

**CHAPTER-3**

**BUDGETARY MANAGEMENT**



## Chapter 3

### Budgetary Management

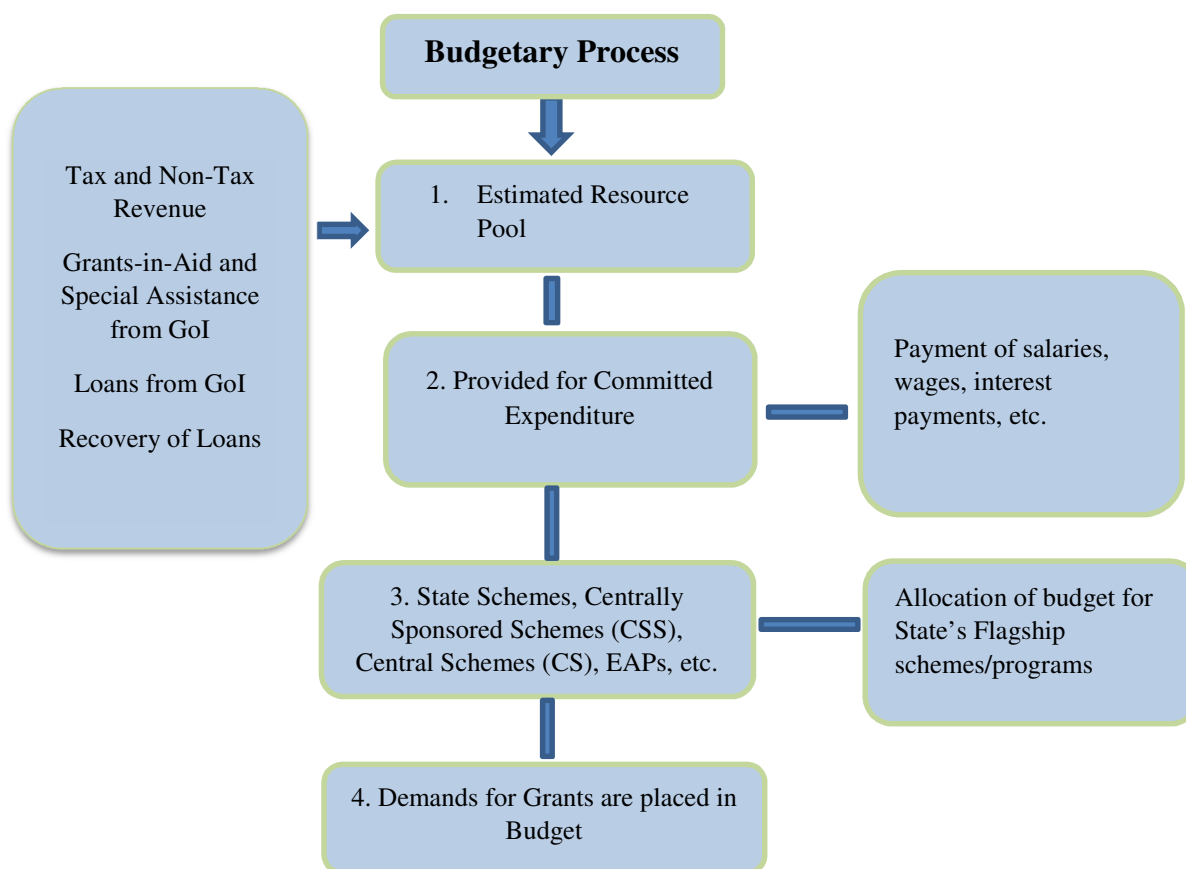
#### 3.1 Budget Process

In terms of Section 27 of GNCTD Act, 1991, the Lieutenant Governor shall cause to be laid before the Legislative Assembly, a statement of the estimated receipts and expenditure of the Government of National Capital Territory of Delhi (GNCTD) in respect of every financial year.

During the year 2023-24, GNCTD administered 15 grants/ appropriations. The estimates of the expenditure show ‘charged’ and ‘voted’ items of expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorization is necessary before incurring any expenditure by GNCTD.

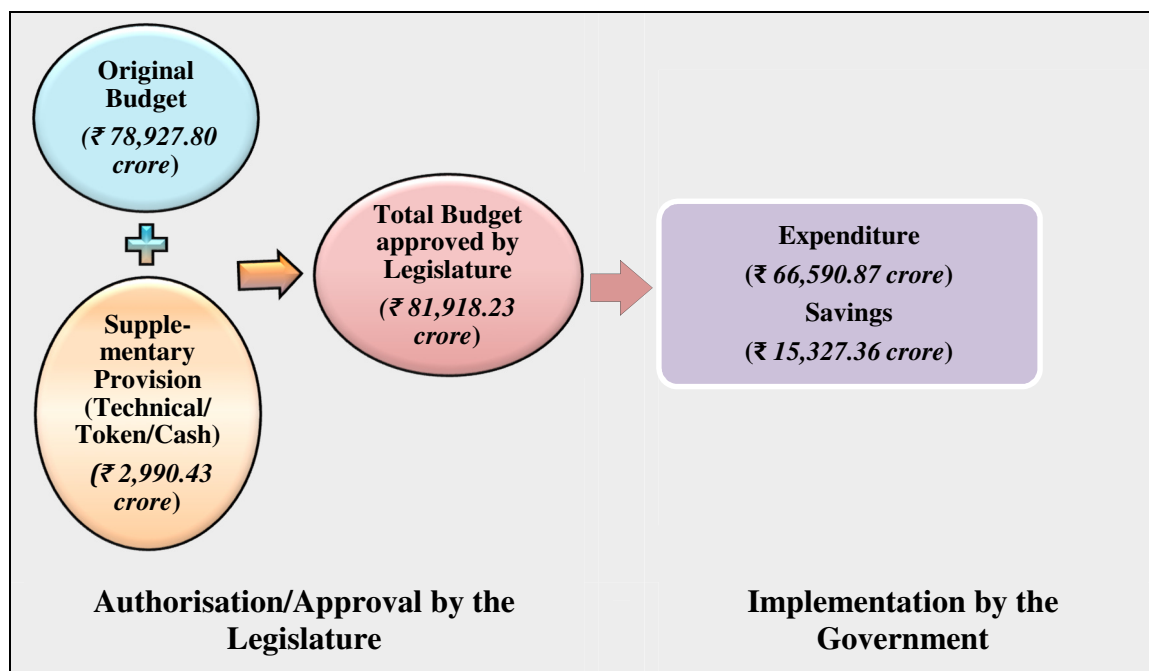
The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. The budget process commences with the issue of the Budget Circular, normally in August each year, providing guidance to different Departments in framing their estimates, for the next financial year. A typical budget preparation process in GNCTD is given in **Chart 3.1**:

**Chart 3.1: Flow chart of budget preparation process**



The various components of the Budget for the financial year 2023-24 are depicted in Chart 3.2.

**Chart 3.2: Flow chart of budget implementation for the Financial Year 2023-24**



Source: Appropriation Accounts for the year 2023-24

Thus, 18.71 per cent of the budget authorized by the legislature could not be expended by GNCTD.

### 3.1.1 Summary of total provisions, actual disbursements and savings during the financial year 2023-24

A summarized position of total budget provision, disbursement and savings/excess for the financial year 2023-24 is given in **Table 3.1**:

**Table 3.1: Disbursements and savings/excess during 2019-20 to 2023-24**

(₹ in crore)

Year	Provisions		Disbursements		Savings/Excess	
	Voted	Charged	Voted	Charged	Voted / (in percentage)	Charged (in percentage)
2019-20	57,305.74	6,874.94	45,632.91	5,877.12	11,672.83 (20.37)	997.82 (14.51)
2020-21	58,932.64	6,959.23	46,442.27	6,453.49	12,490.37 (21.19)	505.74 (7.27)
2021-22	63,998.48	8,082.60	53,660.30	7,881.70	10,338.18 (16.15)	200.90 (2.49)
2022-23	70,566.96	8,561.32	56,519.08	8,493.49	14,047.88 (19.91)	67.83 (0.79)
2023-24	73,016.31	8,901.92	57,834.91	8,755.96	15,181.40 (20.79)	145.96 (1.64)

GNCTD had envisaged ₹ 81,918.23 crore for spending on its activities/scheme against which the net disbursement/expenditure was ₹ 65,823.87<sup>1</sup> crore, resulting in saving of ₹16,094.36 crore. Moreover, disbursement/expenditure nearly matched the total receipts of ₹ 56,896.04 crore, which was nearly 70 *per cent* of sanctioned budget. Estimating expenditure more than actual requirement was indicative of deficient budgeting exercise. The trend of utilisation of budget vis-à-vis total receipts and total expenditure over the five-year period (2019-2024) is as under:

**Table 3.2 :Trend of budget utilization vis-à-vis total receipts and total expenditure**

(₹ in crore)					
Year	Budget	Net Expenditure	Receipt	Percentage of net expenditure <sup>2</sup> to total budget	Percentage of receipt to total budget
2019-20	64,180.68	51,186.25	52,724.06	79.75	82.15
2020-21	65,891.87	52,468.04	57,860.08	79.63	87.81
2021-22	72,081.08	61,172.34	61,128.44	85.00	85.00
2022-23	79,128.28	64,110.34	67,211.72	81.02	84.94
2023-24	81,918.23	65,823.87	56,896.04	80.35	69.45

### 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 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 distinctly depict the original budget provision, supplementary grants, surrenders and re-appropriations and indicate actual capital and revenue expenditure on various specified services vis-à-vis those authorized by the Appropriation Act in respect of both charged and voted items of budget. Appropriation Accounts thus, facilitate understanding of utilization of funds, the management of finances and monitoring of budgetary provisions and, therefore, complement Finance Accounts.

Audit of Appropriation Accounts by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants are within the authorization given under the Appropriation Act. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions. This chapter contains audit observations in respect of the Appropriation Accounts prepared by the Controller of Accounts, GNCTD for the year 2023-24.

<sup>1</sup> ₹ 66,590.87 crore-₹ 767.00 crore (recoveries)

<sup>2</sup> Include repayment of public debt

### 3.2.1 Budget Marksmanship

#### Aggregate Budget Outturn

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

(₹ in crore)

Description	Original Approved Budget (BE)	Actual Outturn	Difference between Actual and BE
Revenue	57,111.11	51,093.88	6,017.23
Capital	21,816.69	15,496.99	6,319.70
<b>Total</b>	<b>78,927.80</b>	<b>66,590.87</b>	<b>12,336.93</b>

In Revenue section, overall deviation in outturn compared with BE was (-) 10.54 *per cent*. This was due to deviation ranging from (-) 22.68 to 25 *per cent* in nine grants, from +25 *per cent* to 50 *per cent* in three grants and from +50 to 100 *per cent* in one grant. No provision was, however, made in respect of two grants (**Appendix 3.1**).

In Capital Section, overall deviation in actual expenditure compared with BE was (-) 28.97 *per cent*. This was due to deviation ranging from 0 to 25 *per cent* in one grant, from +25 *per cent* to 50 *per cent* in three grants, from +50 to 100 *per cent* in nine grants. No provision was, however, made in respect of two grants in capital section (**Appendix 3.2**).

#### 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.

(₹ in crore)

Description	Original Approved Budget (BE)	Sanctioned Budget (SB) (O+S)	Actual Outturn	Difference between BE and SB	Difference between Actual and SB*
Revenue	57,111.11	58,755.52	51,093.88	1,644.41	(-)7,661.64
Capital	21,816.69	23,162.71	15,496.99	1,346.02	(-)7,665.72
<b>Total</b>	<b>78,927.80</b>	<b>81,918.23</b>	<b>66,590.87</b>	<b>2,990.43</b>	<b>(-)15,327.36</b>

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

In Revenue section, overall deviation in outturn compared with Sanctioned Budget was (-) 13.04 *per cent*. This was due to deviation ranging from (-) 22.68 to 25 *per cent* in nine grants, from +25 *per cent* to 50 *per cent* in two grants and from +50 to 100 *per cent* in two grants. No provision was, however, made in respect of two grants (**Appendix 3.1**).

In Capital Section, overall deviation in outturn compared with Sanctioned Budget was (-) 33.10 *per cent*. This was due to deviation ranging from 0 and 25 *per cent* in two grants, from +25 *per cent* to 50 *per cent* in two grants, from +50 to 100 *per cent* in nine grants. No provision was, however, made in respect of two grants in capital section (**Appendix 3.2**).

### 3.3 Integrity of budgetary and accounting process

#### Brief

Of the total 25 cases of savings exceeding ₹ 100 crore across all the grants, 20 cases were checked with respect to department's records and the reasons for savings in respect of these cases were found to be matching in 14 cases. In the remaining six cases, variation in reasons for savings was noticed, as detailed in **Appendix 3.3**.

Further, Grant No. 8-Social Welfare, was selected for detailed examination for reviewing the trend over the last three years. Under this grant, the reasons for injudicious re-appropriation, persistent savings and rush of expenditure were also checked with reference to department's records and found to be matching

#### 3.3.1 Unnecessary or excessive supplementary grants

Supplementary demand should be resorted to only in exceptional and urgent cases. While obtaining a supplementary grant, the Department has to keep in view the resources available or likely to be available during the year and exercise due caution while forecasting its additional budgetary requirement of funds.

Scrutiny of Appropriation Accounts for the year 2023-24 revealed that supplementary grants amounting to ₹ 1,625.43 crore in eight cases, as detailed in **Appendix 3.4**, were obtained in anticipation of higher/additional expenditure. However, the final expenditure was even less than the original grant, thereby defeating the intended purpose of the supplementary grant.

#### 3.3.2 Unnecessary or excessive re-appropriation

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed.

Scrutiny of Appropriation Accounts for the year 2023-24 revealed that unnecessary re-appropriations of ₹ 612.16 crore were made to 23 sub heads spread across six grants, as the departments were not able to fully utilize even their existing grants (Original+ Supplementary) and there was a cumulative savings (more than ₹ 15 crore in each case) of ₹ 1,227.53 crore, which was indicative of deficient budgeting exercise, as detailed in **Appendix 3.5**.

#### 3.3.3 Unspent amount and surrendered appropriations and/or large savings/surrenders

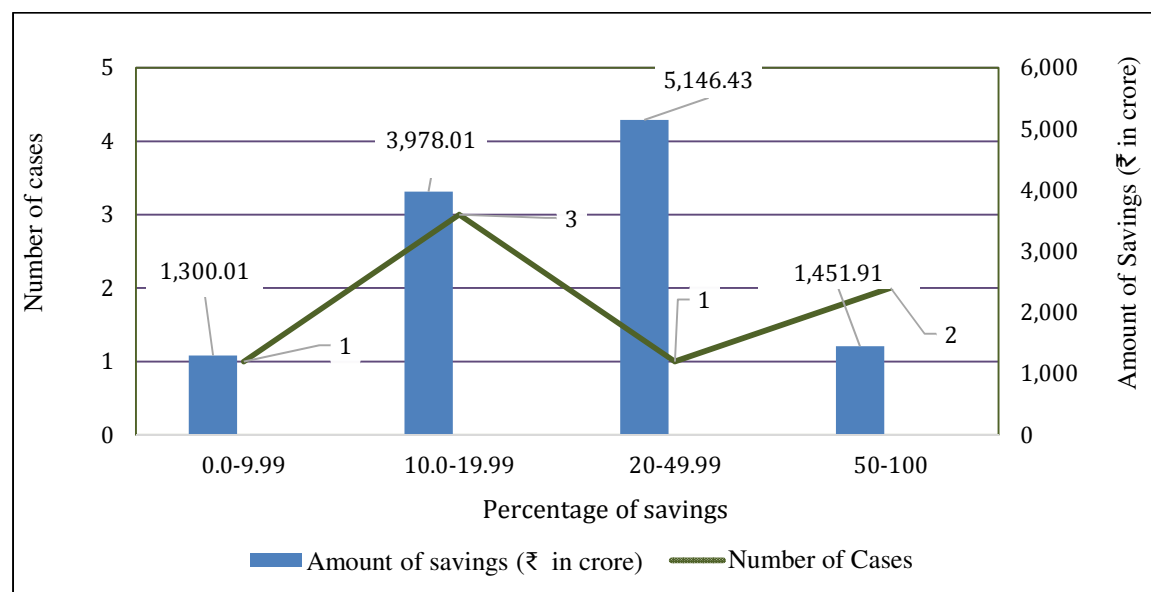
As per Rule 62(2) of General Financial Rules 2017, savings as well as provisions that cannot be profitably utilized should be surrendered immediately when they are foreseen without waiting till the end of the year. No savings should be made in reserve for possible future excesses.

In six grants (**Appendix 3.6**), against the total provision of ₹ 60,056.56 crore, the actual expenditure was ₹ 48,180.20 crore and savings were ₹ 11,876.36 crore (more than ₹ 500

crore in each case). Further, despite significant savings out of original budget provision, supplementary provisions were obtained (**Appendix 3.6**).

Further, these grants have been grouped by the percentage of savings at **Chart 3.3** that in six grants (Grant No 2, 4, 6, 7, 8 & 11) savings amounting to ₹ 11,876.36 crore ranged from 8 to 94 *per cent* of total provision. However, in one grant (Grant No. 11) there was savings of ₹ 5,146.43 crore (41 *per cent*).

**Chart 3.3: Number of Grants/Appropriations grouped by the percentage of savings along with total savings in each group**



Audit further noted that in nine grants there were total savings of ₹12,969.72 crore in which an amount of ₹ 6,763.76 crore was surrendered and ₹ 6,205.96 crore (more than ₹ 10 crore in each case) of total savings lapsed at the end of March 2024, as detailed in **Appendix 3.7**.

During the five-year period (2019-24), savings of more than ₹10 crore lapsed at the end of the financial year concerned under 10 out of the 15 grants administered by GNCTD. It was further noticed that eight of these 10 grants were reporting such cases persistently in all the five years (**Appendix 3.8**).

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

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

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

The summarised position of actual expenditure vis-à-vis original/ supplementary provisions is given in **Table 3.3** below:



**Table 3.3: Summarized position of actual expenditure vis-à-vis original/ supplementary provisions**

(₹ in crore)

Segment	Nature of expenditure	Original grant/ appropriation	Supplementary Grant/ Appropriation	Total	Actual expenditure	Savings(-)	Savings that Lapsed on	
						Excess(+)	31-March-2024	
							Amount	per cent of total savings
Voted	I. Revenue	53,431.99	1,623.28	55,055.27	47,479.63	(-)7,575.64	5,373.39	70.93
	II. Capital	11,636.67	632.10	12,268.77	6,716.00	(-)5,552.77	1,461.48	26.32
	III. Loans and Advances	5,086.92	605.35	5,692.27	3,639.28	(-)2,052.99	1,488.72	72.51
<b>Total voted</b>		<b>70,155.58</b>	<b>2,860.73</b>	<b>73,016.31</b>	<b>57,834.91</b>	<b>(-)15,181.40</b>	<b>8,323.59</b>	<b>54.83</b>
Charged	I. Revenue	3,679.12	21.13	3,700.25	3,614.25	(-)86.00	40.20	46.74
	II. Capital	52.81	108.56	161.37	148.02	(-)13.35	12.60	94.45
	Public Debt	5,040.29	0.01	5,040.30	4,993.69	(-)46.61	0.01	0.025
	III. Loans and Advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total charged</b>		<b>8,772.22</b>	<b>129.70</b>	<b>8,901.92</b>	<b>8,755.96</b>	<b>(-)145.96</b>	<b>52.81</b>	<b>36.18</b>
<b>Appropriation to Contingency Fund (if any)</b>		0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Grand Total</b>		<b>78,927.80</b>	<b>2,990.43</b>	<b>81,918.23</b>	<b>66,590.87</b>	<b>15,327.36</b>	<b>8,376.40</b>	<b>54.65</b>

Source: Appropriation Accounts.

Details of original budget, revised budget estimates and actual expenditure for the period 2019-20 to 2023-24 are given in **Table 3.4**:

**Table 3.4: Original budget, revised estimates and actual expenditure during the period 2019-20 to 2023-24**

(₹ in crore)

	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Original Budget</b>	60,000.00	65,000.00	69,000.00	75,829.94	78,927.80
<b>Supplementary Budget</b>	4,180.68	891.87	3,081.08	3,298.34	2,990.43
<b>Total Budget (TB)</b>	64,180.68	65,891.87	72,081.08	79,128.28	81,918.23
<b>Revised Estimate (RE)</b>	54,800.00	59,000.00	67,000.00	72,500.00	74,900.00
<b>Actual Expenditure (AE)</b>	51,510.03	52,895.76	61,542.00	65,012.57	66,590.87
<b>Savings/excess</b>	12,670.65	12,996.11	10,539.08	14,115.71	15,327.36
<b>Percentage of supplementary to the Original provision</b>	6.97	1.37	4.47	4.34	3.79
<b>Percentage of Savings/ Excess to the overall Provision</b>	19.74	19.72	14.62	17.84	18.71
<b>TB-RE</b>	9380.68	6,891.87	5,081.08	6,628.28	7,018.23
<b>RE-AE</b>	3289.97	6,104.24	5,458.00	7,487.43	8,309.13
<b>(TB-RE) as % of TB</b>	14.62	10.46	7.05	8.38	8.58
<b>(RE-AE) as % of TB</b>	5.13	9.26	7.57	9.46	10.14

Source: Budget at glance and Appropriation Accounts of the respective years

As can be seen from the table above, the savings as a percentage of Revised Estimates are on a continuously increasing trend for the past three years and stood at their maximum during 2023-24 at 10.14 *per cent*. Further, as a percentage of overall provisioning, the savings stood at 18.71 *per cent*.

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

Several policy initiatives taken up by the Government were partially or fully 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 deprive other departments of the funds which they could have utilised.

It was observed that in 76 sub-heads under eight Grants, there was a revised outlay of ₹ 1,270.46 crore (₹ one crore or above in each scheme) but no expenditure was incurred resulting in non-implementation of schemes as shown in **Appendix 3.9**.

Savings of the entire provision was indicative of the fact that the estimates were not prepared after adequate scrutiny of the projects/schemes. Schemes which did not take off due to non-utilisation of the entire revised provision were – (i) Grants in Aid to MCD/NDMC for AMRUT 2.0 (CSS) (₹ 438.24 crore) (ii) Other Grants to MRTS (₹ 200.00 crore) (iii) Loan to Delhi Jal Board for Chandrawal WTP JICA (Central Share) (₹ 200.00 crore) (iv) Grant to DMRC for sharing foreign exchange variation on external assistance (JICA loan) for DMRTS (₹ 100.00 crore) (v) Assistance to State Agencies for Inter-State Movement of Food grains and FPS dealers Margin under NFSA (CSS) (₹ 49.55 crore) (vi) Urban Family Welfare Centre (CSS) (₹ 24.53 crore).

Further, it was observed that in 72 sub-heads under nine grants, provision of ₹ 3,063.31 crore (₹ one crore or above in each case) was made in the original budget (**Appendix 3.10**) but the amount was completely withdrawn in the revised outlay for the financial year 2023-24.

### 3.4.3 Rush of expenditure

Rule 62(3) of GFR, 2017 provides that rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided. As per the guidelines of the Ministry of Finance, GoI dated 24 January 2020, expenditure in the last quarter and last month i.e. March of the financial year should be restricted to 25 *per cent* and 10 *percent* of the budget respectively.

It was noticed that out of the net total expenditure of ₹ 65,823.87 crore during 2023-24, expenditure of ₹ 19,155.56 crore (23.38 *per cent* of total budget) was incurred in the last quarter, whereas ₹ 8,063.27 crore (9.84 *per cent* of total budget) was incurred during the month of March, 2024.

Rush of expenditure during the last quarter, especially during the month of March, indicates non-adherence to financial rules besides adversely affecting quality of expenditure.

#### i) Sub-heads where entire expenditure was incurred in March 2024

Audit noted that in two sub-heads under Grant No. 8 Social Welfare, entire expenditure of ₹ 294.50 crore was incurred in March 2024 as detailed in **Table 3.5**:

**Table 3.5: Heads where entire expenditure was incurred in March 2024**

Sl. No.	Grant No. and name	Head of Account (upto Sub-Head)	100 <i>per cent</i> expenditure during March (₹ in crore)
1	8-Social Welfare	3055.001.90.99.00.33-Subsidy to DTC for concessional Passes	50.00
2		7055.001.90.96.00.55 Subordinate Debts for land acquisition for MRTS	244.50
Total			294.50

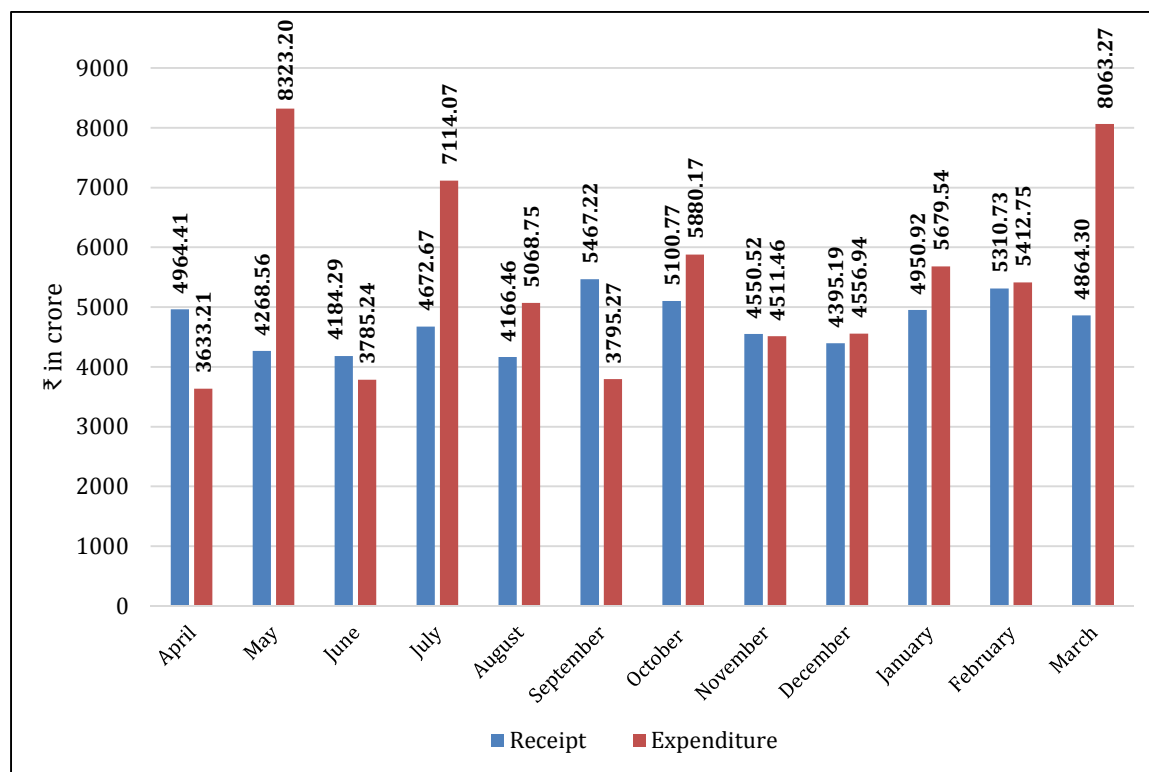
Source: Principal Accounts Office, GNCTD

## ii) Grants with more than 50 per cent of expenditure in March alone

Audit noted that in 22 sub-heads under seven grants, an expenditure of ₹ 1,286.17 crore ranging from 50.66 to 97.70 per cent of the total expenditure was incurred in March, 2024 as depicted in **Appendix 3.11**.

### 3.4.4 Monthly position of expenditure and receipts

It may be observed from **Chart 3.4** below that month-wise receipts of GNCTD ranged between 7.32 per cent (August 2023) to 9.61 per cent (September 2023) of the total receipt of ₹ 56,896.04 crore whereas month-wise expenditure of GNCTD ranged between 5.52 per cent (April 2023) to 12.64 per cent (May 2023) of the net expenditure of ₹ 65,823.87 crore during the year 2023-24.

**Chart 3.4: Monthly receipts and expenditure during the FY 2023-24**

Source: Principal Accounts Office, GNCTD

### 3.5 Review of selected Grant (“Grant No. 08- Social Welfare”)

A review of budgetary procedure and control over expenditure in respect of “**Grant No. 08-Social Welfare**” was conducted, wherein magnitude of variations in original grants, supplementary demands and actual expenditure was analyzed.

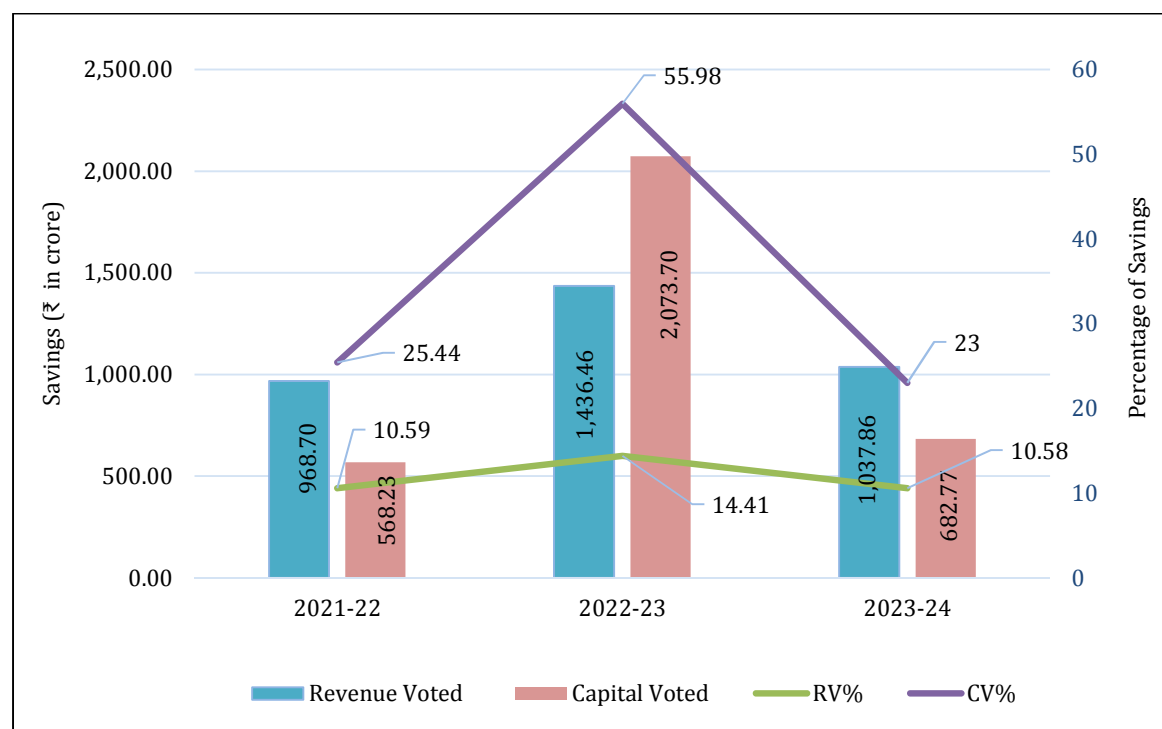
#### a) Introduction

A review of budgetary procedure and control over expenditure in respect of Grant no.08- ‘Social Welfare’, Government of National Capital Territory of Delhi (GNCTD) for the year 2021-22 to 2023-24 was conducted to ascertain compliance with budgeting processes, monitoring of funds and control mechanism within the grant. The grant includes the following heads of account, namely, (i) 2225-Welfare of Scheduled Caste/Scheduled Tribes & Other Backward Classes, (ii) 2235- Social Security & Welfare, (iii) 2041-Taxes on Vehicles, (iv) 3055- Road Transport, (v) 3075- Other Transport Services, (vi) 3452- Tourism and (vii) 4235- Capital Outlay on Social Security & Welfare.

#### b) Savings

The overall position of savings under the Grant No. 08- ‘Social Welfare’ for the last three years is given in **Chart 3.5** below:

**Chart 3.5: Savings for the last three years**



Source: Appropriation Accounts

**Chart 3.5** shows un-utilised budget provision under Capital (Voted) ranging from 23 per cent (2023-24) to 55.98 per cent (2022-23), which is significant under-utilization of resources by GNCTD and indicative of persistent deficient planning by the department. The revenue (Voted) savings for the three years ranged from 10.58 per cent to 14.41 per cent during these years

**c) Non-surrender of Savings**

As per Rule 62 (2) of General Financial Rules 2017, savings as well as provisions that cannot be profitably utilized should be surrendered immediately when they are foreseen without waiting till the end of the year. No savings should be held in reserve for possible future excesses. The position of savings and surrenders under Grant No. 08- Social Welfare during the period 2021-22 to 2023-24 was as under:

**Table 3.6: Non- surrender of savings under Grant No. 08-Social Welfare**

Year	Savings			Amount surrendered (in Percentage)		
	Revenue (Voted)	Revenue (Charged)	Capital (Voted)	Revenue (Voted)	Revenue (Charged)	Capital (Voted)
2021-22	968.70	0.04	568.23	137.63	0	438.75
				(14.20)	(0)	(77.21)
2022-23	1,436.46	0.03	2,073.70	749.71	0	102.96
				(52.19)	(0)	(4.96)
2023-24	1,037.86	3.27	682.77	0.18	0	0.03
				(0.01)	(0)	(0)

Source: Appropriation Accounts

**d) Persistent Savings**

It was observed that a substantial portion of the budget allocation remained unutilized under nine sub-heads under Grant No. 08- Social Welfare during the period 2021-22 to 2023-24, indicating non-achievement of projected financial outlays in the respective years was as under:

**Table 3.7: Persistent savings under Grant No. 08-Social Welfare**

((₹ in crore (per cent))				
S. No.	Head of Account	2021-22	2022-23	2023-24
<b>Revenue Section</b>				
1	22350310198 – Indira Gandhi National Old Age Pension Scheme (IGNOAPS) (NSAP) (CSS)	11.67 (26.22)	44.5 (100)	31.98 (70.75)
<b>Reason as per Head-wise Appropriation Accounts:</b> Less/ non-receipt of CSS funds from Govt. of India				
2	2235021031298- Samarthya Pradhan Mantri MatruVandanaYojana (PMMVY) (State Share)	2.89 (11.05)	5.24 (20.29)	17.30 (96.11)
<b>Reason as per Head-wise Appropriation Accounts:</b> Less release of Centre Share by the Govt. of India				
3	22350210466 Senior Citizen Pension Scheme (Expansion Of Old Age Assistance)	1.07 (0.08)	89.80 (6.91)	43.10 (3.59)
<b>Reason as per Head-wise Appropriation Accounts:</b> Death and PFMS returns i.e. undisbursed pension return by bank and stopping of duplicate cases within the scheme, non-opening of vacancies under IGNOAPS, non-remittance of top-up amount to beneficiaries.				
4	2235021021796 Poshan Mission	12.53 (86.6)	10.76 (60.8)	6.8 (28.85)
<b>Reason as per Head-wise Appropriation Accounts:</b> Release of funds by GoI only for three quarters of F.Y.2023-24, hence savings occurred				
5	22350210334 Pension to widows	18.08 (2.01)	24.85 (2.42)	11.07 (1.01)
<b>Reason as per Head-wise Appropriation Accounts:</b> Non-processing of payment to the ongoing beneficiaries on PFMS, insufficient budget, less numbers of beneficiaries applied for the scheme & some assistance returned back due to Adhaar Deseeding.				
6	22350278996 Pension To Widows (SCSP)	75.75 (78.9)	72.85 (72.85)	2.23 (6.56)
<b>Reason as per Head-wise Appropriation Accounts:</b> Lesser numbers of beneficiaries applied for the scheme & some assistance returned back due to Adhaar Deseeding.				

((₹ in crore (per cent))				
S. No.	Head of Account	2021-22	2022-23	2023-24
7	22250178975 Mukhyamantri Vidhyarti Pratibha Yojana (SCSP)	23.00 (70.12)	1.92 (24)	3.69 (73.80)
<b>Reason as per Head-wise Appropriation Accounts:</b> Less receipt of applications, as the scheme was introduced for the first time, additional demand raised on the basis of the number of verified applications received from the Directorate of Education.				
8	22250327775 Jai Bhim Mukhyamantri Pratibha Vikas Yojna for Minorities/OBC/EWS	37.79 (89.98)	4.86 (100)	3.81 (100)
<b>Reason as per Head-wise Appropriation Accounts:</b> Processing for payment through PFMS was in progress, various interruptions occurred in conduct of physical coaching classes on account of Covid-19 and pollution in Delhi.				
9	20410010100 Collection Charges	14.45 (20.57)	4.24 (6.45)	13.98 (20.68)
<b>Reason as per Head-wise Appropriation Accounts:</b> Vacancies, less claims/bills, less foreign tours and less procurement				

Source: Appropriation Accounts

Figures in parenthesis indicate percentage to total budget

#### e) 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 additional funds are needed.

Detailed review of Appropriation Accounts for Grant No. 8-Social Welfare for the period 2021-22 to 2023-24 revealed that under 36 sub-heads (detailed in **Appendix 3.12**), the re-appropriation proved unnecessary as the departments were not able to utilise their original grants in full.

Cases of injudicious re-appropriation to sub-head under Revenue Voted/Capital Voted section are detailed below:

- Scrutiny revealed that re-appropriation amounting to ₹ 13.85 crore (2021-22) under 14 sub-heads, ₹ 17.57 crore (2022-23) under 6 sub-heads and ₹ 263.92 crore under 15 sub-heads (2023-24) of Revenue Voted Section proved unnecessary as the departments were not able to utilise their original grants in full.
- Scrutiny revealed that re-appropriation amounting to ₹ 0.2 crore under one sub-head (2022-23) of Capital Voted Section proved unnecessary as the department was not able to utilise their original grants in full.

#### f) Entire provision remained un-utilised

Detailed review of Grant no.8 for last three years 2021-22, 2022-23 and 2023-24 revealed that provision was made in various sub-heads but no expenditure was incurred under these sub-heads against the allocated budget during the said period, which resulted in saving of entire amount of provision made in these schemes. Details of these schemes are given in **Appendix 3.13**. It was also noticed that there were several common schemes in which provision was made year on year but no expenditure was incurred during the said period.

#### g) Rush of expenditure:

In contravention of provisions of GFR and MoF guidelines *ibid*, expenditure incurred ranged from 50 to 100 *per cent* in the last quarter of FY 2021-22 in 11 sub-heads, 71.34 to

100 *per cent* of the total expenditure in three sub-heads in the last quarter of FY 2022-23 and 51.46 to 100 *per cent* in five sub-heads by the departments in the last quarter of FY 2023-24 as detailed in **Appendix 3.14**.

Rush of expenditure especially during the month of March from the period 2021-22 to 2023-24 ranged from 50 *per cent* to 100 *per cent* in all the above 19 sub-heads, which indicates non-adherence to financial rules besides adversely affecting quality of expenditure during the last quarter.

### 3.6 Voucher Audit irregularities

For the audit of vouchers, seven Pay and Accounts offices namely PAO-III, XI, XIV, XV, XX, XXIII, XXV (operating the grant chosen for detailed review, i.e. Grant No. 8 Social Welfare) were selected for the detailed Audit of vouchers through Monetary Unit Sampling. No substantive observations were detected in four PAOs and the major audit observations in the remaining three PAOs are as under:

#### 3.6.1 Pay and Accounts Office-XI

##### Non-production of vouchers for audit.

Of the total 61 vouchers were selected for audit, 23 vouchers (38 *per cent*) were not furnished to audit as detailed in **Appendix 3.15**.

#### 3.6.2 Pay and Accounts Office-XIV & XV

##### Double payment of GST on service charge leading to excess payment of ₹ 3.57 lakh.

The contracts for hiring manpower such as security guards, ward maids and sanitation workers in homes and institutions specified (M/s. RD Excellent, M/s. Sulabh Service Pvt. Ltd., M/s. Armour Security Pvt. Ltd., Sanitation Mission Foundation, M/s. Eagle Eye and M/s. Shivani Enterprise) that the service charges would be inclusive of GST. Scrutiny of various vouchers/bills of hiring manpower revealed that the department made payments including 9% CGST and 9% SGST to these agencies.

This resulted in excess payment of CGST and SGST from the government exchequer to service providers on service charges amounting to ₹ 2.29 lakh (**Appendix 3.16**) pertaining to PAO-XIV and ₹ 1.28 lakh (**Appendix 3.17**) pertaining to PAO XV respectively.

Principal Accounts office, GNCTD stated (February 2025) that Pay and Accounts Office-XIV & XV had taken up the matter and asked vendors to deposit the excess amount.

### 3.7 Analysis of State Budget with Union Budget

The analysis of the Union budget relating to Gender budget, Child Budget, Outcome budget, medium-term statements, etc. vis-à-vis their adoption in GNCTD budget revealed the following:

- i. Unlike the Gender Budget of the Union Government, GNCTD's gender budget does not depict schemes whereby up to 30 *per cent* of the allocation goes to women. Further, in the Union, the gender budget was allocated Demand/Grant-wise, while Delhi Government made department-wise allocation in the Gender Budget.



- ii. Unlike the Union Budget, there is no distinct Child Budget in GNCTD and it forms a part of its gender budget under Department of Women and Child Development.
- iii. There are no medium term fiscal policy statements in GNCTD budget, as the State is not covered under the recommendations of the Union Finance Commission.

### **3.8 Recommendations**

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