

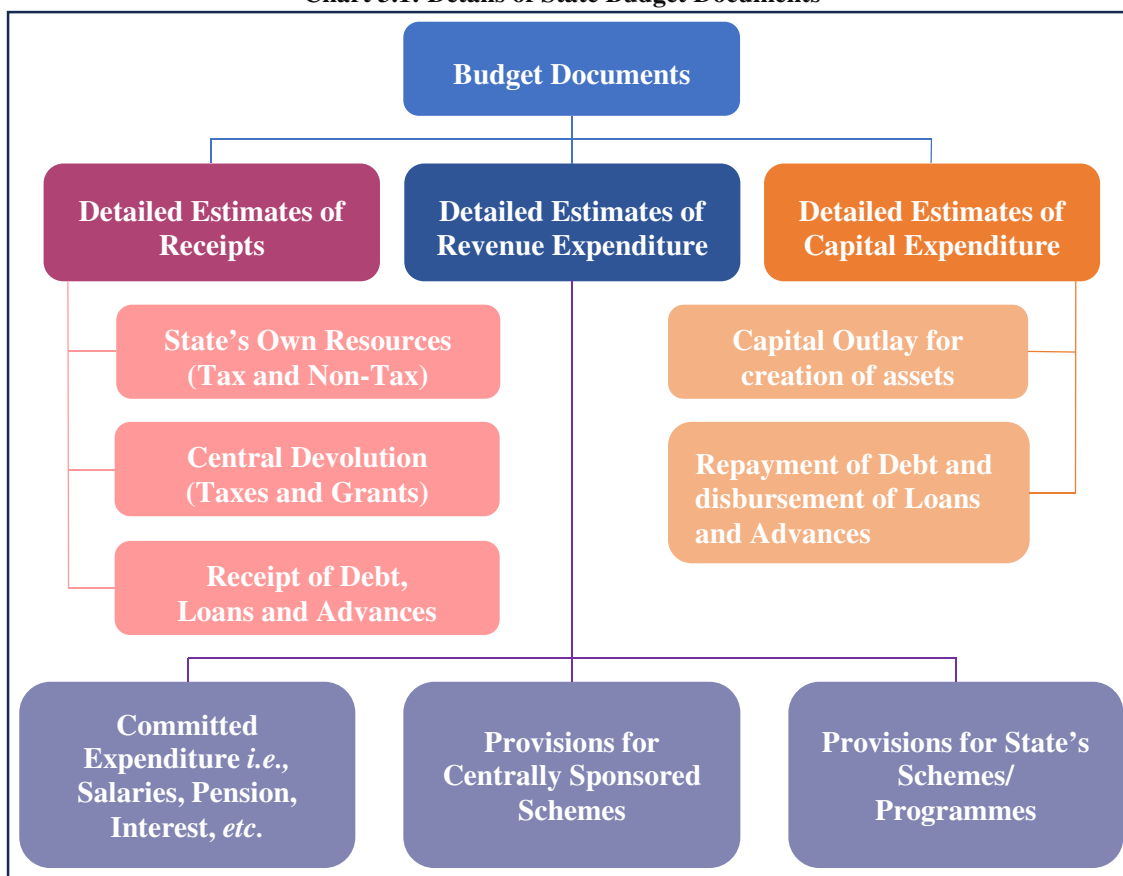
Chapter 3
Budgetary Management

3.1 Budget Process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called the “annual financial statement (Budget)” is to be laid before the State Legislature. The estimates of the expenditure show ‘charged’ and ‘voted’ items¹⁶ of expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the State Government.

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

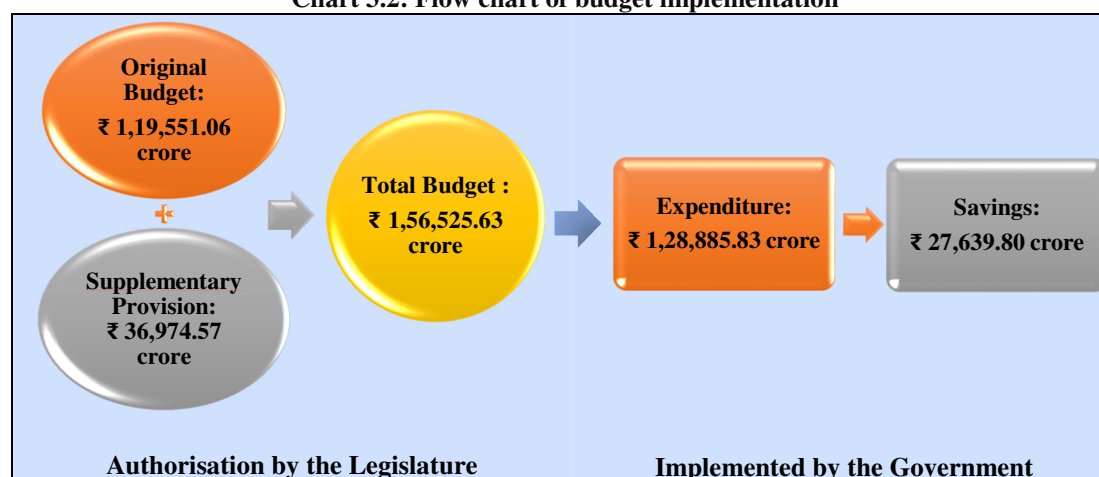
Chart 3.1: Details of State Budget Documents



¹⁶ **Charged expenditure:** Certain categories of expenditure (e.g., salaries of Constitutional authorities, loan repayments, etc.), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature. **Voted expenditure:** All other expenditure is voted by the Legislature.

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

Chart 3.2: Flow chart of budget implementation



Source: Appropriation Accounts

The net savings of ₹ 27,639.80 crore was the result of gross savings of ₹ 32,410.23 crore offset by an excess expenditure of ₹ 4,770.43 crore during the year.

Chart 3.2 shows that the Supplementary Grant of ₹ 36,974.57 crore¹⁷ was excessive as the gross expenditure (₹ 1,28,885.83 crore) only exceeded the Original provision (₹ 1,19,551.06 crore) by ₹ 9,334.77 crore. This was indicative of over estimation and need for better financial management. The issue of unnecessary supplementary provisions has been discussed in detail under **Paragraph 3.3.3**.

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

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

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

	Total Budget provision		Disbursements		Savings (-)/Excess	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	1,16,954.79	9,680.72	94,425.03	8,985.21	-22,529.76	-695.51
Capital Outlay	24,961.94	-	16,004.90	-	-8,957.04	-
Loans and Advances	405.27	-	339.83	-	-65.44	-
Public Debt	-	2,722.91	-	7,330.86	-	4,607.95
Transfer to Contingency Fund	-	1,800.00	-	1,800.00	-	-
Total	1,42,322.00	14,203.63	1,10,769.76	18,116.07	-31,552.24	3,912.44

Source: Appropriation Accounts

As can be seen from **Table 3.1**, during the year 2022-23, Government of Assam (GoA) incurred total expenditure of ₹ 1,28,885.83 crore against the total grants and appropriations of ₹ 1,56,525.63 crore resulting in overall savings of ₹ 27,639.80 crore.

¹⁷ ₹ 7,946.24 crore on 01 October 2022, ₹ 18,177.56 crore on 05 January 2023 and ₹ 10,850.77 crore on 22 March 2023.

These savings stood at 17.66 *per cent* of total grants and appropriations made for the year.

These savings may be seen in the context of the over estimation¹⁸ of receipts of ₹ 1,37,521.74 crore by the State Government and the estimation on the expenditure side being ₹ 1,56,525.63 crore during the year 2022-23. As against the estimated receipts, the total receipts in the Consolidated Fund of State were ₹ 1,18,017.39 crore only thereby restricting the gross expenditure during the year to ₹ 1,28,885.83 crore. This implied that the savings were notional, as the funds were not actually available for expenditure.

3.1.2 Charged and Voted disbursements

The break-up of total disbursement into charged and voted during the last five years (2018-23) is given in **Table 3.2**.

Table 3.2: Trend of Disbursement into Charged and Voted during 2018-23

Year	Disbursements			Savings (-)/ Excess		
	Voted	Charged	Total	Voted	Charged	Total
2018-19	64,586.31	7,745.03	72,331.34	-33,050.69	-3,108.32	-36,159.01
2019-20	74,951.06	8,080.01	83,031.07	-35,317.53	-1,367.08	-36,684.61
2020-21	75,350.30	7,538.33	82,888.63	-38,558.11	-894.92	-39,453.03
2021-22	97,689.85	10,124.77	1,07,814.62	-27,691.20	-1,048.87	-28,740.07
2022-23	1,10,769.76	18,116.07	1,28,885.83	-31,552.24	3,912.44	-27,639.80

Source: Appropriation Accounts

It can be seen from **Table 3.2** that the savings ranged between ₹ 27,639.80 crore in 2022-23 and ₹ 39,453.03 crore in 2020-21.

3.1.3 Budget marksmanship

Aggregate Budget Outturn

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

Table 3.3: Difference between Budget Estimate and Actual Outturn

Description	Difference between Actual and BE*		
	Original Approved Budget (BE)	Actual Outturn	Difference between Actual and BE*
Revenue	96,367.05	1,03,410.24	7,043.19
Capital	23,184.01	25,475.59	2,291.58
Total	1,19,551.06	1,28,885.83	9,334.77

* Excess of actuals over original provision is denoted as (+).

In Revenue section, deviation in outturn compared with BE was 7.31 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 43 grants, between ± 25 *per cent* to ± 50 *per cent* in 31 grants, between ± 50 *per cent* to ± 100 *per cent* in four grants and equal or more than 100 *per cent* in three grants.

¹⁸ As per Budget documents

In Capital section, deviation in outturn compared with BE was 9.88 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 18 grants, between ± 25 *per cent* to ± 50 *per cent* in 14 grants, between ± 50 *per cent* to ± 100 *per cent* in 21 grants and equal or more than 100 *per cent* in 14 grants/appropriations.

Expenditure Composition Outturn

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

Table 3.4: Difference between Revised Estimate and Actual Outturn

(₹ in crore)					
Description	Original Approved Budget (BEs)	Revised (REs)	Actual Outturn	Difference between BEs and REs	Difference between Actual and REs*
Revenue	96,367.05	1,26,635.51	1,03,410.24	30,268.46	-23,225.27
Capital	23,184.01	29,890.12	25,475.59	6,706.11	-4,414.53
Total	1,19,551.06	1,56,525.63	1,28,885.83	36,974.57	-27,639.80

* Shortage of actuals over Total Budget provision is denoted as (-) figure

In Revenue section, deviation in outturn compared with RE was – 18.34 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 39 grants, between ± 25 *per cent* to ± 50 *per cent* in 34 grants, between ± 50 *per cent* to ± 100 *per cent* in six grants and equal or more than 100 *per cent* in two grants.

In Capital section, deviation in outturn compared with RE was – 14.77 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 16 grants, between ± 25 *per cent* to ± 50 *per cent* in 17 grants, between ± 50 *per cent* to ± 100 *per cent* in 24 grants and equal or more than 100 *per cent* in 10 grants.

3.2 Appropriation Accounts

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

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually 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) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

3.3 Integrity of budgetary and accounting process

3.3.1 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. Expenditure on 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.

As per Article 115(1)(a) and 205(1)(a) of the Constitution, New Service means expenditure arising out of a new policy decision, not brought to the notice of Parliament/ State assembly earlier, including a new activity or a new form of investment. 'New Instrument of Service' means relatively large expenditure arising out of important expansion of an existing activity.

Similarly, as per Para 8.3 Assam Budget Manual, 2012, no expenditure can be incurred under any Head (Major/ Minor or Sub-Head) without budget provision or in anticipation of a Supplementary Grant/ Appropriation or prior to provision of funds by Re-appropriation.

However, during 2022-23, an expenditure of ₹ 176.49 crore was incurred in four Sub-heads under four Grants/ Appropriations (₹ 50 lakh and above in each case) without budget provision as detailed in *Appendix 3.1*. Grant-wise summary of the cases where expenditure was incurred without budget provision is also given in **Table 3.5**.

Table 3.5: Summary of Expenditure without Budget Provision during 2022-23

(₹ in crore)

Sl. No.	Grant No. and Name	Number of Sub Heads	Expenditure
1	14 Police	1	3.50
2	38 Welfare of SC, ST and OBC	1	0.76
3	41 Natural Calamities	1	171.60
4	44 North East Council Scheme	1	0.63
	Total	4	176.49

Source: Appropriation Accounts

Out of four sub-heads, the details of one sub-heads with expenditure in excess of ₹ 10 crore without budget provision is given in **Table 3.6**.

Table 3.6: Expenditure incurred without budget provision during 2022-23

(₹ in crore)

Sl. No.	Grant	Heads of Account	Sub-Head	Expenditure
1	41 Natural Calamities	2245-08-797	--	171.60
	Total			171.60

Source: Appropriation Accounts

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

During the Exit Conference (December 2023), the Secretary to the Finance Department assured to examine the issue and take remedial action to avoid expenditure without provision in the forthcoming years.

3.3.2 Incorrect classification of Head of Account in Budget Estimates

Misclassification of expenditure and receipts has a great impact on the integrity of the financial statements. Article 202 of the Constitution prescribes that, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called the “Annual Financial Statement” (or the “budget”), is to be laid before both the Houses of the State Legislature. The estimates of expenditure are classified under ‘charged’ (such expenditure ‘as’ is not to be submitted to the vote of the Legislative Assembly under the provisions of the Constitution) and ‘voted’ items of expenditure separately. Annual Financial Statement distinguishes expenditure on revenue account from other expenditure as explained in **Chapter 2**.

General Financial Rules categorise the primary units of appropriation. There are specific object heads meant for obtaining provision for acquisition of Capital Assets and other Capital Expenditure. These object heads pertaining to booking of expenditure of capital nature should correspond with capital major heads only. However, there are instances where object heads of revenue nature are incorrectly operated with capital major heads and *vice-versa*, for example Grants-in-Aid.

Classification of expenditure of revenue nature as capital expenditure or *vice-versa*, results in overstatement/ understatement of Revenue Expenditure and Revenue Deficit/ Surplus.

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. It is observed that Grants-in-Aid of ₹ 6,668.99 crore were erroneously budgeted and expended under Capital Section instead of Revenue, in violation of IGAS 2.

Further, Government of Assam budgeted and spent an amount of ₹ 21.80 crore on “Major Works” under the Revenue Section, ₹ 72.51 crore on “Minor Works” and ₹ 9.37 crore on “Maintenance” under the Capital Section.

Non-compliance led to understatement of Revenue Deficit and overstatement of Capital Expenditure during the year.

3.3.3 Unnecessary/ Excessive Supplementary Grants

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

the Secretary in the Department concerned proposes to the Finance Department for supplementary or additional grant or appropriation.

The Assam Budget Manual (ABM), 2012 permits obtaining a Supplementary Grant/ Appropriation if the budgetary provision falls short and a commitment for expenditure has already been made under the orders of the competent authority.

Besides approving original budget of ₹ 1,19,551.06 crore for the year 2022-23, the State Legislature also approved three supplementaries of ₹ 36,974.57 crore in 64 Grants/ Appropriations under 95 Segments¹⁹. Audit analysis of utilisation of these supplementary allocations showed that Supplementary provision of only ₹ 22,642.23 crore (61.24 per cent) was required in 30 Segments of 27 Grants/ Appropriations where the final expenditure exceeded the original budget provision. Even in these cases, the actual allocation of ₹ 28,667.98 crore proved excessive in case of 27 segments, as shown in *Appendix 3.2*. In 65 Segments of 50 Grants/ Appropriations, the Supplementary Budgetary allocation of ₹ 8,306.57 crore made was unnecessary, as the actual expenditure was less than the Original Budgetary allocation, as shown in *Appendix 3.3*.

Table 3.7 shows eight Segments where Supplementary Budget in excess of ₹ 250 crore each was provided despite the actual expenditure falling short of the Original Budgetary allocation.

Table 3.7: Instances of Unnecessary Supplementary Budget Allocation of more than ₹ 250 crore (₹ in crore)

Sl. No.	Grant	Segment	Budget (Original)	Expenditure	Savings (-) Against Original Budget	Budget (Supplementary)
1	25 Miscellaneous General Services and Others	Revenue-Voted	5,863.11	5,324.45	-538.66	1,483.09
2	29 Medical and Public Health	Revenue-Voted	6,547.39	5,993.58	-553.81	509.36
3	30 Water Supply and Sanitation	Capital-Voted	919.21	863.29	-55.92	416.18
4	34 Housing & Urban Affairs (Municipal Administration)	Revenue-Voted	1,749.52	1,236.92	-512.60	903.79
5	37 Food Storage and Warehousing	Revenue-Voted	998.97	776.80	-222.17	375.55
6	62 Power (Electricity)	Capital-Voted	902.69	836.91	-65.78	325.61
7	63 Water Resources	Capital-Voted	889.26	804.75	-84.51	555.13
8	71 Education (Elementary, Secondary etc.)	Revenue-Voted	15,820.45	13,824.10	-1,996.35	1,662.15
	Total		33,690.60	29,660.80	-4,029.80	6,230.86

Source: Appropriation Accounts

¹⁹ Allocation within a Grant/Appropriation under each combination of Voted/Charged and Revenue/Capital is a separate segment.

Thus, it can be concluded that the large Supplementary grants of ₹ 36,974.57 crore led to a further increase in the savings against the Budget, for the actual requirement of ₹ 22,642.23 crore was only 61 *per cent* of this amount.

Seeking supplementary grants without requirement is indicative of poor budgetary management by the State Government. Further, it is also clear that there is absence of allocative efficiency and utilisation efficiency by departments which led to excess expenditure in some grants and savings in others. The Government may review its Budget management practice and avoid large cash supplementaries.

During the Exit Conference (December 2023), the Secretary to the Finance Department noted the issue and agreed to apply the concept of Technical Supplementary²⁰ in the Supplementary Budget in the subsequent years.

3.3.4 Unnecessary or Excessive Re-appropriation of Funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where need for additional funds is identified. As per Paragraph 9.2 of ABM, 2012, Finance Department has the power to sanction/ authorise any re-appropriation within a Grant, which does not involve the undertaking of a recurring liability.

Audit analysis revealed that re-appropriation proved excessive and resulted in huge savings in 30 Sub-Heads (₹ one crore and above in each case), details of which are given in *Appendix 3.4*. Out of those 30 Sub-Heads, the final savings were more than ₹ 10 crore in 10 sub-heads, as detailed in **Table 3.8**.

Table 3.8: Excessive re-appropriation (with final savings/ excess of more than ₹ 10 crore)

(₹ in crore)						
Sl. No.	Grant	Head of Account (Major Head to Minor Head)	Sub Head	Savings (-)/ Excess (OS)	Re-Appropriation	Savings (-)/ Excess (OSR)
1	29 Medical and Public Health	2210-03-101	{3594} National Health Mission (NHM)	547.79	579.68	-31.89
2		4210-03-001	{0172} Headquarters Establishment	4.83	45.75	-40.92
3	39 Social Security, Welfare and Nutrition	2235-02-102	{6158} New Initiative-Saksham Anganwadi Upgradation	9.84	20.03	-10.19
4		2236-02-789	{0976} Special Nutrition Programme (PMGY)	4.90	32.47	-27.57
5	44 North Eastern Council Scheme	4552-00-800	{5704} Scheme under NLCPR	13.47	56.00	-42.53
6	48 Agriculture	2401-00-789	{3807} Rastriya Krishi	40.49	80.99	-40.50
7		2401-00-796	Vikash Yojana	14.44	29.06	-14.62
8	57 Panchayat & Rural Development	2216-03-789	{5689} Pradhan	309.92	562.33	-252.41
9		2216-03-796	Mantri Awas Yojana (Gramin) PMAY-G	523.70	952.98	-429.28

²⁰ Technical Supplementary is required for transferring the savings from one section of Grant to other.

Sl. No.	Grant	Head of Account (Major Head to Minor Head)	Sub Head	Savings (-)/ Excess (OS)	Re-Appropriation	Savings (-)/ Excess (OSR)
	(Rural Development)					
10	67 Horticulture	2401-00-796	{5675} Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)	2.76	18.73	-15.97
Total				1,472.14	2,378.02	-905.88

Source: Detailed Appropriation Accounts

Further, re-appropriation proved unnecessary in 68 Sub-Heads, as the re-appropriated amount ultimately resulted in even larger savings. The complete list of Heads of Account where funds were re-appropriated, and where the final savings was more than ₹ one crore, is given in **Appendix 3.5**. Of these 68 Sub-Heads where re-appropriation was unnecessary, the final savings in case of 11 Sub-Heads exceeded ₹ 50 crore, as shown in **Table 3.9**:

Table 3.9: Unnecessary re-appropriation of funds (with final savings of more than ₹ 10 crore)
(₹ in crore)

Sl. No.	Grant	Head of Account	Sub Head	Savings (-)/ Excess (OS)	Re-Appropriation	Savings (-) / Excess (OSR)
1	14 Police	2055-00-101	{0443} Special Branch	-69.55	0.10	-69.65
2	14 Police	2055-00-104	{0446} Armed Police Battalions	-138.31	0.20	-138.51
3	14 Police	2055-00-111	{0475} Supervising Staff	-55.38	0.05	-55.43
4	14 Police	2055-00-800	{0482} Relief Operation in Connection with Disturbance	-128.59	0.28	-128.87
5	27 Art and Culture	4202-04-101	{0680} Establishment of Cultural Research Centre	-45.06	5.00	-50.06
6	29 Medical and Public Health	2210-05-001	{0172} Headquarters Establishment	-85.17	1.54	-86.71
7	39 Social Security, Welfare and Nutrition	2236-02-796	{0976} Special Nutrition Programme (PMGY)	-0.92	56.31	-57.23
8	41 Natural Calamities	2245-02-101	{4703} Gratuitous Relief (Flood)	-18.31	100.00	-118.31
9	48 Agriculture	2401-00-114	{4611} National Food Security Mission - Oil Palm	-23.57	50.72	-74.29
10	49 Irrigation	2702-80-001	{0000} -NA-	-92.90	0.36	-93.26
11	64 Roads and Bridges	5054-03-800	{3037} Loan Assistance from NABARD under RIDF-II for Completion of Ongoing and Incomplete Roads and Bridges	-110.64	150.00	-260.64
Total				-768.40	364.56	-1,132.96

Source: Detailed Appropriation Accounts

Substantial savings of more than ₹ 50 crore in respect of Heads of Account where re-appropriation was resorted to, reflects poor planning and monitoring of budget allocation and its utilisation by the State Government.

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

3.3.5.1 Surrender of Savings

Complete accuracy of estimates may not always be possible; but where the omission or inaccuracy is the result of lack of forethought, neglect of the obvious or unrealistic estimating, it is a matter of concern. All Estimating Officers should strive to provide in the budget for everything that can be foreseen and to provide only as much as necessary. The Administrative and Finance Departments should consider this while exercising final check on the estimates.

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

As per the Assam Budget Manual (ABM) 2012 and the budget calendar of the State Government, the target dates for intimation of savings by the DDOs to their Controlling Officers is 15th January, and their subsequent surrender to the Finance Department is 15th February. During 2022-23, an amount of ₹ 285.85 crore only was surrendered under 14 Grants against total savings of ₹ 2,372.66 crore which occurred under these Grants. This surrender stood at 12.05 *per cent* of the savings recorded in these grants, as shown in the table below.

Table 3.10: Grant-wise Summary of Surrender of Savings

(₹ in crore)

Sl. No.	Grant	Total Provision	Expenditure	Savings (-)/ Excess	Amount Surrendered (In per cent)
1	05 Sales Tax and Other Tax	699.50	422.61	-276.89	27.80 (10.04)
2	09 Transport Services	818.08	641.33	-176.75	92.18 (52.15)
3	27 Art and Culture	283.70	152.85	-130.85	38.97 (29.78)
4	36 Labour and Employment	533.18	423.55	-109.63	5.26 (4.80)
5	38 Welfare of SC, ST and OBC	1,773.85	1,298.45	-475.40	0.61 (0.13)
6	48 Agriculture	2,258.55	1,617.01	-641.54	22.26 (3.47)
7	50 Other Special Area Programmes (Border Protection & Development)	70.36	65.76	-4.60	3.71 (80.65)
8	52 Animal Husbandry & Veterinary	514.33	307.72	-206.61	42.91 (20.77)
9	53 Dairy Development	82.37	40.17	-42.20	15.94 (37.77)
10	54 Fisheries	143.96	109.65	-34.31	23.86 (69.54)
11	61 Mines and Minerals	25.52	13.72	-11.80	9.47 (80.25)
12	67 Horticulture	288.99	74.26	-214.73	0.43 (0.20)
13	70 Hill Areas	10.80	1.92	-8.88	1.76 (19.82)
14	75 Information and Technology	183.29	144.82	-38.47	0.69 (1.79)
	Total	7,686.48	5,313.82	-2,372.66	285.85

Of the overall savings of ₹ 27,639.80 crore, only one *per cent* (amounting to ₹ 285.85 crore) was surrendered during 2022-23 indicating poor financial management. Out of the total surrender of ₹ 285.85 crore, the amount surrendered exceeded ₹ 10 crore in respect of seven cases as shown in subsequent table.

Table 3.11: Cases of substantial surrenders (amount exceeding ₹ 10 crore)

(₹ in crore)

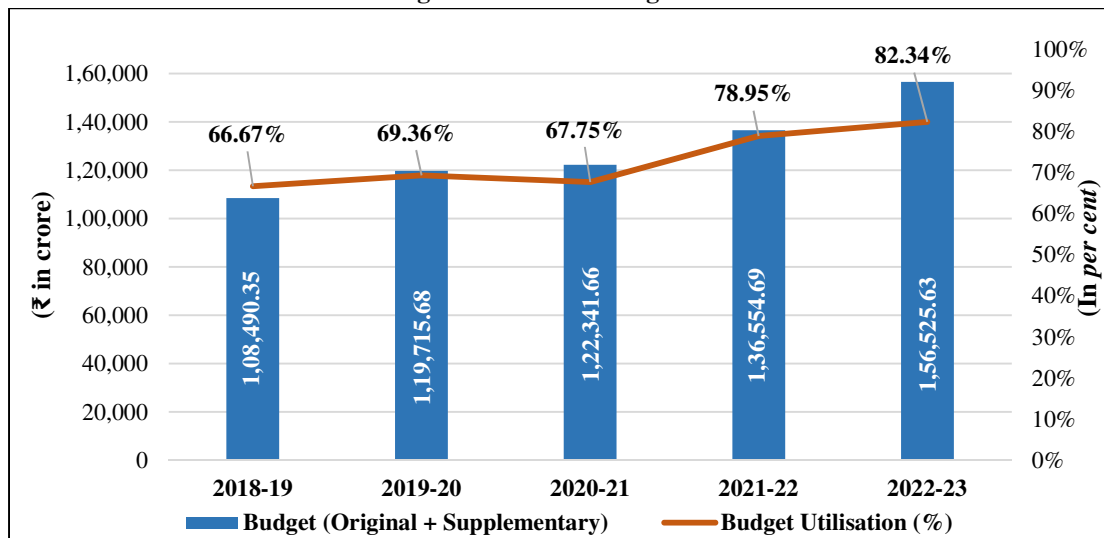
Sl. No.	Grant	Head of Account (Major Head to Minor Head)	Sub Head/ Sub Sub Head	Total Budgeted Provision	Expenditure	Savings (-)/ Excess	Amount Surrendered
1	05 Sales Tax and Other Tax	2040-00-001	{4844} Reimbursement of Assam State GST/ [302] Reimbursement Scheme for Majuli Bridge Project	22.50	0.00	-22.50	20.50
2	09 Transport Services	3056-00-800	{1396} Government Transport Services Working Expenses - Major Ferry Services/ [902] Operation	143.22	84.24	-58.98	56.29
3	09 Transport Services	3056-00-800	{1396} Government Transport Services Working Expenses - Major Ferry Services/ [929] Management	63.63	48.45	-15.18	13.50
4	27 Art and Culture	4202-04-101	{0680} Establishment of Cultural Research Centre/ [511] Renovation of Rang Ghar, Sivasagar	20.00	0.00	-20.00	20.00
5	48 Agriculture	2401-00-001	{0240} Subordinate Establishment	273.08	198.97	-74.11	16.46
6	52 Animal Husbandry & Veterinary	4403-00-106	{5338} Scheme under RIDF (NABARD)/ [727] Construction of Veterinary Hospital & Other Departmental Institution	42.15	13.17	-28.98	20.52
7	54 Fisheries	4405-00-800	{5338} Assam Rural Infrastructure Development Fund (RIDF)-NABARDs Loan Component/ [763] Development of Beel/ Dead River Course	26.32	7.78	-18.54	15.91
Total				590.90	352.61	-238.29	163.18

Substantial surrender of more than ₹ 10 crore is indicative of inefficiency in budget planning and budget management.

3.3.5.2 Underutilisation of Budgeted Funds

Budget provision has been significantly underutilised by the State every year during the past few years. The extent of utilisation of budget during the five-year period from 2018-19 to 2022-23 is given in **Chart 3.3**.

Chart 3.3: Budget Utilisation during 2018-19 to 2022-23



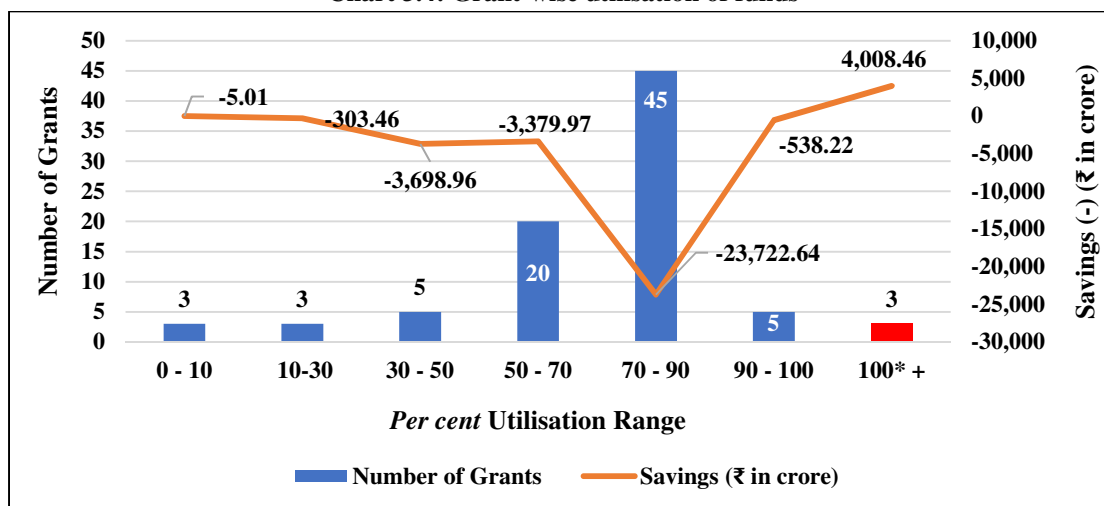
As can be seen from **Chart 3.3**, utilisation of budget has improved from 66.67 per cent in 2018-19 to 82.34 per cent in 2022-23. The Government should continue improving utilisation of budget in the forthcoming year(s) for effective budgetary management.

During the Exit Conference (December 2023), the Secretary to the Finance Department assured to improve the utilisation of budget further in the forthcoming years.

3.3.5.3 Large and Persistent Savings in Grants/ Appropriations

There were large savings during 2022-23, with 11 Grants/ Appropriations showing utilisation of less than 50 per cent of the budget allocation. The distribution of number of Grants/ Appropriations grouped by the extent of savings is given in **Chart 3.4**.

Chart 3.4: Grant-wise utilisation of funds



* Two Grants and one Appropriation (Grant No. 72, 78 & Appropriation Public Debt and Servicing of Debt) had utilisation in excess of Budget provision at Grant/ Appropriation level.

Of these 11 Grants/Appropriations which show utilisation of less than 50 per cent in 2022-23, seven showed similar low utilisation in three or more years during the last five-year period *i.e.*, 2018-23. This is indicative of systemic issues that warrants a close review by the Government to enable initiation of expeditious corrective measures.

Utilisation of budgetary allocation in these seven Grants/ Appropriations for the five-year period from 2018-19 to 2022-23 is shown in **Table 3.12**.

Table: 3.12: Grants/Appropriations with budget under-utilisation (< 50 per cent)

(₹ in crore)

Sl. No.	Grant	2018-19	2019-20	2020-21	2021-22	2022-23	No. of Years*	Budget 2022-23	Total Budget (5 Years)
1	17 Administrative and Functional Buildings	53.96%	48.35%	46.97%	45.25%	44.81%	4	2,760.53	4,896.04
2	24 Aid Materials	0.00%	0.00%	0.00%	0.00%	0.00%	5	0.01	0.05
3	34 Housing & Urban Affairs (Municipal Administration)	36.89%	31.65%	23.82%	37.18%	46.58%	5	2,655.21	8,719.65
4	67 Horticulture	48.83%	42.68%	36.46%	47.69%	25.70%	5	288.99	1,119.37
5	68 Loans to Government Servants etc.	92.12%	0.00%	--	0.00%	0.00%	3	0.00	176.90
6	70 Hill Areas	18.03%	11.62%	6.13%	40.58%	17.74%	5	10.80	106.72
7	73 Housing & Urban Affairs (Guwahati Development)	23.41%	45.08%	14.87%	68.47%	38.06%	4	1,140.91	4,872.20

Source: Appropriation Accounts

* Number of years where utilisation of budgeted funds was below 50 per cent

The low utilisation under Grant No. 34 – Housing & Urban Affairs (Municipal Administration) had been mentioned as a point of concern in the previous year's report, and in the current year too, this grant has shown low utilisation of less than 50 per cent during the period 2018-23. Improving urban infrastructure is a challenge faced by the State, and the low utilisation on allocation against related grants is a cause for concern. State Government needs to examine the reasons for poor utilisation of allocated funds in this Grant and take appropriate corrective action expeditiously.

Budget provision sought and obtained by some Departments far in excess of actual requirement and inability to utilise the funds, deprives allocation of resources to priority sectors and also leads to poor legislative control over public finances.

3.3.6 Excess Expenditure and its Regularisation

As per Article 204 of the Constitution of India, no money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of the Article. Further, as per Article 205 of the Constitution of India, it is mandatory for the State Government to get excesses over grants/ appropriations regularised by the State Legislature. 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.

3.3.6.1 Excess Expenditure

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring Legislative sanction but also indicative of bad planning, which could be avoided by keeping track of expenditure progression with budget made for the purpose.

During 2022-23, an amount of ₹ 4,607.94 crore was incurred in excess of the budget provision in one Appropriation which is required to be regularised by the State Legislature as per Article 205 of the Constitution. The details of the excess expenditure occurred are shown in **Table 3.13**.

Table 3.13: Excess expenditure during 2022-23 requiring regularisation

(₹ in crore)				
Grant	Segment	Total Grant	Actual Expenditure	Excess Expenditure
PD Public Debt and Servicing of Debt	Capital-Charged	2,722.92	7,330.86	4,607.94

Source: Appropriation Accounts

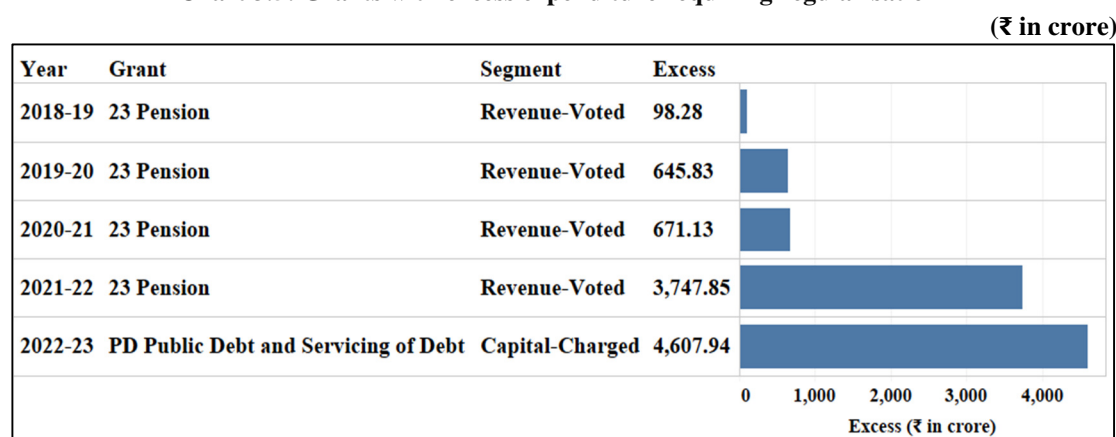
Such excess expenditure vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

During the Exit Conference (December 2023), the Secretary to the Finance Department assured to take suitable action on the issue.

3.3.6.2 Persistent excesses in certain Grants

Details of excess expenditure over the approved allocation during the five-year period from 2018-19 to 2022-23, which require regularisation by the State Legislature, are given in **Chart 3.5**.

Chart 3.5: Grants with excess expenditure requiring regularisation



As can be seen from the above chart, there was excess expenditure over budget provision requiring regularisation in Grant No. 23 Pension in four of the last five-year during 2018-23.

The PAC, *vide* Para 3 of its 161st Report placed in the State Legislature on 24 March 2020, had recommended that the Finance Department should take initiative to constitute a high-level Committee to study the reason for excess expenditure under Grant No. 23. Accordingly, the ARTPPG Department had constituted a High-Level Committee on 11 June 2020. The Report of the Committee is awaited (September 2023).

Further, Government of Assam has re-constituted (November 2023) a High-Level Committee to examine the matter of excess expenditure against various grants across the State including Sixth Schedule Areas and BTR and to submit a Report within a month.

3.3.6.3 Regularisation of excess expenditure of previous financial years

Excess expenditure remaining un-regularised for extended periods dilutes Legislative control over the executive. A summarised position of excess expenditure relating to previous years requiring regularisation is given in **Table 3.14**.

Table 3.14: Excess expenditure relating to previous years requiring regularisation

Year	Grant No. and Name	Segment	Amount of excess over provision required to be regularised	Status of regularisation
2006-07	30 – Water Supply and Sanitation	Revenue Voted	52.39	Not Regularised
2018-19	23 - Pension	Revenue Voted	98.28	
2019-20	23 - Pension	Revenue Voted	645.83	
2020-21	23 - Pension	Revenue Voted	671.13	
2021-22	23 - Pension	Revenue Voted	3,747.85	
Total			5,215.48	

Source: Appropriation Accounts

Excess expenditure of ₹ 5,215.48 crore remains to be regularised. The PAC had discussed (February 2020 and February 2021) the excess expenditure for the years 2005-06 to 2017-18 and issued recommendation *vide* its 161st and 169th Reports for regularisation of the total excess expenditure amounting to ₹ 9,540.37 crore under Article 205 of the Constitution. The same has been regularised *vide* Assam Appropriation Acts, 2023 (No. III to XV). Grant-wise details of excess expenditure from 2005-06 to 2021-22, along with status of regularisation is given in **Appendix 3.6**.

3.3.7 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 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 are to be spent by the grantee, except in cases where it has been specifically authorised by President on the advice of the Comptroller and Auditor General of India.

During 2022-23, Capital Expenditure stood at ₹ 15,997.71 crore. However, it included an amount of ₹ 6,668.99 crore of GIA booked as Capital Expenditure instead of Revenue Expenditure in violation of provision of IGAS 2.

Table 3.15 and **Chart 3.6** highlight the extent of misclassification of GIA as Capital Expenditure instead of as Revenue Expenditure by the State during 2018-23.

Table 3.15: Extent of classification of GIA as Capital Expenditure

	2018-19	2019-20	2020-21	2021-22	2022-23
Capital Expenditure	11,034.08	13,185.42	12,399.39	20,125.83	15,997.71
Share of GIA in Capital Expenditure	5,489.95	6,225.45	5,640.47	6,168.69	6,668.99

(₹ in crore)

Source: Appropriation Accounts

Chart 3.6: Share of Grants-in-Aid in Capital Expenditure

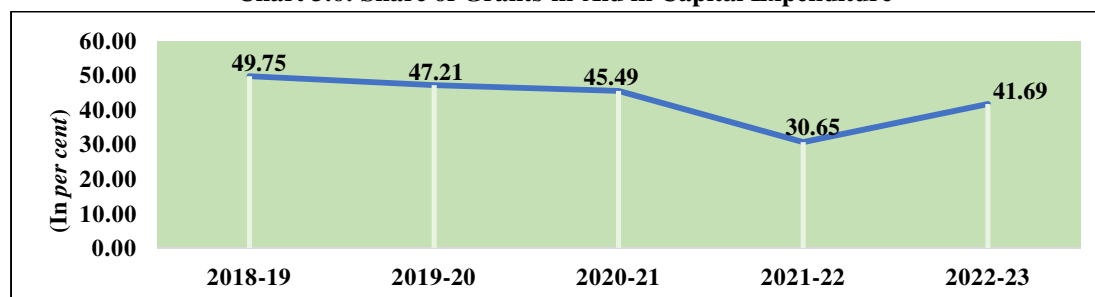


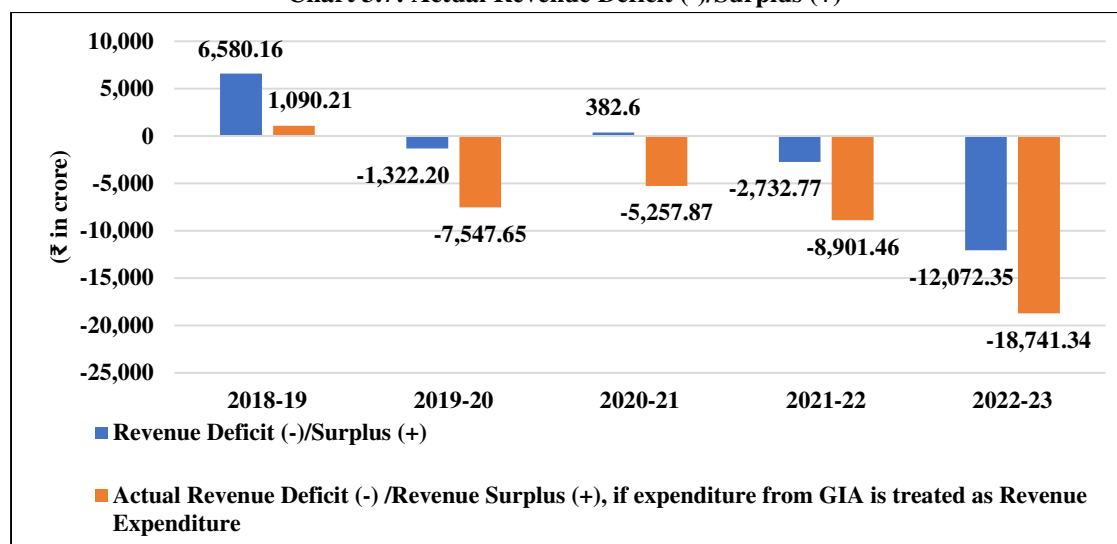
Table 3.16 and Chart 3.7 indicate that the impact of non-compliance with the provisions of IGAS-2 by the State in absolute terms during 2018-23 was that Revenue Surplus was overstated and Revenue Deficit was understated during the period. Moreover, Capital Expenditure during the period was also overstated to that extent.

Table 3.16: Impact of non-compliance with IGAS-2

	2018-19	2019-20	2020-21	2021-22	2022-23
GIA booked as Capital Expenditure	5,489.95	6,225.45	5,640.47	6,168.69	6,668.99
Revenue Deficit (-)/Surplus (+)	6,580.16	-1,322.20	382.60	-2,732.77	-12,072.35
Actual Revenue Deficit (-) /Revenue Surplus (+), if expenditure from GIA is treated as Revenue Expenditure	1,090.21	-7,547.65	-5,257.87	-8,901.46	-18,741.34

(₹ in crore)

Chart 3.7: Actual Revenue Deficit (-)/Surplus (+)



During the Exit Conference (December 2023), the Secretary to the Finance Department noted the issue and stated that since the Grants-in-Aid is given mainly for Centrally Sponsored Schemes, and the assets thus created, lies with the State Government, these are classified as Capital Expenditure.

After analysis of GoI's Notification on IGAS 2, Audit concluded that expenditure incurred from Grant-in-Aid should be booked under Revenue Section only.

3.4 Effectiveness of budgetary and accounting process

3.4.1 Budget projection and gap between expectation and actual

Efficient management of tax administration/ other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ 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.

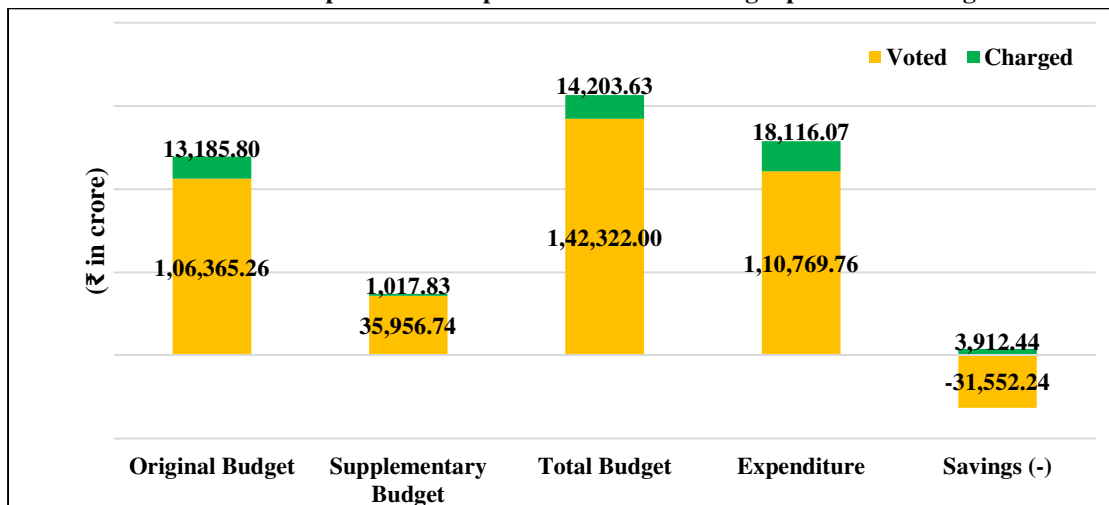
The summarised position of the budget including supplementary budget, actual expenditure, and excess/ savings during 2022-23 against 84 Grants/ Appropriations (80 Grants and four Appropriations) is given in **Table 3.17** as well as in **Chart 3.8**.

Table 3.17: Summarised position of Expenditure vis-à-vis Budget provision

(₹ in crore)							
Voted / Charged	Nature of Expenditure	Budget (Original)	Budget (Supplementary)	Total	Expenditure	Excess (+)/ Savings (-)	Excess / Savings (In per cent)
Voted	Revenue	87,703.99	29,250.80	1,16,954.79	94,425.03	-22,529.76	-19.26
	Capital Outlay	18,371.00	6,590.94	24,961.94	16,004.90	-8,957.04	-35.88
	Loans and Advances	290.27	115.00	405.27	339.83	-65.44	-16.15
	Total Voted	1,06,365.26	35,956.74	1,42,322.00	1,10,769.76	-31,552.24	-22.17
Charged	Revenue	8,663.06	1,017.66	9,680.72	8,985.21	-695.51	-7.18
	Public Debt Repayment	2,722.74	0.17	2,722.91	7,330.86	4,607.95	169.23
	Transfer to Contingency Fund	1,800.00	0.00	1,800.00	1,800.00	0.00	0.00
	Total Charged	13,185.80	1,017.83	14,203.63	18,116.07	3,912.44	27.55
Total (Voted & Charged)	1,19,551.06	36,974.57	1,56,525.63	1,28,885.83	-27,639.80	-17.66	

Source: Appropriation Accounts

Chart 3.8: Summarised position of Expenditure vis-à-vis Budget provision during 2022-23



It may be seen from **Table 3.17** that during the year 2022-23, Government of Assam (GoA) incurred expenditure of ₹ 1,28,885.83 crore against the total grants and

appropriations of ₹ 1,56,525.63 crore resulting in overall savings of ₹ 27,639.80 crore. These savings stood at 17.66 per cent of total grants and appropriations made for the year. Huge savings also stood at 75 per cent of supplementary budget obtained during the year.

Of the overall savings of ₹ 27,639.80 crore, savings of ₹ 23,344.83 crore (84.46 per cent) occurred in 17 cases (₹ 500 crore and above in each case) at Segment level within 15 Grants/ Appropriations as indicated in **Appendix 3.7**.

Utilisation of budgeted funds by the State has been to some extent sub-optimal every year during the past five years. The extent of savings during the last five years is given in **Table 3.18**.

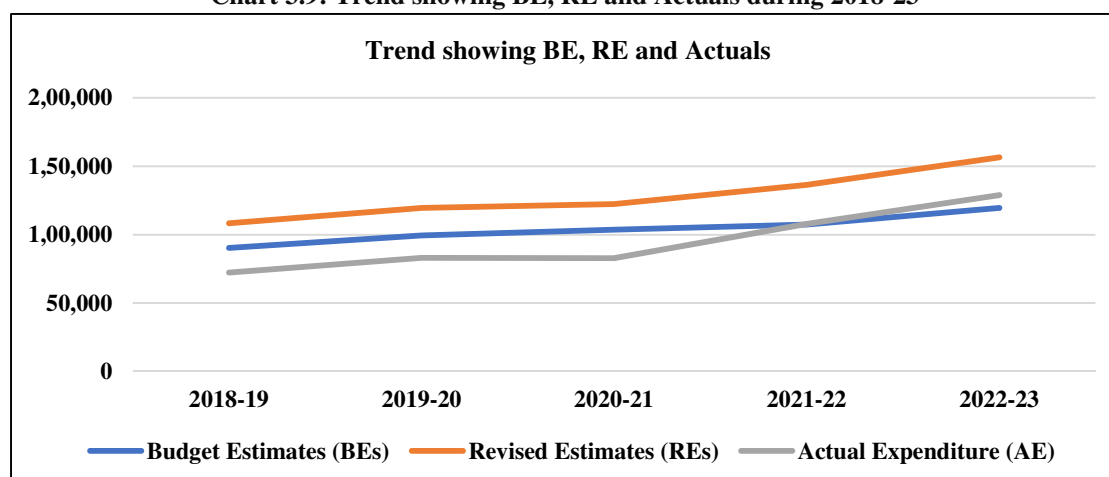
Table 3.18: Original Budget, Revised Estimate and Expenditure during 2018-23

(₹ in crore)					
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Original Budget	90,269.92	99,418.91	1,03,761.63	1,07,556.29	1,19,551.06
Supplementary Budget	18,220.43	20,296.77	18,580.03	28,998.40	36,974.57
Total Budget (TB)	1,08,490.35	1,19,715.68	1,22,341.66	1,36,554.69	1,56,525.63
Revised Estimate (RE)	1,08,490.35	1,19,715.68	1,22,341.66	1,36,554.69	1,56,525.63
Actual Expenditure (AE)	72,331.34	83,031.07	82,888.63	1,07,814.62	1,28,885.83
Savings (-) /excess (+)	-36,159.01	-36,684.61	-39,453.03	-28,740.07	-27,639.80
Per cent of Supplementary to the Original Provision	20.18	20.42	17.91	26.96	30.93
Per cent of overall Savings to the overall provision	-33.33	-30.64	-32.25	-21.05	-17.66
TB-RE	0.00	0.00	0.00	0.00	0.00
RE-AE	36,159.01	36,684.61	39,453.03	28,740.07	27,639.80
(TB-RE) as % of TB	0	0	0	0	0
(RE-AE) as % of TB	33.33	30.64	32.25	21.05	17.66

Source: Annual Financial Statements and Appropriation Accounts

Table 3.18 shows that supplementary provision of ₹ 36,974.57 crore during 2022-23 constituted 30.93 per cent of the original provision as against 26.96 per cent in the previous year.

Chart 3.9: Trend showing BE, RE and Actuals during 2018-23



From the preceding Chart, it can be seen that over the years from 2018-19 to 2022-23, the Actual Expenditure (AE) was lower than the Budget Estimate (BE) during the years 2018-19 to 2020-21. As such, the supplementary provisions during the years 2018-19 to 2020-21 proved unnecessary since the expenditure did not come up even to the level of original budget provisions. Further, the percentage of Actual Expenditure (AE) during the last five years from 2018-19 to 2022-23 was lower than the Revised Estimate (RE) throughout the period and it ranged between 17.66 *per cent* and 33.33 *per cent* of the RE.

This reflects that budgetary allocations were based on unrealistic proposals as budget was inflated, and the expenditure was less than the budgetary provisions.

3.4.1.1 Missing/ Incomplete Explanation for Variation from Budget

Apart from showing the expenditure against the approved budget, Appropriation Accounts also provide explanation for cases where the expenditure varies significantly from the budgeted provision (Original *plus* Supplementary). The limit beyond which such variation at the Sub-Head/ Sub-Sub-Head level (Unit of Appropriation) are to be explained in the Appropriation Accounts is set by the PAC.

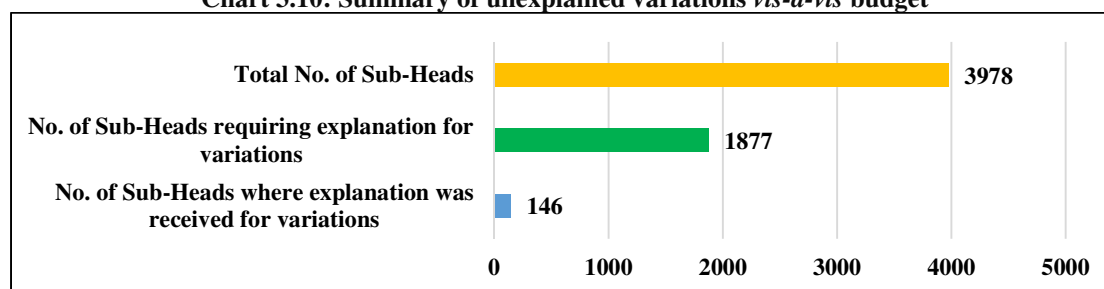
Accountant General (A&E) provides the draft Appropriation Accounts to the Controlling Officers of the Departments and seeks the reasons/ explanations for the variations in expenditure with reference to approved budgetary allocation in keeping with the limits set by the PAC.

The current limits set by the State PAC in May 1989 are as follows:

Savings	<ul style="list-style-type: none"> Comments are to be made if variations (savings including non-utilisation) under Sub-Heads of Grants/ Appropriations are over ₹ 15 lakh or 20 <i>per cent</i> of the total provision (original plus supplementary), whichever is more
Excess	<ul style="list-style-type: none"> General comments are to be made for regularisation of excess over the provision in all cases where there is an overall excess (irrespective of the amount) Comments are to be made if variations (excesses) under Sub-Heads of Grants/ Appropriations are ₹ 15 lakh or 20 <i>per cent</i> of the total provision (original plus supplementary), whichever is more

Audit of Appropriation Accounts of 2022-23 and an analysis of the underlying accounting data revealed that the Controlling Officers have provided explanation for the variations in the expenditure *vis-à-vis* budgeted allocation in about 7.78 *per cent* of cases. Of the 84 Grants/ Appropriations, reasons for variation were called for in respect of 1,877 cases under 79 Grants/ Appropriations. However, reasons for variations in respect of only 146 cases under 21 Grants/ Appropriations were furnished by the Controlling Officers of Government Departments. Summary of unexplained variations over budget provision is given in **Chart 3.10** and grant-wise further details are given in **Appendix 3.8**.

Chart 3.10: Summary of unexplained variations vis-à-vis budget



Absence of explanation for variation between the budgeted allocation and its utilisation limits the informational utility of Appropriation Accounts for enabling financial accountability of the Government and legislative control over the budget.

Finance Department may therefore issue clear instructions to all departments for timely submission of explanations of variations with respect to approved provision to the Accountant General (A&E), Assam for their incorporation in the Appropriation Accounts.

During the Exit Conference (December 2023), the Secretary to the Finance Department assured to issue necessary instructions in this regard.

3.4.1.2 Large Variation from Budget at Sub-head level remaining unexplained

As explained earlier, the limit for variation of expenditure from budgeted provisions beyond which explanation is to be provided in the Appropriation Accounts was set by the Public Accounts Committee in May 1989.

A similar approach is followed in case of Appropriation Accounts for the Union Government, where the limits were set by the Central PAC. The PAC (17th Lok Sabha, 2019-20) in its first report of December 2019 titled 'Revision of ceiling for exception reporting in Appropriation Accounts', had reviewed the ceiling for sub-head level comments in the Appropriation Accounts, and raised the limits. The proposal for revision was initiated by Ministry of Finance on the grounds that the current limits were effective since 1993-94, and since then, the size of the Union Budget had gone up by 28 times, necessitating an upward revision of the materiality level or ceiling for comment/ explanation in Appropriation Accounts.

The revised and earlier limits for explaining variation at Sub-Head level along with the corresponding figure in case of Government of Assam is given in **Table 3.19**.

Table 3.19: Norms for Explaining Variation at Sub-Head Level – comparison with Union Government

Norms set by Central PAC		Norms by State PAC
Pre-Revised Norm (from 1993-94)	Revised Norm (from 2018-19)	Extant Norm (from 1987-88)
Variation (Excess or Savings) exceeding ₹ 100 lakh are explained	Variation (Excess or Savings) exceeding ₹ 500 lakh are explained	<i>No analogous norm</i>
All cases where the Variation (Excess or Savings) exceeds	All cases where the Variation (Excess or Savings) exceeds	All cases where the Variation (Excess or Savings) exceeds

Norms set by Central PAC		Norms by State PAC
Pre-Revised Norm (from 1993-94)	Revised Norm (from 2018-19)	Extant Norm (from 1987-88)
10 per cent of the sanctioned provision or ₹ 50 lakh whichever is higher , are explained	10 per cent of the sanctioned provision or ₹ 250 lakh, whichever is higher , are explained	20 per cent of the sanctioned provision or ₹ 15 lakh, whichever is higher , are explained
If there is a supplementary, all cases where savings exceeds 10 per cent of the supplementary or ₹ 5 lakh , whichever is higher, are explained	If there is a supplementary, all cases where savings exceeds 10 per cent of the supplementary or ₹ 100 lakh whichever is higher, are explained	<i>No analogous norm</i>
When Grant as a whole exceeded , Sub-Heads involving excess of ₹1 Lakh are picked up	When Grant as a whole exceeded , Sub-Heads involving excess of ₹ 25 lakh are picked up	<i>No analogous norm</i>

As can be seen, the norms set by Central PAC cover a wider range of cases requiring explanation for variation. Where the norm is similar, the limits are understandably different owing to the difference in the size of the Central and State Government, and the different time period when the norms were set by the respective PAC.

Of immediate relevance in case of Assam is the absence of any norm for explanation based on absolute/size of deviation, and explanation for large savings at the Grant level. Thus, while Central PAC had set a limit of ₹ 100 lakh, which has now been raised to ₹ 500 lakh, for explaining variation (Excess or Savings) irrespective of the percentage of deviation from the Budget provision, there is no analogous norm in Assam. Thus, in cases where the budget provision at Sub-Head level is high, say over ₹ 25 crore, then even a variation of ₹ 5 crore would not require explanation as it would be within the 20 per cent limit.

During the Exit Conference (December 2023), the Secretary to the Finance Department assured to bring up the matter in the PAC meeting.

3.4.1.3 Large Variation from Budget at Grant level

The Public Accounts Committee (10th Lok Sabha, 1990-91) in its 60th Report *vide* Para 1.22 and 1.24 had observed that savings of ₹ 100 crore or above are indicative of defective budgeting as well as shortfall in performance in a Grant or Appropriation. It was therefore decided by the Public Accounts Committee, that each year a detailed explanatory note in respect of savings of ₹ 100 crore or above shall be furnished by the respective Ministry/Department, to the Committee.

As regards explanation for large excess/ savings at grant level, there is no such requirement presently set by State PAC. Even if the limit of ₹ 100 crore as applicable for Centre is considered for the State of Assam, explanation would be necessitated in 40 of the 84 Grants/ Appropriations. As observed in **paragraph 3.3.5.2**, Assam has seen significant under-utilisation of Budget in each of the last five years. Thus, the bigger problem in budgetary compliance is that of savings rather than excess.

Thus, it is recommended that Norms for Explaining Variation at Sub-Head Level may be considered for revision by the State PAC, as also setting an appropriate limit of

Savings at Grant/Appropriation level beyond which explanation would be required, and Finance Department may initiate necessary action in this regard.

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

Several policy initiatives taken up by Government are partially executed or not executed due to non-approval of scheme guidelines/ modalities, non-commencement of works for want of administrative sanction, non-release of budget, *etc.* This deprives the beneficiaries of intended benefits. Savings in such schemes deprives other departments of the funds which they could have utilised. In the Budget speech 2022-23, the Finance Minister had announced 18 flagship schemes, “*Astadesh Mukutar Unnoyonee Maala*”, for the social and economic welfare of the people of the State.

Appropriation Accounts (2022-23) showed that savings out of total budget provision exceeded 50 *per cent* in 3 out of 18 flagship schemes announced by the State Government in the Budget of 2022-23. Scheme-wise details of these three schemes are given in **Table 3.20**.

Table 3.20: Details of the schemes for which savings out of budget provision exceeded 50 *per cent*
(₹ in crore)

Grant No.	Head of Account	Name of the Scheme	Budget Provision	Expenditure	Savings	Per cent Savings
25	2235-60-200-0417-352-32	Assam Microfinance Incentive and Relief Scheme, 2021 (AMFIRS)	1,736.38	299.69	1,436.69	-82.74
37	2408-01-101-3161-209-32, 2408-01-102-4732-444-33, and 2408-01-102-6050-927-05	Food Security	553.93	255.62	-298.31	-53.85
27, 35	2205-00-102-0693-882-35, 4202-04-101-0680-562-32, 4202-04-101-0680-564-13, 4202-04-101-0693-324-35, and 2220-01-001-0172-237-26	Quest for Cultural Identity	23.43	3.16	-20.27	-86.51

Source: FinAssam website, Appropriation Accounts and Budget Documents

Overall, the Government of Assam could spend ₹ 6,397.62 crore (58.84 *per cent*) against the total allocation of ₹ 10,873.54 crore made in the 18 flagship schemes in its budget during 2022-23.

3.5 Review of Selected Grants

During the year 2022-23, two Grants - Grant No. 52 – Animal Husbandry and Veterinary and Grant No. 57 – Panchayat & Rural Development (Rural Development) were selected for detailed scrutiny in audit to review compliance with prescribed budgetary procedures, monitoring of funds, control mechanisms and implementation of schemes within these grants. Outcome of the audit is discussed in the succeeding paragraphs.

3.5.1 Grant 52 – Animal Husbandry and Veterinary

The Animal Husbandry and Veterinary Department is responsible for livestock production, preservation, protection from disease and improvement of stocks and dairy development. The department plays a vital role in socio-economic development of the rural mass in particular and the state as a whole.

3.5.1.1 Budget and Expenditure

The overall position of budget provision, actual expenditure and savings/ excesses under this Grant during the five-year period 2018-23 is given below.

Table 3.21: Budget and Expenditure

Grant No. 52		2018-19	2019-20	2020-21	2021-22	2022-23
Total (Revenue + Capital)	Budget Provision	508.04	579.39	432.49	511.73	514.33
	Expenditure	304.83	289.48	276.75	320.17	307.72
	Savings (-)/ Excess (+)	-203.21	-289.91	-155.74	-191.56	-206.61
	Savings (-)/ Excess (+) (in per cent)	-40.00	-50.04	-36.01	-37.43	-40.17
Revenue	Budget Provision	413.47	509.06	380.33	453.04	455.37
	Expenditure	269.24	264.54	262.56	286.90	288.12
	Savings (-)/ Excess (+)	-144.23	-244.52	-117.77	-166.14	-167.25
	Savings (-)/ Excess (+) (in per cent)	-34.88	-48.03	-30.97	-36.67	-36.73
Capital	Budget Provision	94.57	70.33	52.16	58.69	58.96
	Expenditure	35.59	24.94	14.19	33.27	19.60
	Savings (-)/ Excess (+)	-58.98	-45.39	-37.97	-25.42	-39.36
	Savings (-)/ Excess (+) (in per cent)	-62.37	-64.54	-72.80	-43.31	-66.76

Source: Appropriation Accounts

As can be seen from **Table 3.21**, the Grant showed large overall savings, both in Revenue and Capital Segments, with savings as a percentage of total budget provisions ranging from 30.97 per cent to 48.03 per cent in Revenue segment, and 43.31 per cent to 72.80 per cent in Capital segment, during the period 2018-23.

The Department stated (August 2023) that savings occurred mainly due to vacant posts, non-receipt of Sanction, partial/ non-release of FOC, non-release of Central Share, etc.

3.5.1.2 Surrender of Savings

According to Paragraph 11.17 of ABM, 2012, a Controlling Officer should anticipate savings under a Grant and surrender them to the Finance Department not later than 15th of February each year.

Table 3.22 details the Major Head-wise total Budget, Expenditure, Savings and Surrender of Savings under Grant No. 52, during the last five years, i.e., 2018-23.

Table 3.22: Segment-wise Budget and Expenditure

Major Head		2018-19	2019-20	2020-21	2021-22	2022-23
2403 – Animal Husbandry	Total Budget (O + S)	413.47	509.06	380.33	453.04	455.37
	Budget (O)	371.33	491.97	325.99	452.54	448.17
	Budget (S)	42.14	17.09	54.34	0.50	7.20
	Surrender	-	-	-	-	12.79
	Expenditure	269.24	264.54	262.56	286.90	288.12

Major Head	Item	2018-19	2019-20	2020-21	2021-22	2022-23
	Savings (-)/ Excess (+)	-144.23	-244.52	-117.77	-166.14	-167.25
	Savings (-)/ Excess (+) (in per cent)	-34.88	-48.03	-30.97	-36.67	-36.73
4403 – Capital Outlay on Animal Husbandry	Total Budget (O + S)	94.57	69.82	52.16	58.69	58.96
	Budget (O)	85.15	41.10	51.66	57.68	58.96
	Budget (S)	9.42	28.72	0.50	1.01	-
	Surrender	-	-	-	-	30.12
	Expenditure	35.59	24.94	14.19	33.27	19.60
	Savings (-)/ Excess (+)	-58.98	-44.88	-37.97	-25.42	-39.36
	Savings (-)/ Excess (+) (in per cent)	-62.37	-64.28	-72.80	-43.31	-66.76
4415 - Capital Outlay on Agricultural Research and Education	Total Budget (O + S)	-	0.51	-	-	-
	Budget (O)	-	0.01	-	-	-
	Budget (S)	-	0.50	-	-	-
	Surrender	-	-	-	-	-
	Expenditure	-	-	-	-	-
	Savings (-)/ Excess (+)	-	-0.51	-	-	-
	Savings (-)/ Excess (+) (in per cent)	-	-100.00	-	-	-

As can be seen from **Table 3.22**, savings were seen across all the Major Head level where allocation was made in the grant for the current year. Despite large overall savings at Major Head level of ₹ 167.25 crore under Major Head 2403 – Animal Husbandry, only ₹ 12.79 crore (7.65 per cent) was surrendered during 2022-23. Further, under Major Head 4403 – Capital Outlay on Animal Husbandry, only ₹ 30.12 crore (76.52 per cent of total savings of ₹ 39.36 crore) was surrendered. No amount was surrendered during the period 2018-22 despite large persistent savings ranging from 30.97 per cent to 48.03 per cent under Major Head 2403, and 43.31 per cent to 72.80 per cent under Major Head 4403. Non-surrender of savings indicated inefficient budget management and deprived allocation of resources to other priority sectors.

The Department stated (August 2023) that the funds were expected to be utilised during the last part of the financial year, however, due to non-receipt of Fixation of Ceiling (FOC), the same could not be utilised.

3.5.1.3 Unnecessary/ Excessive Supplementary Grant

Supplementary Grant provided under Grant No. 52 during the last five years, i.e., 2018-19 to 2022-23 is given in **Table 3.23** and also in **Chart 3.11** and **Chart 3.12**.

With large savings being exhibited in the Grant, the supplementary provision proved unnecessary in all the years in case of Revenue Segment, and in four of the last five years in the Capital Segment. In the financial year 2022-23, the supplementary grant of ₹ 7.20 crore in the Revenue segment proved unnecessary as the expenditure was less than the original budget provision.

Table 3.23: Unnecessary Supplementary Provision

(₹ in crore)

Segment	Year	Original Budget Provision	Expenditure	Savings out of Original Provision	Supplementary Grant
Revenue	2018-19	371.33	269.24	-102.09	42.14
	2019-20	491.97	264.54	-227.43	17.09
	2020-21	325.99	262.56	-63.43	54.34
	2021-22	452.54	286.90	-165.64	0.50
	2022-23	448.17	288.12	-160.05	7.20
Capital	2018-19	85.15	35.59	-49.56	9.42
	2019-20	41.11	24.94	-16.17	29.22
	2020-21	51.66	14.19	-37.47	0.50
	2021-22	57.68	33.27	-24.41	1.01
	2022-23	58.96	19.60	-39.36	0.00

Chart 3.11: Unnecessary Supplementary grants under Grant No. 52 (Revenue)

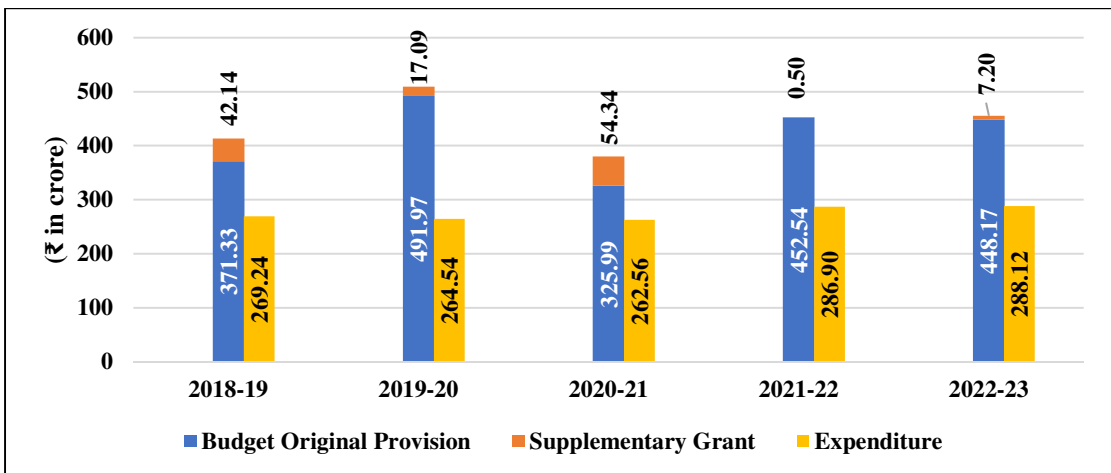
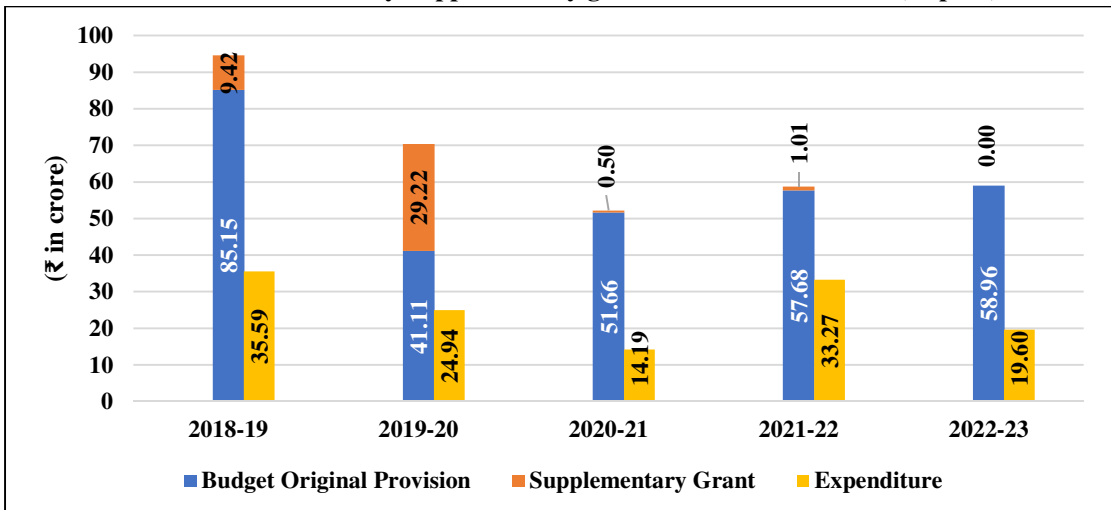


Chart 3.12: Unnecessary Supplementary grants under Grant No. 52 (Capital)



During 2022-23, out of the total supplementary provision of ₹ 7.20 crore under the Revenue Segment, ₹ 6.15 crore (85.42 per cent) was granted to Headquarters Establishment, as detailed in the subsequent **Table 3.24**.

Table 3.24: Unnecessary Supplementary under Sub-Head

(₹ in crore)

Head of Account	Original Budget Provision	Expenditure	Savings out of Original Budget Provision	Supplementary Grant
2403-00-001-{0172} Headquarters Establishment	28.32	20.29	-8.03	6.15

Seeking supplementary grants without requirement/ in excess of requirement is indicative of poor budgetary management by the State Government.

3.5.1.4 Unnecessary Re-appropriation

Re-appropriation is the transfer of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged Appropriation.

As per Paragraph 9.2 of ABM, 2012, Finance Department has the power to sanction/ authorise any re-appropriation within a Grant, which does not involve undertaking of a recurring liability. Copies of such orders sanctioning any re-appropriation must be communicated to the Principal Accountant General as soon as they are passed.

Within Grant No. 52, enhancement in provision through re-appropriation by ₹ 3.61 crore proved unnecessary in one Sub-Head as expenditure was less than the original provision, as detailed in the table below.

Table 3.25: Unnecessary Re-appropriation

(₹ in crore)

Head of Account	Original	Supplementary	Expenditure	Savings against Budget Provision (O+S)	Re-appropriation	Total Savings	Surrender
2403-00-001-{0172} Headquarters Establishment	28.32	6.15	20.29	-14.18	3.61	-17.79	3.85

The Department stated (August 2023) that savings occurred due to partial release of FOC by the Government.

3.5.1.5 Persistent Savings under Sub-Head

The three schemes listed in **Table 3.26** showed large savings (over 50 per cent) in the current financial years 2022-23. These schemes showed similar large savings persistently over the last five years from 2018-19 to 2022-23, with average savings ranging from 51.81 per cent to 82.63 per cent across three Major Heads as depicted in the table below.

Table 3.26: Persistent Savings under Sub-Head

(₹ in crore)

Head of Account	Year	Total Budget Provision	Expenditure	Savings		Reply of the Department
				Amount	Per cent	
2403-00-101- {4895} National Livestock Health and	2018-19	13.87	9.56	-4.31	-31.07	Savings occurred due to non-receipt of Central and corresponding State share from
	2019-20	20.62	2.11	-18.51	-89.77	
	2020-21	14.45	9.34	-5.11	35.36	
	2021-22	12.95	8.84	-4.11	-31.74	
	2022-23	15.50	7.47	-8.03	-51.81	

Head of Account	Year	Total Budget Provision	Expenditure	Savings		Reply of the Department
				Amount	Per cent	
Disease Control Programme						the Government in time.
	Total	77.39	37.32	-40.07	-51.78	
2403-00-106-{0200} Other Development Programme	2018-19	0.89	0.62	-0.27	-30.34	Savings occurred due to non-release of FOC from the Government.
	2019-20	6.56	0.81	-5.75	-87.65	
	2020-21	3.40	0.34	-3.06	-90.00	
	2021-22	1.41	0.33	-1.08	-76.60	
	2022-23	1.67	0.32	-1.35	-80.84	
	Total	13.93	2.42	-11.51	-82.63	
4403-00-106-{5338} Scheme under RIDF (NABARD)	2018-19	80.10	23.96	-56.14	-70.09	The funds could not be utilised due to non-receipt of bills/claims from the concerned contractor in due time.
	2019-20	55.22	21.35	-33.87	-61.34	
	2020-21	47.75	12.32	-35.43	-74.20	
	2021-22	42.15	26.74	-15.41	-36.56	
	2022-23	42.15	13.17	-28.98	-68.75	
	Total	267.37	97.54	-169.83	-63.52	

Source: Appropriation Accounts

Budget provision sought and obtained in excess of actual requirement and inability to utilise the funds, deprives allocation of resources to priority sectors and leads to poor legislative control over public finances.

3.5.1.6 Savings of Entire Budget Provision

Budget provision of ₹ nine crore made under the following two Head of Accounts (over ₹ one crore each), under Grant No. 52 for the year 2022-23 remained unutilised at the end of the year. Scheme-wise details are given in **Table 3.27**.

Table 3.27: Non-utilisation of budget provision

(₹ in crore)				
Sl. No.	Head of Account	Budget (O+S)	Expenditure	Reply of the Department
1	2403-00-101-{4895}-[928] National Livestock Health and Disease Control Program/ State Share	7.50	0.00	Funds could not be utilised due to non-receipt of State Share.
2	2403-00-106-{4896}-[928] National Livestock Management Programme/ State Share	1.50	0.00	Funds could not be utilised due to non-receipt of State Share.
	Total	9.00	0.00	

Source: Appropriation Accounts

3.5.1.7 Non-materialisation of Budget Commitment

The budget speech outlines the priorities of the Government by detailing the new policy initiatives/ schemes for the social and economic welfare of the people of the State. In the Budget Speech 2022-23, the Finance Minister announced the following schemes/ projects under Grant No. 52 as shown in **Table 3.28**.

Table 3.28: Non-materialisation of budget commitment

(₹ in crore)

Scheme/ Project	Budget Allotment	Expenditure	Savings	Reply of the Department
Critical Veterinary Hospitals at Guwahati, Dibrugarh and Bokakhat	9.50	0.00	-9.50	Savings occurred due to non-receipt of Administrative Approval.
Poultry Sector Intervention for self-sufficiency in egg production	5.22	2.56	-2.66	Savings occurred due to non-release of FOC.
Total	14.72	2.56	-12.16	

Thus, budget commitment could not be fulfilled in two schemes as the Department could incur an expenditure of ₹ 2.56 crore (17 per cent) only against the allocation of ₹ 14.72 crore made during 2022-23.

3.5.1.8 Operation of Single Nodal Agency Accounts

The Government of India vide Office Memorandum No. 1(13)/PFMS/FCD/2020 dated 8 December 2021, instructed that every State Government is required to designate a Single Nodal Agency (SNA) for implementing each Centrally Sponsored Scheme (CSS). The SNA is to open Single Nodal Account for each CSS at the State level in a Scheduled Commercial Bank authorised to conduct business by the State Government.

During the year 2022-23, the State Government transferred CSS funds to SNA Accounts amounting to ₹ 6.67 crore (₹ 0.03 crore Central contribution and ₹ 6.64 crore State contribution). As on 31 March 2023, an amount of ₹ 19.99 crore remained unspent in SNA across four schemes under Grant No. 52 as detailed in the table below.

Table 3.29: Balances under SNA Accounts

(₹ in crore)

Scheme Name	Opening Balance	Funds Received	Interest Accrued	Interest Remitted	Expenditure	Closing Balance
Assistance to States for Control of Animal Diseases (ASCAD)	6.54	6.64	0.23	0.00	12.68	0.73
Integrated Sample Survey (ISS)	0.00	0.03	0.00	0.00	0.00	0.03
Livestock Census	1.48	0.00	0.05	0.52	0.38	0.63
National Livestock Mission (NLM)	16.92	0.00	0.62	1.46*	13.23*	18.60
Total	24.94	6.67	0.90	1.98	26.29	19.99

* Interest remitted and Expenditure for NLM is consolidated amount from 2016-23

As per Memorandum issued by the Ministry of Finance (30 June 2021), the interest earned from the funds in SNA Accounts is to be remitted to the respective Consolidated Funds. Audit analysis revealed the following:

- (a) During 2020-23, interest earned amounting to ₹ 0.54 crore was not remitted to SNA Account for the Scheme “Assistance to State for Control of Animal Diseases (ASCAD)”. On this being pointed out by Audit, the Director, A. H. & Veterinary Department stated (September 2023) that interest accrued could not be remitted to SNA due to non-bifurcation of Central Share and State Share components. Further, out of this amount, ₹ 0.38 crore was eventually remitted to the Consolidated Fund

- of India (CFI) in the financial year 2023-24 resulting in short remittance of ₹ 0.11 crore to the CFI and ₹ 0.05 crore to the Consolidated Fund of the State.
- (b) During 2022-23, ₹ 0.05 crore accrued as interest income was not remitted in the SNA Account for the Scheme “Livestock Census”. The Department stated that the remittance of the accrued interest is currently under process.
- (c) During 2022-23, interest accrued of ₹ 0.15 crore was not remitted as proportionate State Share in the SNA Account for the Scheme “National Livestock Mission”. The Department stated that no instruction regarding remittances of interest earned under State Share was received from the State Government.

Thus, non-remittance of interest earned from the CSS funds to the respective Consolidated Funds was not in compliance to the Memorandum issued by the Ministry of Finance in June 2021.

Further, as per Memorandum issued by the Ministry of Finance (14 September 2022), Central share of funds released to States under CSS before 01 April 2022, but not released further from State Treasury to the SNA Account up to 20 July 2022 should be returned to the CFI. However, Central share of funds amounting to ₹ 17.11 crore under 11 schemes released by GoI during 2015-22 was not released to concerned SNA Accounts within the stipulated date and had to be returned to the CFI. Details of the schemes are given in **Table 3.30**.

Table 3.30: Non-transfer of Central Share of CSS to SNA in due time

(₹ in crore)

Sl. No.	Name of the Scheme	Year of GoI Sanction	Central Share Received from GoI	Amount Released and Utilised	Amount not Released by State by 20 July 2022
1	Foot and Mouth Disease Control Program	2017-18	2.81	1.63	1.18
		2019-20	3.19	0.00	3.19
2	Brucellosis Control Program	2015-16	0.01	0.00	0.01
3	Assistance to State for Control of Animal Disease	2015-16	1.52*	0.00	0.05
		2019-20	3.84	0.32	3.52
4	National Animal Disease Reporting System	2019-20	0.01	0.00	0.01
5	Peste-Des Petits Ruminant Control Program	2015-16	0.59	0.00	0.59
		2019-20	0.40	0.00	0.40
6	Classical Swine Fever Control Program	2019-20	0.25	0.00	0.25
		2021-22	6.05	0.00	6.05
7	Establishment & Strengthening of Veterinary Hospital/ Dispensary	2015-16	6.18	5.31	0.87
8	Professional Efficiency Development	2016-17	0.04	0.00	0.04
9	National Project on Rinderpest Surveillance & Monitoring	2020-21	0.06	0.00	0.06
10	National Livestock Mission	2019-20	0.84	0.00	0.84
11	Integrated Sample Survey	2015-16	0.02	0.00	0.02
		2016-17	0.03	0.00	0.03
Total			25.84	7.26	17.11

*Out of ₹ 1.52 crore sanctioned during 2015-16, ₹ 1.47 crore was refunded to GoI during 2017-18.

3.5.2 Grant 57 – Panchayat and Rural Development (Rural Development)

The Panchayat and Rural Development (P&RD) Department is responsible for enhancing livelihood opportunities, providing social security and working for economic inclusion of rural poor families. Rural development programmes are being implemented through the P&RD Department at the State level and by the Zilla Parishad at the District Level. In 1989, the Panchayat & Community Development Department and the Rural Development Department were merged into “Panchayat & Rural Development Department.”

3.5.2.1 Budget and Expenditure

The overall position of budget provision, actual expenditure and savings/ excesses under this Grant during the five-year period 2018-23 is given in **Table 3.31**.

Table 3.31: Budget and Expenditure

Grant No. 57		2018-19	2019-20	2020-21	2021-22	2022-23
Total (Revenue + Capital)	Budget Provision	3,700.95	4,086.36	6,432.37	8,020.13	17,198.28
	Expenditure	1,106.36	2,823.14	3,543.21	3,593.85	14,248.02
	Savings (-)/ Excess (+)	-2,594.59	-1,263.22	-2,889.16	-4,426.28	-2,950.26
	Savings (-)/ Excess (+) (in per cent)	-70.11	-30.91	-44.92	-55.19	-17.15
i) Revenue- Voted	Budget Provision	3,700.95	4,086.36	6,394.37	8,020.13	17,198.28
	Expenditure	1,106.36	2,823.14	3,543.21	3,593.85	14,248.02
	Savings (-)/ Excess (+)	-2,594.59	-1,263.22	-2,851.16	-4,426.28	-2,950.26
	Savings (-)/ Excess (+) (in per cent)	-70.11	-30.91	-44.59	-55.19	-17.15
ii) Capital- Voted	Budget Provision	0.00	0.00	38.00	0.00	0.00
	Expenditure	0.00	0.00	0.00	0.00	0.00
	Savings (-)/ Excess (+)	0.00	0.00	-38.00	0.00	0.00
	Savings (-)/ Excess (+) (in per cent)	0.00	0.00	-100.00	0.00	0.00

Source: Appropriation Accounts

The grant showed large overall savings, with savings as a percentage of budget provision ranging from 17.15 per cent to 70.11 per cent during the period 2018-23. There was a marked improvement in savings in the current year, with savings as a percentage of total budget provision reducing from 55.19 per cent in 2021-22 to 17.15 per cent in 2022-23.

The Department stated (September 2023) that savings occurred mainly due to the non-filling of vacant posts and non-receipt of GoI sanction as per the estimated budget provision under the Centrally Sponsored Schemes.

3.5.2.2 Surrender of Savings

According to Paragraph 11.17 of Assam Budget Manual, 2012, a Controlling Officer should anticipate savings under a Grant and communicate them to the Finance Department not later than 15th of February each year.

Table 3.32 details the Major Head-wise total Budget, Expenditure, Savings and Surrender of Savings under Grant No. 57, during the last five years, *i.e.*, 2018-23.

Table 3.32: Segment-wise Budget and Expenditure

(₹ in crore)

Major Head	Item	2018-19	2019-20	2020-21	2021-22	2022-23
2216 - Housing	Total Budget (O + S)	1,697.30	1,950.54	3,489.84	5,587.25	15,330.85
	Budget (O)	1,697.30	1,100.00	1,823.18	2,837.25	3,888.89
	Budget (S)	0.00	850.54	1,666.66	2,750.00	11,441.96
	Surrender	1,619.75	0.00	0.00	0.00	0.00
	Expenditure	77.55	1,527.56	1,670.47	2,069.02	12,804.18
	Savings (-)/ Excess (+)	-1,619.75	-422.98	-1,819.37	-3,518.23	-2,526.67
	Savings (-)/ Excess (+) (in per cent)	-95.43	-21.69	-52.13	-62.97	-16.48
2501 - Special Programmes for Rural Development	Total Budget (O + S)	1,128.65	1,379.82	1,516.86	1,256.91	1,197.76
	Budget (O)	1,113.14	1,362.19	1,433.64	1,193.72	1,182.31
	Budget (S)	15.51	17.63	83.22	63.19	15.45
	Surrender	225.07	0.00	0.00	0.00	0.00
	Expenditure	899.29	1,115.78	1,182.12	1,017.34	1,144.69
	Savings (-)/ Excess (+)	-229.36	-264.04	-334.74	-239.57	-53.07
	Savings (-)/ Excess (+) (in per cent)	-20.32	-19.14	-22.07	-19.06	-4.43
2505 – Rural Employment	Total Budget (O + S)	875.00	756.00	1,387.67	1,175.97	669.67
	Budget (O)	875.00	756.00	382.84	1,175.97	669.67
	Budget (S)	0.00	0.00	1,004.83	0.00	0.00
	Surrender	745.48	0.00	0.00	0.00	0.00
	Expenditure	129.52	179.80	690.62	507.49	299.15
	Savings (-)/ Excess (+)	-745.48	-576.20	-697.05	-668.46	-370.52
	Savings (-)/ Excess (+) (in per cent)	-85.20	-76.22	-50.23	-56.84	-55.33
4515 - Capital Outlay on other Rural Development Programmes	Total Budget (O + S)	-	-	38.00	-	-
	Budget (O)	-	-	38.00	-	-
	Budget (S)	-	-	0.00	-	-
	Surrender	-	-	0.00	-	-
	Expenditure	-	-	0.00	-	-
	Savings (-)/ Excess (+)	-	-	-38.00	-	-
	Savings (-)/ Excess (+) (in per cent)	-	-	-100.00	-	-

Source: Appropriation Accounts

As can be seen from **Table 3.32**, savings were seen across all the Major Head levels where allocation was made in the grant for the current year. Despite large overall savings at Major Head level of ₹ 2,526.67 crore under Major Head 2216 – Housing, ₹ 53.07 crore under Major Head 2501 – Special Programmes for Rural Development, and ₹ 370.52 crore under Major Head 2505 – Rural Employment, no amount was surrendered. Such large savings at Major Head levels were also seen in each of the last five years but surrender of funds was done only once in the financial year 2018-19. Non-compliance of the provisions of the Assam Budget Manual for surrender of savings indicated inefficient budget management.

3.5.2.3 Unnecessary/Excessive Supplementary Grant

Quantum of Supplementary Grant provided to the P&RD Department under Grant No. 57 during the last five years *i.e.*, 2018-19 to 2022-23 is given in **Table 3.33** and also in **Chart 3.13**.

The Supplementary Grant provision proved unnecessary in the years 2018-19 to 2021-22 as the actual expenditure was less than the Original Budget Provision resulting

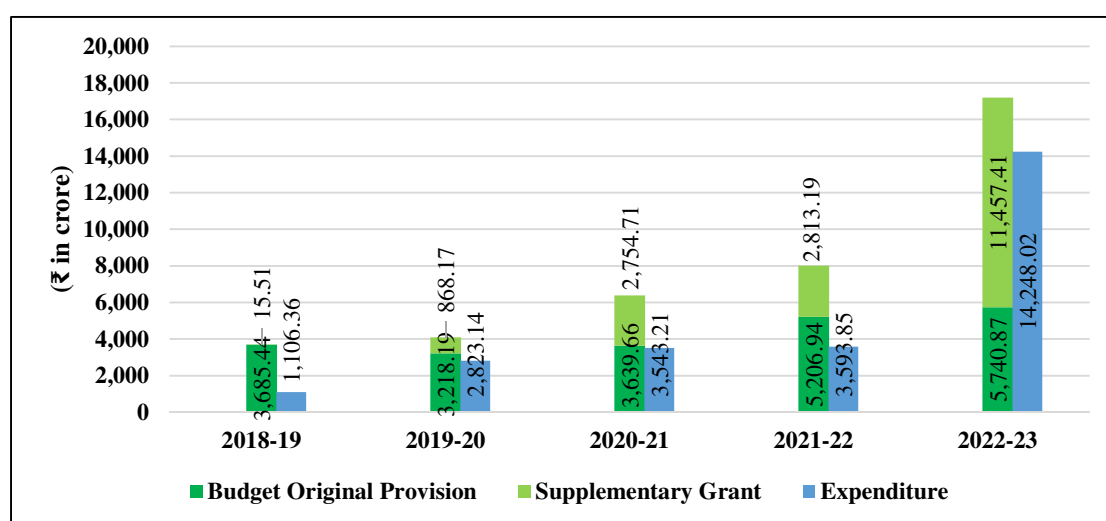
in huge savings. However, in the year 2022-23, the supplementary allocation proved excessive as the final expenditure fell short of the total budget provision during the year as shown below.

Table 3.33: Unnecessary/ Excessive Supplementary Provision

(₹ in crore)					
Segment	Year	Original Budget Provision	Expenditure	Savings (-)/ Excess (+) out of Original Provision	Supplementary Grant
Revenue-Voted	2018-19	3,685.44	1,106.36	-2,579.08	15.51
	2019-20	3,218.19	2,823.14	-395.05	868.17
	2020-21	3,639.66	3,543.21	-96.45	2,754.71
	2021-22	5,206.94	3,593.85	-1,613.09	2,813.19
	2022-23	5,740.87	14,248.02	8,507.15	11,457.41

Source: Appropriation Accounts

Chart 3.13: Unnecessary/ Excessive Supplementary grants under Grant No. 57 (Revenue-Voted)



Out of the total supplementary provision of ₹ 11,457.41 crore during the current year, ₹ 10,702.83 crore (93.41 per cent) was provided under two Heads of Account to Pradhan Mantri Awas Yojana (Gramin), as detailed in the table below.

Table 3.34: Excessive Supplementary under Sub-Head

(₹ in crore)							
Sl. No.	Head of Account	Name of Scheme/ Programme	Original Budget Provision	Expenditure	Supplementary Required	Supplementary Provision	Excessive Supplementary Grant
1	2216-03-105-5689-927	Pradhan Mantri Awas Yojana (Gramin)/ Central Share	3,500.00	9,981.98	6,481.98	9,632.55	3,150.57
2	2216-03-105-5689-928	Pradhan Mantri Awas Yojana (Gramin)/ State Share	388.89	1,249.45	860.56	1,070.28	209.72
Total			3,888.89	11,231.43	7,342.54	10,702.83	3,360.29

Source: Appropriation Accounts

Seeking supplementary grants without/ in excess of requirement is indicative of poor budgetary management by the State Government.

3.5.2.4 Unnecessary Re-appropriation

Re-appropriation is the transfer of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged Appropriation.

As per Paragraph 9.2 of ABM, 2012, Finance Department has the power to sanction/authorise any re-appropriation within a Grant, which does not involve undertaking of a recurring liability. Copies of such orders sanctioning any re-appropriation must be communicated to the Principal Accountant General as soon as they are passed.

Within Grant No. 57, enhancement in provision through re-appropriation proved excessive and resulted in huge savings (₹ five crore and above in each case) in five Sub-Heads as re-appropriated amount was not fully utilised, as detailed in the table below.

Table 3.35: Excessive Re-appropriation

(₹ in crore)

Sl. No.	Head of Account	Budget (O+S)	Re-appropriation	Expenditure	Savings
1	2216-03-789-5689-927 PMAY-G/ Central Share	246.38	506.10	507.71	-244.77
2	2216-03-789-5689-928 PMAY-G/ State Share	27.38	56.23	75.97	-7.64
3	2216-03-796-5689-927 PMAY-G/ Central Share	418.84	857.68	860.41	-416.11
4	2216-03-796-5689-928 PMAY-G/ State Share	46.54	95.30	128.67	-13.17
5	2501-06-101-4921-927 NRLM/ Central Share	0.00	228.27	221.15	-7.12

Source: Appropriation Accounts

Further, re-appropriation proved unnecessary resulting in huge savings (₹ one crore and above in each case) in two Sub-Heads as re-appropriated amount was completely unutilised, as shown in the table below.

Table 3.36: Unnecessary Re-appropriation

(₹ in crore)

Sl. No.	Head of Account	Budget (O+S)	Expenditure	Re-appropriation	Savings
1	2501-06-101-4598-927 DDU-GKY/ Central Share	0.00	0.00	3.03	-3.03
2	2501-06-101-4599-927 Start-up Village Entrepreneurs Programme/ Central Share	0.00	0.00	1.69	-1.69

Source: Appropriation Accounts

Substantial savings in respect of Heads of Account where re-appropriation is resorted to, reflects poorly on planning and monitoring of budget allocation and its utilisation by the State Government.

The Department stated (September 2023) that the re-appropriated funds could not be utilised due to non-receipt of sanction from the Government.

3.5.2.5 Persistent Savings under Sub-Head

The two schemes listed in **Table 3.37** showed large and persistent savings in the last five years, during the period 2018-23.

Table 3.37: Persistent Savings under Sub-Head

(₹ in crore)

Sl. No.	Head of Account	Year	Total Grant	Expenditure	Details of Savings	
					Amount	Per cent
1	2216-03-105-{5689}-Pradhan Mantri Awas Yojana (Gramin)	2018-19	1,697.30	77.55	-1,619.75	-95.43
		2019-20	1,950.54	1,527.56	-422.98	-21.69
		2020-21	3,489.84	1,670.47	-1,819.37	-52.13
		2021-22	5,587.25	2,069.02	-3,518.23	-62.97
		2022-23	13,076.41	11,231.42	-1,844.99	-14.11
		Total	25,801.34	16,576.02	-9,225.32	-35.76
2	2505-02-101- {4866}-Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	2018-19	875.00	129.52	-745.48	-85.20
		2019-20	756.00	179.80	-576.20	-76.22
		2020-21	1,387.67	690.62	-697.05	-50.23
		2021-22	1,175.97	507.49	-668.48	-56.84
		2022-23	666.67	296.22	-370.45	-55.57
		Total	4,861.31	1,803.65	-3,057.66	-62.90

Source: Appropriation Accounts

The Department stated (September 2023) that the savings occurred due to non-receipt of FOC, Sanction, and Central Share from GoI.

3.5.2.6 Savings of Entire Budget Provision

Budget provision of ₹ 7.42 crore made under the following seven schemes/ projects, with individual allocation in excess of ₹ 10 lakh, for the year 2022-23 under Grant No. 57 remained unutilised at the end of the year. Scheme-wise details is given in **Table 3.38**.

Table 3.38: Non-utilisation of budget provision

(₹ in crore)

Sl. No	Head of Account	Budget Provision	Expenditure
1	2501-01-800- {2674} Expenditure for National Green Tribunal (NGT) related Works to Compliance of Honourable NGTs Order	3.80	0.00
2	2501-01-800- {6082} Family Identification Card	1.00	0.00
3	2501-01-800- {2297} New Office Building of Lakhimpur Zilla Parishad	0.95	0.00
4	2501-01-800- {2378} Training at SIRD, P&RD Department	0.55	0.00
5	2501-01-800- {2629} New Pension Scheme for Unmarried Women above 40 for 66000 Nos. Beneficiaries @300/- per Beneficiary	0.49	0.00
6	2501-01-800- {2299} Atal Atma Sanstha Yojana (SIPRD)	0.48	0.00
7	2501-01-800- {5538} Chief Ministers Special Package for Dhakuakhana	0.15	0.00
Total		7.42	0.00

Source: Detailed Appropriation Accounts (2022-23)

The Department stated (September 2023) that budget provision could not be utilised mainly due to non-release of funds, non-receipt of Financial Sanction and FOC from the Government.

3.5.2.7 Single Nodal Agency

The Government of India, Ministry of Finance, Department of Expenditure, New Delhi vide Office Memorandum No. 1(13)/PFMS/FCD/2020 dated 8 December 2021, provided that every State Government is required to designate a Single Nodal Agency (SNA) for implementing each Centrally Sponsored Scheme (CSS). The SNA is to open Single Nodal Account for each CSS at the State level in a Scheduled Commercial Bank authorised to conduct business by the State Government.

During the year 2022-23, the State Government transferred CSS funds to SNA Accounts amounting to ₹ 14,136.36 crore (₹ 12,507.91 crore: Central Contribution and ₹ 1,628.45 crore: State Contribution). As on 31 March 2023, an amount of ₹ 12,139.32 crore was utilised by the SNAs, while an amount of ₹ 2,898.64 crore remained unspent in SNA across 14 schemes under Grant No. 57 as detailed in **Appendix 3.9. Table 3.39** summarises the overall position of all SNA accounts operated under Grant No. 57.

Table 3.39: Balances under SNA Accounts

(₹ in crore)						
Opening Balance on 01.04.2022	Funds received in SNA Accounts	Interest Accrued	Other Receipt	Interest Remitted	Expenditure	Unspent Balance as on 31.03.2023
899.11	14,136.36	41.57	0.11	39.19	12,139.32	2,898.64

As per Memorandum issued by the Ministry of Finance dated 30 June 2021, the interest earned from the funds in SNA Accounts is to be remitted to the respective Consolidated Funds. Out of the total interest accrued amounting to ₹ 41.57 crore, an amount of ₹ 2.38 crore remained unremitted to the Consolidated Funds as on 31 March 2023. Further, of ₹ 2.38 crore of unremitted interest, an amount of ₹ 1.97 crore was not remitted under two schemes, as detailed in **Table 3.40**.

Table 3.40: Non-remittance of interest to Consolidated Funds

(₹ in crore)						
Sl. No.	Scheme Name	Interest accrued during 2022-23		Interest Remitted		Reply of Department
		Centre	State	Centre	State	
1	Indira Gandhi National Old Age Pension Scheme	0.95	0.25	0.00	0.00	Interest could not be remitted due to technical problems arising in PFMS.
2	Shyama Prasad Mukherjee Rurban Mission (SPMRM)	0.69	0.08	0.00	0.00	Interest could not be remitted due to pending DDO mapping of SPMRM.

Further, as per Para 8 and 9 of the Ministry of Finance order dated 23 March 2021, GoI would release central share for CSS to the State Government's accounts for further release to the SNA Account. The SNA Account must be fully integrated with PFMS in consonance with Rule 232 (v) of the General Financial Rule for better monitoring and utilisation of funds.

Audit analysis of both PFMS and SNA Accounts revealed there was a mismatch of funds between SNA and PFMS in respect two schemes, as shown in **Table 3.41**.

Table 3.41: Mismatch of Funds between SNA & PFMS

(₹ in crore)

Sl. No.	Name of Scheme	Account No.	Funds released from the Treasury to SNA as per PFMS		Fund received from Treasury to SNA as per State Nodal Account		Mismatch of funds	
			CS	SS	CS	SS	CS	SS
1	PMAY-G	SBI XXX904	8,830.48	981.16	11,350.09	1,454.08	2,519.61	472.92
2	NRLM-NRETP	Canara XXX820	39.68	4.41	40.08	4.41	0.40	-

The Department stated (September 2023) that the difference of funds between PFMS and SNA in respect of PMAY-G was due to non-updating of SNA report of PFMS. The mismatch of ₹ 40 lakh in respect of National Rural Economic Transformation Project (NRETP) was due to release of funds from MoRD directly to the SNA Account and not through PFMS.

3.6 Conclusion

- Budgetary assumptions of Government of Assam (GoA) continued to be unrealistic and overestimated during 2022-23, as the State Government incurred an expenditure of ₹ 1,28,885.83 crore, against 84 grants and appropriations of ₹ 1,56,525.63 crore, resulting in overall savings of ₹ 27,639.80 crore during the year. These savings stood at 17.66 *per cent* of total grants and appropriations made for the year.
- These savings may be seen in the context of over estimation of receipts of ₹ 1,37,521.74 crore by the State Government and the estimation on the expenditure side being ₹ 1,56,525.63 crore during the year 2022-23. As against the estimated receipts, the actual receipts were ₹ 1,18,017.39 crore only thereby restricting the total expenditure during the year to ₹ 1,28,885.83 crore. This implied that the savings were notional, as the funds were not actually available for expenditure.
- Out of the total savings of ₹ 27,639.80 crore during the current year, only one *per cent* (amounting to ₹ 285.85 crore) was surrendered, which deprived the other departments from utilising the amount, indicating poor financial management.
- During 2022-23, an expenditure of ₹ 176.49 crore was incurred in four Sub-Heads under four Grants/ Appropriation (₹ 50 lakh and above in each case) without budget provision.
- Review of Grant No. 52 revealed that Animal Husbandry and Veterinary Department had persistent savings ranging between 36.01 *per cent* and 50.04 *per cent* during the period 2018-23. During 2022-23, out of the total budget provision of ₹ 514.33 crore, only ₹ 307.72 crore was utilised resulting in overall savings of ₹ 206.61 crore.

- Review of Grant No. 57 showed that the Panchayat and Rural Development Department had large savings over budget provisions ranging from 17.15 per cent to 70.11 per cent during the period 2018-23. There was a marked improvement in control of savings in the current year, with savings as a percentage of total budget provisions reducing from 55.19 per cent in 2021-22 to 17.15 per cent in 2022-23.

3.7 Recommendations

- State Government may formulate realistic budget based on reliable assumptions of likely resource mobilisation, the assessed needs of the Departments and their capacity to utilise the allocated resources so as to avoid inflated budgeting without corresponding to the available resources.*
- State Government may institute a formal mechanism to enforce proper implementation and monitoring of budget to ensure that large savings within the grant/ appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe.*
- Finance Department may review the Departments having persistent savings for realistic budget allocation and monitoring of expenditure.*
- State Government may get the expenditure incurred in excess of the budget provision regularised by the State Legislature.*

