)	1.36	0	1.36	27,13,805	0	27,13,805	
vii	Training for in-Service teachers (Need-based) and Head Teachers (No. of Teachers)	4.38	0	4.38	87,651	0	87,651	
viii	Establishment or strengthening of identified State Management Institutes (No. of Resource Person)	2.70	0	2.70	700	0	700	
ix	Command and control centre (State Project Office)	6.00	0	6.00	1	0	1	
x	Introduction of Vocational education at Elementary & Secondary level (State Project Offices)	7.00	0	7.00	1	0	1	
<b>Audit comment: Reasons stated by the department were not tenable, as lockdowns and shut downs were in force only for two months during the year 2021-22.</b>								
<b>5) NAME OF THE SCHEME: 2202-01-(112,789,796)-Mid-day-Meal Scheme to provide nutritional meal to children in Government and Government aided Schools.</b>								
	2202-01-(112-789,796)-0900-Mid-day Meals	905.93	892.61	13.32	44,28,963	44,18,542	10,421	Due to Covid 19 pandemic
<b>Audit comment: Thus 10,421 of students were deprived of Mid-day-Meals Scheme due to non-optimal use of funds. Reasons stated by the department were not tenable, as lockdowns and shut downs were in force only for two months during the year 2021-22.</b>								
<b>6) NAME OF THE SCHEME: 2202-2-800 (Other Expenditure)-3306-Mo-School aims to create a platform for people and organisations to connect, collaborate and contribute to revamping school education in Odisha.</b>								
	2202-2-800 (Other Expenditure)-3306-Mo-School Abhiyan	1,140	1,031.83	108.17	18,426 no. of Schools	3,636	14,790	Due to non-submission of UC
<b>Audit comment: Due to laxity in timely submission of U.Cs. by the implementing schools, 14,790 schools were deprived of the benefit of the scheme.</b>								

*Source: Information furnished by School and Mass Education Department, Government of Odisha.*

The percentage of utilisation of funds ranged between zero to 95 per cent of the total funds allotted. The reasons attributed for under-utilisation of funds were not acceptable, due to the importance of education in the development of the State.

### **3.6.3 Grant No. 17- Panchayati Raj and Drinking Water Department**

The thrust of policies and programmes of the Panchayati Raj Department focus on all-around economic development and social justice through empowerment. Sixteen Major Heads, viz., 2015 - Elections, 2059 - Public Works, 2215 - Water Supply and

Sanitation, 2216 - Housing , 2230 - Labour and Employment, 2235 - Social Security and Welfare, 2501 - Special Programmes for Rural Development, 2505 - Rural Employment, 2515 - Other Rural Development Programmes, 3054 - Roads and Bridges, 3451 – Secretariat - Economic Services, 3604 - Compensation and Assignments to Local Bodies and Panchayati Raj Institutions, 4059 - Capital Outlay on Public Works, 4215 - Capital Outlay on Water Supply and Sanitation, 4216 - Capital Outlay on Housing, and 4515 - Capital Outlay on Other Rural Development Programmes, are operated under this Grant.

### 3.6.3.1 Budget and Expenditure

The budget provisions, actual expenditure and savings under this Grant, during the three-year period 2019-22, are in **Table 3.11**.

**Table 3.11: Budget provision vis-à-vis Expenditure incurred during 2019-22**

		(₹ in crore)		
	Particulars	2019-20	2020-21	2021-22
	<b>Total Budget provision (Revenue + Capital)</b>	<b>20,255.90</b>	<b>20,151.96</b>	<b>23,924.18</b>
	<b>Expenditure</b>	<b>16,856.22</b>	<b>15,595.05</b>	<b>16,246.79</b>
	<b>Savings</b>	<b>3,399.68</b>	<b>4,556.91</b>	<b>7,677.39</b>
	<b>Percentage of Savings to total provision</b>	<b>16.78</b>	<b>22.61</b>	<b>32.10</b>
Revenue (Voted and Charged)	Original budget (O)	15,767.03	14,834.85	18,208.08
	Supplementary budget (S)	945.87	2,027.7	3,615.64
	Total budget provision (O+S)	16,712.90	16,862.55	21,823.72
	Expenditure	13,691.71	13,708.28	14,524.37
	Savings	3,021.19	3,154.27	7,299.35
	Surrender	2,479.74	3,485.93	7,298.73
	Percentage of savings to total provision	18.08	18.71	33.45
Capital (Voted and Charged)	Original (O)	3167	3,271	2,092.46
	Supplementary (S)	376	18.41	8
	Total budget provision (O+S)	3,543.00	3,289.41	2,100.46
	Expenditure	3,164.51	1,886.77	1,722.42
	Savings	378.49	1,402.64	378.04
	Surrender	359.82	1,402.57	378.04
	Percentage of savings to total provision	10.68	42.64	18.00

*Source: Appropriation Accounts for the years 2019-20 to 2021-22, Government of Odisha.*

### 3.6.3.2 Savings

During 2019-22, savings, as a percentage of the total provision, ranged between 16.78 per cent and 32.10 per cent. There were persistent savings under both Revenue and Capital sections during 2019-22, which is indicative of deficiencies in budgetary monitoring or lack of utilisation capacity or both.

### 3.6.3.3 Surrender of Savings

The anticipated savings were surrendered mainly under the Heads 2215-1-102-3438- Jal Jeevan Mission (₹2,051.84 crore), 2505-60-796-3122-Pradhan Mantri Awaas Yojana (PMAY) - Biju Pucca Ghar (₹1,839.65 crore) and 2505-60-101-3227- Revolving Fund for MGNREGS (₹1,000 crore). Under the Revenue Head, surrender of funds exceeded the savings by 10.51 per cent.

### 3.6.3.4 Unnecessary Supplementary Grant

The entire supplementary provisions proved unnecessary during all the three years under both the Revenue and Capital sections, as the actual expenditure during these years did not reach the threshold of the original provision.

### 3.6.3.5 Programme implementation

Audit examined nine schemes on the basis of judgemental sampling and noticed the following:

**Table 3.12: Achievement against financial and physical targets**

Sl No.	Head of Accounts	Financial Target (₹ in Crore)			Physical target (Nos.)			Reasons of Shortfall stated by the department
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
<b>Name of the Scheme: Swachha Bharat Mission (SBM) – Gramin</b>								
Household latrines (HHL)/ Community Sanitary Complex (CSC).								
1	2215-2-105 (Sanitation Services)-3235	120.00	0	120.00	1,44,270 (HHL) 1,066 (CSC)	79,585 (HHL) 316 (CSC)	64,685 (HHL) 750 (CSC)	COVID-19 lockdown & shut down
2	2215-2-789 (Special Component for Scheduled Castes)-3235	34.00	0	34.00	40,877 (HHL) 302 (CSC)	22,549 (HHL) 90 (CSC)	18,328 (HHL) 212 (CSC)	
3	2215-2-796 (Tribal Area Sub Plan)-3235	46.00	0	46.00	55,303 (HHL) 408 (CSC)	30,508 (HHL) 121 (CSC)	24,795 (HHL) 212 (CSC)	
	<b>Total</b>	<b>200.00</b>	<b>0</b>	<b>200.00</b>	2,40,450 (HHL) 1,776 (CSE)	1,32,642 (HHL) 527 (CSE)	1,07,808 (HHL) 1174 (CSE)	
<b>Audit comment:</b> Reasons stated by the department were not tenable, as lock downs & shut downs were only for two months during the year 2021-22.								
<b>Name of the Scheme: Pradhan Mantri Awaas Yojana (PMAY) - Biju Pucca Ghar (BPG), aimed to provide house to the houseless poor families and those living in less than two kutcha rooms</b>								
4	2505-60-789-3122	1,112.80	371.55	741.25	3,07,769 Units (BPG)	1,07,287 Units	2,00,482 Units	In the absence of sanction of houses, MoRD did not release Central share, due to which matching State share could not be drawn.
5	2505-60-796-3122	2,225.60	385.95	1,839.65				
6	2505-60-800-3122	2,225.60	1,803.13	422.47				
	<b>Total</b>	<b>5,564.00</b>	<b>2,560.63</b>	<b>3,003.37</b>				
<b>Audit comment:</b> Due to non-sanction of houses by the Central Government, the remaining targeted people were deprived of the benefit of the scheme.								
<b>Name of the Scheme: Buxi Jagabandhu Assured Water Supply to Habitations (BASUDHA) (Piped drinking water supply to all habitations)</b>								
7	4215-1-102-3249- (BASUDHA)	630.00	588.25	41.75	300	252	48	Non-acquisition of land,

Sl No.	Head of Accounts	Financial Target (₹ in Crore)			Physical target (Nos.)			Reasons of Shortfall stated by the department
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
8	4215-1-789-3249-(BASUDHA)	174.50	158.63	15.87	Piped Water Supply Projects			roads not connected to the villages, Covid-19 Pandemic and Cyclone
9	4215-1-796-3249-(BASUDHA)	195.50	182.74	12.76				
	<b>Total</b>	<b>1,000.00</b>	<b>929.62</b>	<b>70.38</b>				
<b>Audit comment:</b> Thus, 16 % of the total targeted habitations were deprived of the benefit of the scheme. The reasons cited were not tenable, since drinking water was urgently necessary during post cyclone period.								
<b>Name of the Scheme: Jal Jeevan Mission (Pipe Water Supply to Rural homes)(PWS)</b>								
10	2215-1-102(Rural Water Supply Programme)-3438	3,600.00	1,548.16	2,051.84	700 nos. of PWS	515	185	Non-acquisition of land, roads not connected to the villages, Covid-19 Pandemic and Cyclone
11	2215-1-789(Special Component for Scheduled Castes)-3438	1,020.00	795.55	224.45				
12	2215-1-796(Tribal Area Sub Plan)-3438-Jal Jeevan Mission	1,380.00	940.96	439.04				
	<b>Total</b>	<b>6,000.00</b>	<b>3,284.67</b>	<b>2,715.33</b>				
<b>Audit comment:</b> Thus, 185 Piped Water Supply Projects remained incomplete and people were deprived of the benefits of the scheme. The reasons cited were not tenable, as drinking water was an urgent necessity during the post-cyclone period.								
<b>Name of the Scheme: National Rural Livelihood Mission (establishment of goat clusters, coverage of households under nutrition gardens, proportion of cluster level forum etc.</b>								
13	2501-6-102 (National Rural Livelihood Mission) -2950	636.77	470.04	166.73	1088 Gram Panchayats	962 Gram Panchayats	126 Gram Panchayats	Covid-19 Pandemic
14	2501-6-789 (Special Component for Scheduled Castes)-2950	360.47	360.20	0.27				
15	2501-6-796 (Tribal Area Sub Plan)-2950	268.42	255.29	13.13				
	<b>Total</b>	<b>1,265.66</b>	<b>1,085.53</b>	<b>180.13</b>				
<b>Audit comment:</b> Thus, due to the Covid-19 pandemic, 126 Gram Panchayats could not benefit from the above schemes.								
<b>Name of the Scheme: Rural Self Employment Training Institutes (RSETIs) (Training and skill upgradation of Rural Youth)</b>								
16	2501-6-102-3532-RSETIs	0	5.88	5.88 (+excess)	No data available with the Department			No Reply furnished.
<b>Audit comment:</b> Non availability of data on physical targets and achievements and non- furnishing of reasons for incurring expenditure without making any provision in the State budget reflected deficient control in monitoring of the scheme by the government.								
<b>Name of the Scheme: Revolving Fund for MGNREGS (Wages)</b>								
17	2505-60-101-3227-MGNREGS	1,000.00	0	1,000.00	-	-	-	Non-receipt of Central Assistance.
<b>Audit comment:</b> Due to non-receipt of central assistance, the targeted persons were deprived of the benefits of the scheme.								

Sl No.	Head of Accounts	Financial Target (₹ in Crore)			Physical target (Nos.)			Reasons of Shortfall stated by the department
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
<b>Name of the Scheme: Syama Prasad Mukherjee RURBAN Mission</b>								
18	2515-00-800 (Other Expenditure) - 3127	80.00	0.7	79.30	Data not available			Non-receipt of Central assistance.
<b>Audit comment:</b> Due to non-receipt of central assistance, the targeted persons were deprived of the benefits of the scheme.								
<b>Name of the Scheme: 4215-1-102-3250-Buxi Jagabandhu Assured Water Supply to Habitations (BASUDHA) under RIDF</b>								
19	4215-1-102-3250	612.87	456.35	156.52	70 Piped Water Supply Projects	20	50	Non-acquisition of land, roads not connected to the villages, Covid-19 Pandemic and Cyclone.
20	4215-1-789-3250	177.64	143.79	33.85				
21	4215-1-796-3250	280.93	167.08	113.85				
	<b>Total</b>	<b>1,071.44</b>	<b>767.22</b>	<b>304.22</b>				
<b>Audit comment:</b> Due to non-completion of 50 Piped Water Supply Projects, the targeted persons were deprived of the benefits of the scheme.								

*Source: Information furnished by Panchayati Raj and Drinking Water Department.*

The State Government stated (January 2023) that the concerned departments would be requested to furnish detailed explanations on the issues of Budget and Expenditure, Savings, Surrender of Savings, Unnecessary Supplementary Grant and Programme implementation.

### 3.7 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 2022), the process of issuance of sanction order for release of funds, as well as surrender of provision, should be completed by 28 February 2022, 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 2021-22 revealed that the Government had released ₹1,614.78 crore, for the implementation of different schemes in 11 Departments, in the last week of March 2022 (*Appendix 3.10*). Of this, ₹1,292.36 crore was released on 31 March 2022 (*Table 3.13*). As such, there was no possibility of utilisation of these funds during the financial year 2021-22.

**Table 3.13: Department-wise amount released on 31/03/2022**

Sl No.	Name of the Department	Purpose	Sanction order No.	Date	₹ in crore)	
					Amount	Total
1	Panchayati Raj and	National Livelihood Mission (NRLM)	202124384892	31-03-2022	42.49	1,043.06

Sl No.	Name of the Department	Purpose	Sanction order No.	Date	Amount	Total
	Drinking Water	-do-	202124384837	31-03-2022	19.62	
		-do-	202124385071	31-03-2022	5.88	
		Jal Jeevan Mission	202124384956	31-03-2022	273.12	
		NRLM	202124384755	31-03-2022	34.30	
		Shyama Prasad Mukherjee Rurban Mission (SPMRM)	202124384995	31-03-2022	0.42	
		-do-	202124385122	31-03-2022	0.28	
		NRLM	202124384803	31-03-2022	29.42	
		-do-	202124385019	31-03-2022	28.33	
		Jal Jeevan Mission	202124384964	31-03-2022	228.99	
		-do-	202124384970	31-03-2022	328.75	
		NRLM	202124384711	31-03-2022	51.46	
2	Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	Umbrella Scheme - Pradhan Mantri Anusuchit Jaati Abhyudaya Yojana	202124385457	31-03-2022	10.12	<b>26.54</b>
		Welcome Ceremony of Students	202124385021	31-03-2022	0.72	
		Dr. Ambedkar Post Matric Scholarship for EBC Students	202124385303	31-03-2022	3.12	
		Post Matric Scholarship for OBC Students	202124385689	31-03-2022	12.58	
3	Health & Family Welfare	For continuance of NRHM	202124385070	31-03-2022	5.51	<b>5.51</b>
4	Agriculture and Farmers' Empowerment	Rashtriya Krishi Vikas Yojana	202124385135	31-03-2022	13.45	<b>52.17</b>
		-do-	202124385544	31-03-2022	4.24	
		-do-	202124385163	31-03-2022	4.98	
		-do-	202124385151	31-03-2022	6.36	
		-do-	202124385516	31-03-2022	3.32	
		-do-	202124385480	31-03-2022	8.97	
		National Food Security Mission	202124385339	31-03-2022	6.51	
		-do-	202124385344	31-03-2022	4.34	
5	Women and Child Development and Mission Shakti	POSHAN Abhiyan (Special Nutrition Programme)	202124385860	31-03-2022	71.92	<b>160.54</b>
		POSHAN Abhiyan (Tribal Areas Sub plan)	202124385900	31-03-2022	8.03	
		POSHAN Abhiyan (Tribal Areas Sub plan)	202124385887	31-03-2022	32.11	
		POSHAN Abhiyan (Special component plan for Scheduled Castes)	202124385883	31-03-2022	6.10	
		POSHAN Abhiyan (Special Nutrition Programme)	202124385869	31-03-2022	17.98	
		POSHAN Abhiyan (Special component plan for Scheduled Castes)	202124385879	31-03-2022	24.40	



Sl No.	Name of the Department	Purpose	Sanction order No.	Date	Amount	Total
6	Forest, Environment and Climate Change	Forest Fire Prevention and Management	408	31-03-2022	2.52	4.54
		-do-	407	31-03-2022	2.02	
<b>Grand Total</b>						<b>1,292.36</b>

*Source: Sanction orders received from respective Departments*

As is evident from **Table 3.13**, the Panchayati Raj and Drinking Water Department accounted for 80.71 *per cent* (₹1,043.06 crore) of the total amount released on the last day of the financial year. Release of funds on the last day indicated that the funds were released primarily to exhaust the budget provision.

### **3.8 Recommendations**

1. The budgetary assumptions need to be made in a realistic manner and the control mechanism needs to be strengthened, in order to curtail savings/ excess expenditure.
2. The intended objectives of various schemes and projects, need to be achieved through improved execution, efficient monitoring and better financial management.
3. The budgetary process should be based on reliable assumptions of the needs of Departments and their capacity to utilise the allocated resources.