

Chapter III: Budgetary Management

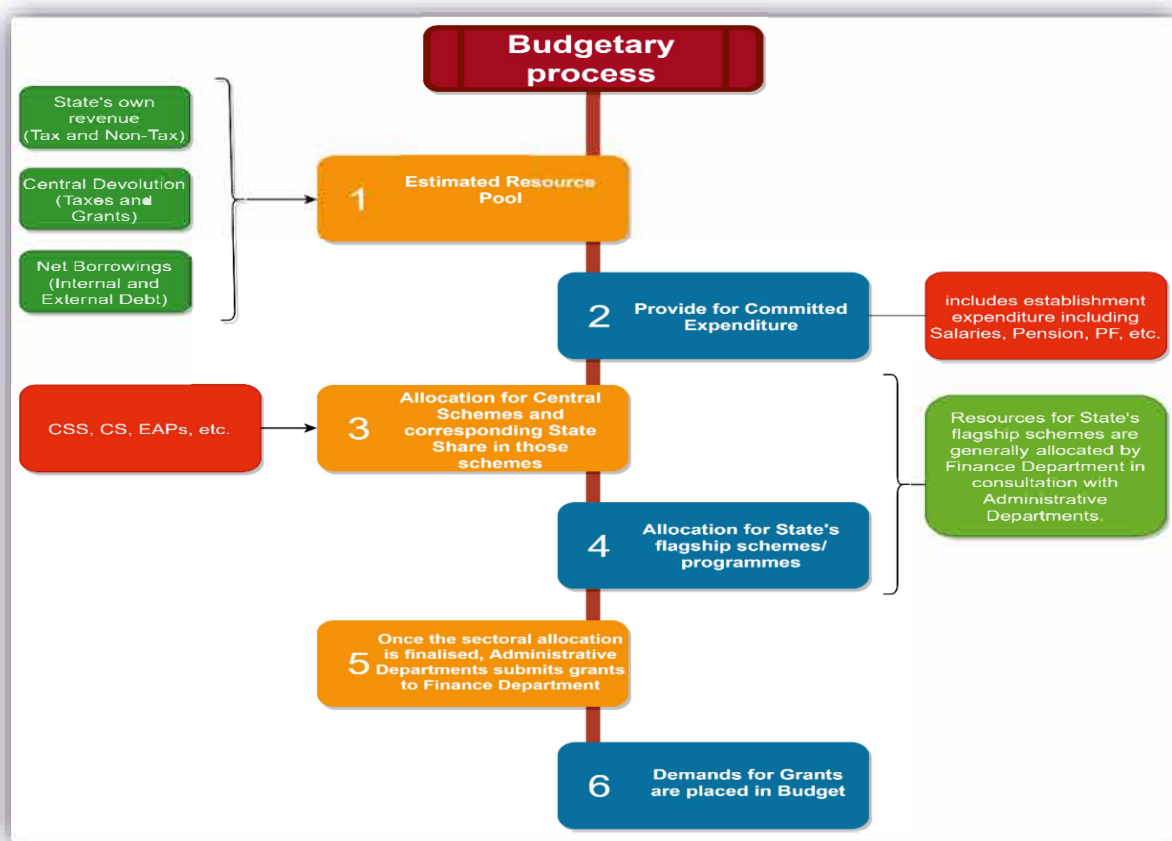
Introduction

The chapter is based on the audit of Appropriation Accounts of the State. It reviews the allocative priorities of State Government and comments on transparency of Budget formulation and effectiveness of its implementation. Effective financial management ensures that decisions taken at the policy level are implemented successfully at the administrative level without wastage or diversion of funds.

3.1 Budget Process

The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. Budget Glossary is given in *Appendix 3.1*. In respect of every financial year, the Finance Department is required to prepare a statement of all receipts and expenditure expected to be realized or incurred during the year. This statement is referred to as the Annual Financial Statement (popularly known as the Budget) as specified in Article 202 of the Constitution. The Budget process commences with the issue of the Budget Circular, normally in August each year, which guides the Departments in framing their estimates for the next financial year. The budget preparation process in the State is given in **Chart 3.1** below:

Chart 3.1: Budget preparation process



CSS: Centrally Sponsored Schemes; CS: Central Schemes.

The state budget is divided mainly into General, Social and Economic services. Rajasthan Budget Manual details the process of Budget preparation, Budget execution and Budget monitoring. Sector-wise budgeting, such as Social Budgeting and Performance Budgeting, reflects innovative budgeting techniques. In Rajasthan, apart from the consolidated budget, the State Government also prepare sub-budgets/statements like Agriculture Budget, Gender Budget statement, Child Budget statement and two types of Performance budget documents i.e. Outcome Budget and Output budget.

Social budgeting is associated with activities related to the development of human capital, equitable distribution of welfare and the delivery of public goods. However, in Rajasthan, the practice of presenting a budget for the social sector, separate from the annual budgets prepared by the State Government, is not there.

Agriculture Budget: The Agriculture Budget of the State is part of the overall budget and is designed to benefit farmers. Agriculture Budget of the State discloses the expenditure proposed to be incurred within the overall budget on schemes, which are targeted to benefit farmers. The Agriculture Budget was introduced in Rajasthan during 2022-23. The agriculture budget has been allocated ₹ 89,190.24 crore in 2023-24, which was 17.69 *per cent* of the State Budget¹ as compared to 22.22 *per cent* in 2022-23

Performance based budgeting is the practice of developing budgets based on the relationship between program funding levels and expected results from that program to manage more cost efficient and effective budgeting outlays. In Rajasthan, the preparation of Outcome and Output budgets were started in 2006-07. These budget statements indicate actual financial and physical performance under various programmes/schemes against the envisaged target. The Outcome Budget for the year 2023-24 provided scheme-wise information for 216 department/agencies.

Gender Budget Statement: The Gender Budget of the State is part of the overall budget and is designed to benefit women. The State Government had allocated ₹ 38,679.43 crore for various schemes under Gender Budget in 2023-24, which was 7.66 *per cent* of the State Budget as compared to 9.5 *per cent* in 2022-23

Child Budget Statement: Child budgeting presents the states commitment on child focused schemes, programs, and policies from the overall budget of a fiscal year. The first child budget was presented in the State in the FY 2020-21. The State Government had allocated ₹ 39,693.08 crore to Child Budget in 2023-24, which was 7.86 *per cent* of the State Budget as compared to 9.30 *per cent* in 2022-23.

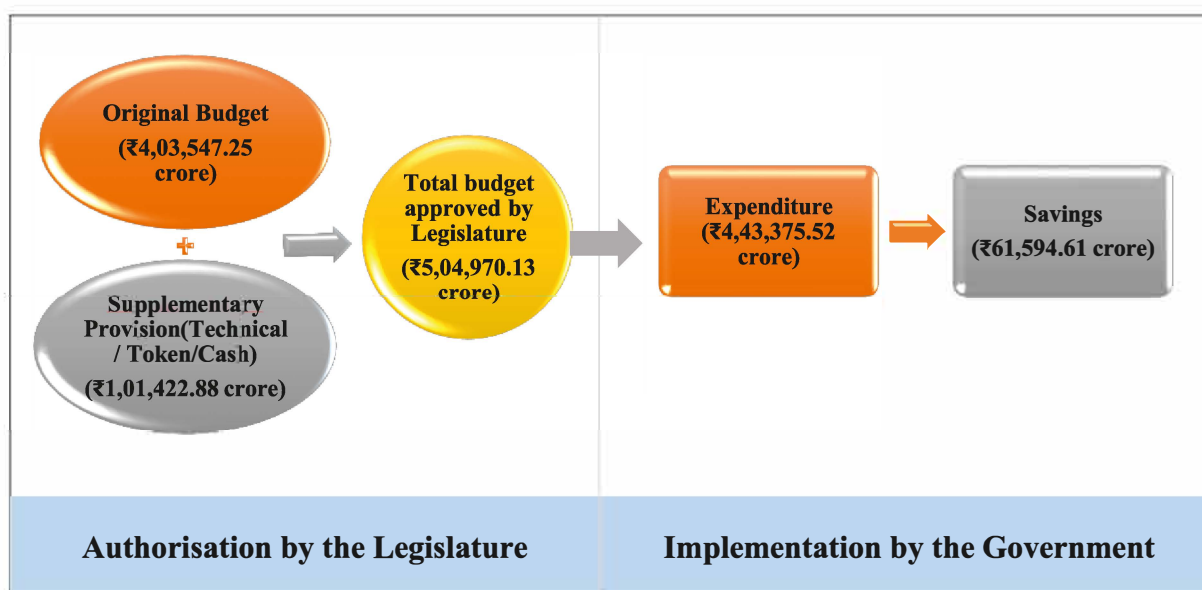
Detailed Audit analysis of the allocation of budget and expenditure under Gender Budget and Child Budget is given in **Paragraphs 3.4.4 and 3.4.5**.

As soon as the detailed estimates and grants are passed by the Legislative Assembly in accordance with the procedure laid down in Articles 202-204 of the Constitution, Finance Department communicates to all Heads of Departments and other Budget Controlling Officers, the allotments placed at their disposal during the budget year. Finance Department also sends copies of the budget document to the Accountant General. All such information and budgetary data is uploaded on the Integrated Financial Management System by the Finance Department and access to the same is available with the concerned authorities.

1. ₹ 5,04,970.13 crore

Finance Department also reviews requests made for supplementary grants and re-appropriations by departments during the course of the year. Apart from supplementary grant, re-appropriation can also be used to re-allocate funds within a Grant. The total amounts approved by the State Legislature including the original and supplementary budget, expenditure and savings during the year 2023-24 are depicted below:

Chart 3.2: Position of original and supplementary budget, expenditure and savings



The State Budget Manual (SBM) stipulates that the estimates of expenditure should be as accurate as possible. An avoidable excess in an estimate is as much a financial irregularity as an excess in the actual expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and it should neither be more nor less.

3.1.1 Summary of total provisions, actual disbursements and savings

A summarised position of total budget provision, disbursement and saving/excess with its further bifurcation into voted/charged during 2023-24 for the total 64 grants/appropriations is given in **Table 3.1**.

Table 3.1: Budget provision, disbursement and savings during the 2023-24

	Total Budget provision		Disbursements		Saving (-)/Excess(+)	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	2,48,388.08	34,947.33	2,13,150.56	34,473.68	(-)35,237.52	(-) 473.65**
Capital	47,310.00	1.79	31,352.77	1.72	(-)15,957.23*	(-) 0.07
Loans and Advances	450.08	-	398.21	-	(-)51.87	-
Public Debts	-	1,73,872.85	-	1,63,998.58	-	(-)9,874.27
Total	2,96,148.16	2,08,821.97	2,44,901.54	1,98,473.98	(-)51,246.62	(-)10,347.99

Source: Appropriation Accounts

* Arrived at after adjusting excess amount of ₹76.41 crore under Grant-44 (Public Works Department).

** Arrived at after adjusting excess amount of ₹1.32 crore under Grant-22 (Higher Education Department).

There was excess of ₹ 77.73 crore in two grants and savings of ₹ 61,672.34 crore in remaining grants resulting in net savings of ₹ 61,594.61 crore.

3.1.2 Summary of savings and disbursements

As per Article 112(2) of the Constitution, a distinction is made between Charged and Voted expenditure. Charged expenditure is an expenditure charged on the revenues of the State not subject to the vote of Legislative Assembly under the Constitution. Voted expenditure is subject to the vote of Legislative Assembly. Article 202 (3) of the Constitution specifies categories of expenditure that can be charged on the Consolidated Fund of the state.

Trend analysis during the last five years (2019-24) of classification of total disbursements into Charged and Voted is given below:

Table 3.2: Voted and Charged disbursements and savings/excess during 2019-24

S. No.	Year	Disbursements		Saving(-)/Excess(+)	
		Voted	Charged	Voted	Charged
1.	2019-20	1,74,658.95	43,879.83	(-) 24,176.34	(-) 181.67
2.	2020-21	1,74,822.52	66,438.60	(-) 26,690.95	(-) 360.87
3.	2021-22	2,13,739.00	84,495.12	(-) 23,679.22	(-) 8,949.61
4.	2022-23	2,27,982.64	1,56,716.23	(-) 44,021.20	(+) 20,762.84
5.	2023-24	2,44,901.54	1,98,473.98	(-) 51,246.62	(-) 10,347.99

Source: Appropriation Accounts of the respective years

The charged disbursements increased by 352.31 *per cent* from ₹ 43,879.83 crore in 2019-20 to ₹ 1,98,473.98 crore in 2023-24. Voted disbursements also increased by 40.22 *per cent* from ₹ 1,74,658.95 crore in 2019-20 to ₹ 2,44,901.54 crore in 2023-24.

Savings under voted section ranged between ₹ 23,679.22 crore and ₹ 51,246.62 crore during 2019-20 to 2023-24. Contrary to excess expenditure of ₹ 20,762.84 crore in charged section in 2022-23, there were savings of ₹ 10,347.99 crore in 2023-24.

3.1.3 Budget marksmanship

Budget Marksmanship is about examining the relations between the budget projections of revenue and expenditure against actual receipt and spending. The World Bank's Public Expenditure and Financial Accountability (PEFA) measures the Budget Reliability in terms of Aggregate Expenditure Outturn and Expenditure Composition Outturn.

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. Summarised position of original provision and its deviation from the actual outturn during the year 2023-24 is shown in **Table 3.3**.

Table 3.3: Aggregate Budget Outturn for 2023-24

(₹ in crore)

Description	Original Approved Budget (BE)	Revised Estimates (RE)	Actual Outturn	Difference between Actual and BE*	Difference between BE & RE	Difference between Actual and RE*
(1)	(2)	(3)	(4)	(5)=(4)-(2)	(6)=(2)-(3)	(7)=(4)-(3)
Revenue	2,66,021.56	2,74,881.72	2,47,624.24	(-) 18,397.32	8,860.16	(-) 27,257.48
Capital	1,37,525.69	2,14,770.70	1,95,751.28	(+) 58,255.59	77,245.01	(-) 19,019.42
Total	4,03,547.25	4,89,652.42	4,43,375.52	(+) 39,828.27	86,105.17	(-) 46,276.90

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

In Revenue section, deviation in outturn compared with BE was (-) 6.92 per cent. This was due to deviation between 0 and ± 25 per cent in 49 grants, between ± 25 per cent to ± 50 per cent in 12 grants, between ± 50 per cent to ± 100 per cent in one grant and equal to or more than 100 per cent in one grant. No provision was, however, made in respect of one grant of the Revenue section.

In Capital section, deviation in outturn compared with BE was (+) 42.34 per cent. This was due to deviation between 0 and ± 25 per cent in 12 grants, between ± 25 per cent to ± 50 per cent in 13 grants between ± 50 per cent to ± 100 per cent in 33 grants and equal to or more than 100 per cent in four grants. No provision was, however, made in respect of two grants of the Capital section.

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.

The CAG of India conducts the audit of appropriations to ascertain whether the expenditure actually incurred under various grants underlying in the budget is within the authorisations given under the Appropriation Act for the year and whether charged appropriations are as required to be charged under the provisions of the Constitution. It also seeks to ascertain whether the expenditure so incurred conforms with the law, relevant rules, regulations and instructions.

3.3 Integrity of budgetary and accounting process

3.3.1 Unnecessary or excessive supplementary grants

Para 24.2 of the SBM stipulates that during the course of a financial year, if the amount provided for the purpose is found to be inadequate or a need arises for an expenditure

during the course of the year on some object or service for which no provision has been made, a supplementary grant can be sanctioned by the Legislature.

The State Legislature approved supplementary provision (September 2023 and February 2024) of ₹ 1,01,422.88 crore in all 64 Grants/Appropriations for the year 2023-24. Cases of unnecessary supplementary provisions (of ₹ 25.00 crore or more in each case) aggregating to ₹ 7,467.51 crore, observed in 32 cases, are given in Table 3.4 below.

Table 3.4: Cases where supplementary provisions proved unnecessary during 2023-24

(₹ in crore)

S. No.	Name of the Grant	Original Provision	Supplementary	Actual Expenditure	Saving out of original Provisions
1	2	3	4	5	6=3-5
Revenue (Voted)					
1.	6-Law and Legal Affairs Department	1,540.71	54.30	1,524.73	15.98
2.	10-Commercial Tax Department	1,128.78	88.91	1,026.53	102.25
3.	16-Revenue Department	1,962.96	32.61	1,670.31	292.65
4.	18-Home Department	9,122.99	196.32	8,727.74	395.25
5.	20-Elementary Education Department	18,787.27	134.62	14,595.35	4,191.92
6.	21-Secondary Education Department	23,526.42	55.95	22,821.44	704.98
7.	22-Higher Education Department	2,027.27	75.90	1,852.68	174.59
8.	25- Art and Culture Department	189.38	73.66	114.93	74.45
9.	27- Medical Health Department	9,373.80	432.60	9,248.33	125.47
10.	30-Tribal Area Development Department	21,319.67	837.10	18,264.75	3,054.92
11.	32- Women and Child Development Department	2,636.33	53.76	2,175.89	460.44
12.	34-Labour and Employment Department	1,658.02	28.34	1,577.98	80.04
13.	35-Minority Affairs Department	190.68	76.90	186.20	4.48
14.	36-Disaster Management and Relief Department	5,089.99	850.92	4,103.76	986.23
15.	40-Local Self Government Department	6,036.51	878.03	5,111.21	925.30
16.	46-Agriculture Department	3,616.81	45.90	3,427.97	188.84
17.	47-Animal Husbandry and Fisheries Department	1,402.61	292.77	1,287.87	114.74
18.	49-Gopalan Department	1,833.62	47.44	1,798.62	35.00
19.	51-Special Component Plan for Welfare of Scheduled Castes	26,928.37	1,078.54	22,540.37	4,388.00
20.	53-Rural Development Department	4,389.16	395.22	2,490.26	1,898.90
21.	56- Industries Department	521.90	47.70	352.48	169.42
22.	62- Transport Department	1046.73	151.31	1021.27	25.46
	Total	1,44,329.98	5,928.80	1,25,920.67	18,409.31
Capital (Voted)					
23.	18-Home Department	277.39	50.00	84.01	193.38
24.	20-Elementary Education Department	198.13	237.49	95.83	102.30
25.	21-Secondary Education Department	865.83	200.38	649.80	216.03
26.	27-Medical and Health Department	800.60	67.55	625.36	175.24
27.	30-Tribal Area Development Department	7,036.71	254.65	5,051.16	1,985.55
28.	40- Local Self-Government Department	4,336.33	58.41	2,016.32	2,320.01
29.	42-Water Resources and Indira Nahar Project Department	3,192.36	61.49	2,470.16	722.20
30.	51-Special Component Plan for Welfare of Scheduled Castes	8,204.61	223.74	5,165.91	3,038.70
31.	53-Rural Development Department	737.33	335.00	606.25	131.08
32.	57- Petroleum Department	500.00	50.00	500.00	0.00
	Total	26,149.29	1,538.71	17,264.80	8,884.49
	Grand Total	1,70,479.27	7,467.51	1,43,185.47	27,293.80

Source: Appropriation Accounts

From the above table, it may be seen that in these 32 cases, besides the original grants of ₹ 1,70,479.27 crore, the supplementary provision of ₹ 7,467.51 crore was made, which proved unnecessary as the actual expenditure was only ₹ 1,43,185.47 crore,

resulting in savings of ₹ 27,293.80 crore against the original provision. However, the concerned Departments did not furnish reasons for obtaining supplementary provisions despite availability of funds under original provision.

This indicates that supplementary grants were obtained without proper assessment of adequacy of original provision and contributed to increase in overall budgetary savings during the year. This also indicates that supplementary provisions were made without requirement by concerned Drawing and Disbursing Officers/Chief Controlling Officers.

3.3.2 Unnecessary or excessive re-appropriation of Funds

Re-appropriation is the transfer of funds within a grant from one unit of appropriation where savings are anticipated, to another unit where additional funds are needed. As per Para 23.3 of SBM, re-appropriations are permissible only when it is known or anticipated that appropriation for the unit from which funds are diverted will not be utilized in full or that savings can definitely be affected in it. During the year 2023-24, re-appropriation orders of ₹ 22,805.16 crore were issued till 31 March 2024.

In several cases, re-appropriation proved insufficient/excessive or unnecessary and resulted in huge savings. The final savings/excess after re-appropriation was more than ₹ one crore in 29 heads of accounts (*Appendix 3.2*). There was insufficient re-appropriation in 12 heads of accounts, unnecessary re-appropriation in three heads of accounts and excessive re-appropriation in fourteen heads of accounts.

The above instances are indicative of the fact that the budget controlling officers did not adequately assess the requirements and did not have updated information regarding expenditure before re-appropriations.

Paragraph 23.15.6 of SBM envisages that the reasons for anticipating excesses or savings should be clearly explained by the Department. Scrutiny of re-appropriation orders issued (31 March 2024) by the Finance Department, revealed that out of 3246 heads in re-appropriation orders, reasons were clearly explained only in 1469 cases (45.26 per cent). Explanations in the remaining 1,777 cases, were of vague and non-specific nature like 'based on actual requirement', 'based on latest assessment' and 'restriction of expenditure'.

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

Paragraph 13.7 of the SBM prescribes that actual expenditure incurred during the last three years and the revised estimates for the current financial year, should be taken into consideration for preparing estimates for the ensuing financial year. Past figures should be used to identify any noticeable tendency for expenditure to rise or decline, any abnormal feature during past years, any recognizable regularity in movement of expenditure and any special event likely to arise with the potential to impact expenditure significantly.

During the year 2023-24, cases of substantial savings from budget allocation were noticed raising questions about the credibility of the budgeting process and budget

monitoring. The outcome of Appropriation audit revealed that out of total savings of ₹ 61,672.34 crore (without adjusting excess amount of ₹77.73 crore) (12.21 *per cent* of the total budget provision of ₹ 5,04,970.13 crore) during the year 2023-24, there were 52 grants in which the savings exceeded ₹ 100 crore in each case and these grants had combined savings of ₹49,812.94 crore, as given in **Appendix 3.3**.

The main reasons for substantial savings as furnished by the departments was non/less release of share/funds by GoI/GoR and non/less execution of work. Other reasons were

- posts remaining vacant and less expenditure on pay and allowances,
- non-receipt of sanctions/funds of work from GoI,
- non-approval of scheme from GoR,
- Non-receipt of Administrative and Financial sanction for works,
- slow progress/non commencement of construction works,
- less receipt of Central Finance Commission and State Finance Commission grants,
- non-submission of utilisation certificate of previous allotment of fund,
- less incurring of capital expenditure by Power Companies,
- less receipt of applications for scholarship from beneficiaries, *etc.*

This indicates that the provisions of Chapter 13 of the SBM related to estimates of expenditure were not followed during preparation of budget estimates of expenditure by the Departments and budget controlling officers of these grants, which resulted in huge overall net savings of ₹ 61,594.61 crore.

Of the 64 grants, in three grants in Revenue-voted section, one grant in Revenue-charged section and 24 grants in Capital-voted section, the utilization was less than 50 *per cent* of the budget allocation (more than ₹ 10 crore) during 2023-24, which is indicative of issues warranting a close review by the Government to enable initiation of corrective measures. Utilisation of budgetary allocation less than 50 *per cent* during 2023-24 is shown in the **Table 3.5**.

Table 3.5: Grants/Appropriations with Budget utilisation less than 50 *per cent*

(₹ in crore)				
S. No.	Grant	Budget (O+S)	Expenditure	Utilisation Percentage
	Revenue- Voted			
1.	5-Public Service Commission and Staff Selection Board	113.82	39.80	34.97
2.	25-Art and Culture Department	263.04	114.93	43.69
3.	50-Cooperative Department	2,798.15	1,208.66	43.19
	Revenue-Charged			
4.	15-Pension	20.00	3.34	16.70
	Capital-Voted			
5.	6- Law and Legal Affairs Department	349.43	119.51	34.20
6.	8- Secretariat	120.98	9.20	7.60
7.	11-Registration and Stamp Department	24.19	7.50	31.00
8.	12- Excise Department	25.00	0.50	2.00
9.	14- State Insurance and Provident Fund Department	129.79	51.75	39.87
10.	16- Revenue Department	74.74	12.28	16.43
11.	17-General Administrative Department	206.10	80.84	39.22
12.	18- Home Department	327.39	84.01	25.66
13.	20- Elementary Education Department	435.62	95.83	22.00

S. No.	Grant	Budget (O+S)	Expenditure	Utilisation Percentage
14.	25-Art and Culture Department	16.81	2.40	14.28
15.	28-Medical Education Department	1,562.94	535.71	34.28
16.	34-Labour and Employment Department	136.07	65.33	48.01
17.	35- Minority Affairs Department	319.42	134.25	42.03
18.	37- Devasthan Department	22.00	0.15	0.68
19.	38-Information and Public Relation Department	14.23	1.49	10.47
20.	39-Urban Development and Housing Department	253.42	13.54	5.34
21.	40-Local Self Government Department	4,394.74	2,016.32	45.88
22.	48-Horticulture Department	40.35	3.85	9.54
23.	50- Cooperative Department	18.72	2.93	15.65
24.	54-Energy Department	1,189.55	531.94	44.72
25.	56-Industries Department	16.61	4.04	24.32
26.	58-Mines Department	10.50	4.52	43.05
27.	60-Information Technology and Communication Department	726.18	286.23	39.42
28.	62-Transport Department	156.05	75.57	48.43

Source: Appropriation Accounts and Budget document.

Less utilization indicates less emphasis on these sectors as well as deficient budgeting process.

Anticipated savings not surrendered

According to para 23.16 of SBM, grants that cannot be properly utilised should be surrendered and it is the duty of the budget controlling officers to ensure that all anticipated savings are surrendered as soon as they are estimated without waiting till the end of the year, unless they are definitely required to meet excesses under some other units of the same grant. No savings can be held in reserve for meeting possible future excesses.

Against the overall savings of ₹ 61,672.34 crore, an amount of ₹ 61,560.69 crore was surrendered resulting in non-surrender of ₹ 111.65 crore. However, during the scrutiny of Appropriation Account, it was noticed that the amount not surrendered under various grants/appropriations was ₹ 611.36 crore which was offset by the excess surrender of ₹ 499.71 crore from other grants/appropriations against savings, and thus, the amount not surrendered at the end of the year was ₹ 111.65 crore.

The details of major amount of savings not surrendered (₹ 605.96 crore) in 21 cases under 19 grants/appropriations (where savings were ₹ one crore and above) with aggregate savings of ₹ 28,205.79 crore, are given in *Appendix 3.4*. Early surrender could have ensured more productive use of resources in other areas having shortfall.

This indicates that the Departments did not make realistic assessment of requirement and not exercised necessary budgetary controls over the flow of expenditure through the monthly expenditure statements.

Details of excess surrender of funds under various grants/appropriation

Out of excess surrender of ₹ 499.71 crore, major cases of excess surrender (more than ₹ one crore) pertaining to six grants/appropriation, where ₹497.13 crore was surrendered in excess of savings are given in **Table 3.6**.

Table 3.6: Cases where fund surrendered was in excess of savings**(₹ in crore)**

S. No.	Number and Name of Grant	Original Budget	Supplementary	Total	Expenditure	Saving (-)/Excess(+)	Amount surrendered	Excess surrender
1.	4-Repayment of Public Debt (Capital Charged)	93,765.82	80,107.03	1,73,872.85	1,63,998.58	(-)9,874.27	9,877.54	3.27
2.	15-Pension (Revenue-Voted)	26,051.60	1,182.96	27,234.56	27,199.97	(-)34.59	486.49	451.90
3.	18-Home Department (Revenue-Voted))	9,122.99	196.33	9,319.32	8,727.74	(-)591.58	594.98	3.40
4.	31-Social Justice and Empowerment Department (Revenue-Voted)	7,778.80	1,162.86	8,941.66	8,042.40	(-)899.26	930.29	31.03
5.	31-Social justice and Empowerment Department (Capital-Voted)	137.33	60.23	197.56	174.84	(-)22.72	28.77	6.05
6.	41-Public Health and Engineering Department (Revenue-Voted)	4,828.25	228.15	5,056.40	5,009.43	(-)46.97	48.45	1.48
	Total	1,41,684.79	82,937.56	2,24,622.35	2,13,152.96	(-)11,469.39	11,966.52	497.13

Source: Appropriation Accounts

The Departments did not furnish any reason regarding surrender in excess of actual savings (September 2024).

Surrender in excess of actual savings indicates inadequate budgetary control in these five grants and one appropriation.

Persistent savings

The Public Accounts Committee (PAC) in its 76th Report (15th Assembly) had recommended that continuous savings in successive years indicates over-estimation of budget without need and lack of proper monitoring. Therefore, efforts should be made by the departments to make budget estimates more realistic in future. Despite these recommendations, the incidences of persistent savings continued during 2023-24. Persistent saving refers to continuous saving of ₹ 100 crore in Budget head against provision in the last three years.

In nine cases involving nine grants, there were persistent savings of more than ₹100 crore ranging from 6.43 *per cent* to 63.94 *per cent* of the total provision, during the last three years as per the details given in **Table 3.7**.

Table 3.7: Persistent saving under various grants**(₹ in crore)**

S. No.	No. and Name of Grant	Year	Total Provision	Actual expenditure	Savings	Percentage of savings
Revenue-Voted						
1.	8-Revenue	2021-22	922.28	793.48	128.80	13.97
		2022-23	1,068.94	850.68	218.25	20.42
	16-Revenue Department	2023-24	1,995.57	1,670.31	325.26	16.30
2.	9-Forest	2021-22	1,000.92	811.84	189.08	18.89
		2022-23	1,006.01	882.34	123.67	12.29
	45- Forest and Environment Department	2023-24	1,118.67	974.79	143.88	12.86
3	23-Labour and Employment	2021-22	1,409.03	1,072.41	326.62	23.18
		2022-23	1,610.23	1,360.77	249.46	15.49

S. No.	No. and Name of Grant	Year	Total Provision	Actual expenditure	Savings	Percentage of savings
	34-Labour and Environment Department	2023-24	1,686.36	1,577.98	108.38	6.43
4.	29-Urban Plan and Regional Development	2021-22	6,034.41	5,154.35	880.06	14.58
		2022-23	5,960.43	5,092.19	868.24	14.57
	40- Local Self Government Department	2023-24	6,914.54	5,111.21	1,803.33	26.08
5.	37-Agriculture	2021-22	4,156.18	3,729.06	427.12	10.28
		2022-23	4,785.44	3,571.63	1,213.81	25.36
	46-Agriculture Department	2023-24	3,662.70	3427.97	234.73	6.41
6.	41-Community Development	2021-22	9,241.37	7,288.17	1,953.21	21.14
		2022-23	9,909.98	6,054.43	3,855.55	38.91
	53-Rural Development Department	2023-24	4,784.38	2490.26	2294.12	47.95
Capital Voted						
7.	27-Drinking Water Schemes	2021-22	4,361.16	3,471.05	890.11	20.41
		2022-23	4,616.98	1,664.70	2,952.28	63.94
	41-Public Health Engineering Department	2023-24	3665.00	2148.73	1516.27	41.37
8.	30-Tribal Area Development	2021-22	3,850.52	3,192.95	667.86	17.34
		2022-23	6,354.62	3,669.72	2,684.89	42.25
		2023-24	7,291.36	5,051.16	2,240.20	30.72
9.	51-Special Component Plan for Scheduled Castes	2021-22	4,864.22	4,028.65	835.57	17.18
		2022-23	7,172.68	4,026.70	3,145.98	43.86
		2023-24	8,428.35	5,165.91	3,262.44	38.71

Source: Appropriation Accounts

According to the reasons furnished by the concerned Departments, persistent savings were mainly due to less/non-release of share/funds by GoI/GoR. Other reasons were less transfer of funds, non-submission of UCs, less release of sanction under various schemes, non-commencement of construction work and slow progress of work, *etc.*

Persistent savings indicate recurring issues of unrealistic estimates of the anticipated expenditure during the period, poor control over expenditure and deficient financial monitoring.

3.3.4 Excess over provisions during 2023-24 requiring regularisation

The summary of excess over provision under two grants amounting to ₹ 77.73 crore authorised from the Consolidated Fund of the State from 2023-24 and requires regularisation under Article 205 of the Constitution is shown in **Table 3.8** below.

Table 3.8: Excess over provisions requiring regularisation during 2023-24

(₹ in crore)				
S. No.	Number and name of Grant	Total appropriation	Expenditure	Excess
Revenue Charged				
1.	22-Higher Education Department	10.00	11.32	1.32
Capital Voted				
2.	44- Public Works Department	7,642.53	7,718.94	76.41
Grand Total		7,652.53	7,730.26	77.73

Source: Appropriation Accounts

As per Para 23.15.6 of SBM, the reasons for anticipating excesses or savings should be clearly explained. Public Works Department intimated that excess expenditure of ₹ 76.41 crore under the grant “44-Public Works Department” was mainly due to excess booking of expenditure of ₹ 91.68 crore for road works by Border Road Development Board. The Board intimated that these works were executed directly at the international borders as per the sanctions of Government of India and expenditure was booked after the closing of the financial year without availability of budget provision for these works. However, Higher Education Department did not furnish reasons for excess expenditure of ₹ 1.32 crore over authorisation under “Grant 22-Higher Education Department”.

3.4 Comments on effectiveness of budgetary and accounting process

3.4.1 Budget projection and gap between expectation and actual

The summarised position of actual expenditure during 2023-24 against 64 grants/appropriations is given in Table 3.9.

Table 3.9: Actual Expenditure vis-à-vis Original/ Supplementary Provisions

(₹ in crore)								
	Nature of Expenditure	Original Grant/App.	Supplementary Grant/App.	Total Budget	Actual expenditure*	Net of Savings(-)/Excess(+)	Surrender during March	
							Amount	Per cent against Savings(-)/Excess(+)
Voted	I. Revenue	2,33,329.23	15,058.85	2,48,388.08	2,13,150.56	(-)35,237.52	35171.06	99.81
	II. Capital	43,614.35	3,695.65	47,310.00	31,352.77	(-)15,957.23	15904.20	99.67
	III. Loans and Advances	145.52	304.56	450.08	398.21	(-)51.87	154.10	297.09
Total		2,77,089.10	19,059.06	2,96,148.16	2,44,901.54	(-)51,246.62	51,229.36	99.97
Charged	IV. Revenue	32,692.33	2,255.00	34,947.33	34,473.68	(-)473.65	453.73	95.79
	V. Capital	0.00	1.79	1.79	1.72	(-)0.07	0.06	100.00
	VI. Public Debt-Repayment	93,765.82	80,107.03	1,73,872.85	1,63,998.58	(-)9,874.27	9,877.54	100.03
Total		1,26,458.15	82,363.82	2,08,821.97	1,98,473.98	(-)10,347.99	10,331.33	99.84
Appropriation to Contingency Fund (if any)	-	-	-	-	-	-	-	-
Grand Total		4,03,547.25	1,01,422.88	5,04,970.13	4,43,375.52	(-)61,594.61	61,560.69	99.94

Source: Appropriation Accounts and budget documents.

* The figures of actual expenditure include recoveries adjusted as reduction of expenditure (Recoveries under revenue section: ₹ 5,393.36 crore and Recoveries under capital section: ₹ 4,708.77 crore, Total: ₹ 10,102.13 crore).

The above table shows saving of ₹ 51,246.62 crore in voted section and ₹ 10,347.99 crore in charged section resulting in net saving of ₹ 61,594.61 crore. There was overall savings of ₹ 61,672.34 crore in 63 grants under Revenue Section and 62

grants under Capital Section which was offset by excess of ₹ 77.73 crore in one grant each under Capital Section and revenue section resulting in net saving of ₹ 61,594.61 crore. Supplementary provision of ₹ 1,01,422.88 crore was obtained during the year which constituted 25.13 *per cent* of the original provision. The final savings under all the grants were 60.73 *per cent* of the supplementary budget obtained during the year. This indicates that supplementary provisions were made without proper assessment of requirements as covered in **para 3.3.1**.

Credibility of Budget Estimates

The State budget provides three sets of numbers: (i) budget estimates: an estimate for the upcoming financial year, (ii) revised estimates: revision in the budget estimates for the ongoing financial year, and (iii) actuals: the final audited amount for the previous year. The State legislature approves the budget for the coming year based on the budget estimates. The revised estimates may provide a more realistic picture of the government's finances in the ongoing year as they are made with reference to the actual transactions already recorded that year. Actuals may fall short or exceed budget estimates, and this comparison helps to understand the credibility of a proposed budget.

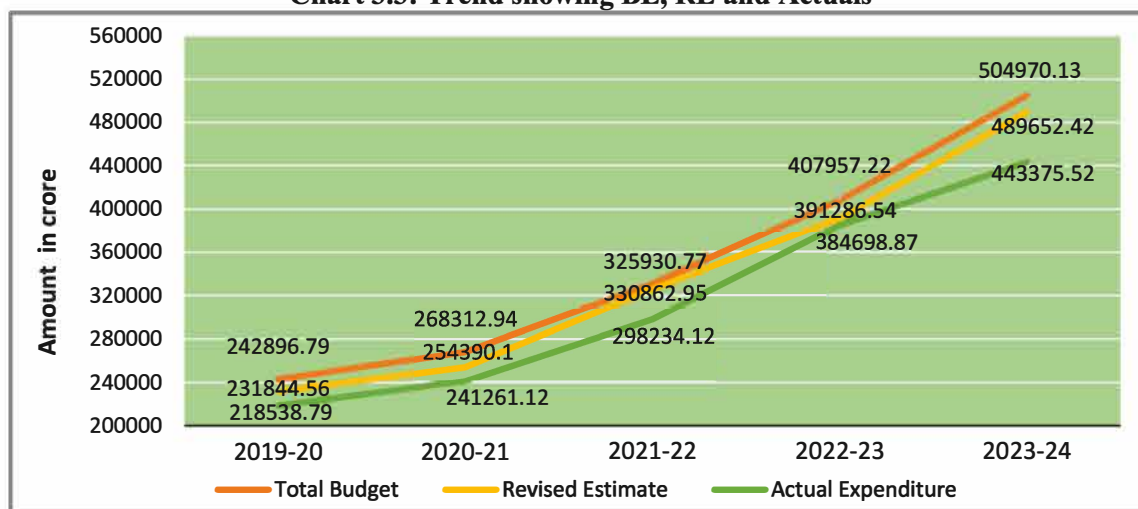
The overall position of Original Budget, Revised Estimates and Actual expenditure for five years during 2019-2024 is detailed in **Table 3.10**:

Table 3.10: Original Budget, Revised Estimates and Actual Expenditure during 2019-24

(₹ in crore)						
S. No.		2019-20	2020-21	2021-22	2022-23	2023-24
1.	Original Budget	2,39,959.67	2,32,058.98	2,58,083.86	3,55,222.83	4,03,547.25
2.	Supplementary Budget	2,937.12	36,253.96	72,779.09	52,734.39	1,01,422.88
3.	Total Budget (TB)	2,42,896.79	2,68,312.94	3,30,862.95	4,07,957.22	5,04,970.13
4.	Revised Estimate (RE)	2,31,844.56	2,54,390.10	3,25,930.77	3,91,286.54	4,89,652.42
5.	Actual Expenditure (AE)	2,18,538.79	2,41,261.12	2,98,234.12	3,84,698.86	4,43,375.52
6.	Saving	24,358.00	27,051.82	32,628.83	23,258.36	61,594.61
7.	Percentage of supplementary to original budget	1.22	15.62	28.20	14.85	25.13
8.	Percentage of overall saving to the total provision (O+S)	10.03	10.08	9.86	5.70	12.20
9.	TB-RE	11,052.23	13,922.84	4,932.18	16,670.68	15,317.71
10.	RE-AE	13,305.77	13,128.98	27,696.65	6,587.67	46,276.90
11.	(TB-RE) as % of TB	4.55	5.19	1.49	4.09	3.03
12.	(RE-AE) as % of TB	5.48	4.89	8.37	1.61	9.16

Source: Annual Finance Statement and Appropriation Accounts

It is evident from above table that the supplementary provisions ranged from 1.22 *per cent* to 28.20 *per cent* of the original provisions during the period 2019-2024. It was 28.20 *per cent* in the year 2021-22 and declined to 25.13 *per cent* in the year 2023-24.

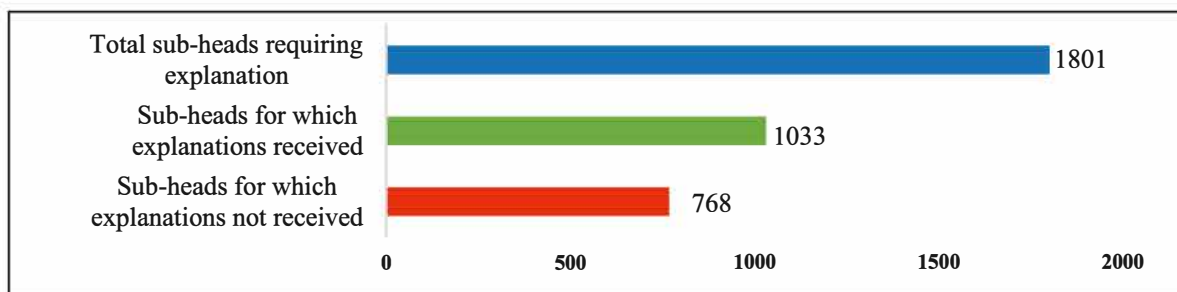
Chart 3.3: Trend showing BE, RE and Actuals

From the above Table and Chart, it can be seen that from 2019-20 to 2023-24, the Revised Estimate (RE) was always lower than the Total Budget (TB) of the State. The gap between the RE and the TB decreased from ₹ 16,670.68 crore during 2022-23 to ₹ 15,317.71 crore during 2023-24. Even though the gap in percentage was less than six *per cent* during the last five years, however, the RE was 4.09 *per cent* less than the TB in 2022-23, which decreased to 3.03 *per cent* in 2023-24.

Further, it can also be observed that over the period 2019-24, the Revised Estimate (RE) was always more than the Actual Expenditure (AE) of the State. The gap between the RE and the AE decreased from ₹ 27,696.65 crore 2021-22 to ₹ 6,587.67 crore in 2022-23 but again increased to ₹ 46,276.90 crore in 2023-24. In terms of percentage, the AE was 1.61 *per cent* lower than the RE in 2022-23, which increased to 9.16 *per cent* in 2023-24.

This reflects that budgetary allocations were based on inaccurate proposals as Budget Estimates of the State were always inflated, and the Actual Expenditure was less than the total budgetary provisions during 2019-24. As such, the supplementary provisions during the year 2019-20 proved unnecessary since the expenditure did not come up even to the level of original budget provisions, while during 2020-2024 the supplementary provisions were excessive.

The Accountant General (A&E), Rajasthan sought explanations from the budget controlling officers on the variations in expenditure i.e. savings/excesses in 1,801 sub-heads. However, explanations in respect of 768 sub-heads (saving: 610 and excess: 158) were not received (September 2024).

Chart 3.4: Summary of Explanation for Variation in Appropriation Accounts

Absence of explanations for variations between the budgeted allocations and their utilization limits legislative controls over budget as a means of ensuring financial accountability of the Government.

3.4.2 Non-implementation of Major schemes and status of major policy pronouncements

During the scrutiny of Appropriation Accounts, it was observed that budget provisions were made under various schemes which remained entirely unutilized. During 2023-24, the entire provisions (₹ one crore or more in each case) made under 413 schemes/heads aggregating to ₹ 10,323.77 crore (2.56 *per cent* of the original budget) were not utilized. The details are given in *Appendix 3.5*.

During scrutiny of the budget provisions (₹ one crore or more in each case) not utilized during 2023-24, it was noticed that the State Government withdrew budget provisions in 148 schemes and provided token budget provisions in 31 schemes in the revised estimates. This indicates that provisions for these schemes/heads were made without proper assessment of the financial requirements and necessity of the Departments.

Various reasons given by the Departments in this regard included non-receipt of administrative and financial sanction for construction, non-approval of scheme, non-release of sanction by the State Government, non-execution of work, non-receipt of funds from GoI, non-commencement of scheme etc.

Further, it was also noticed that there were instances of unnecessary provisions being made continuously for the last three years without being deleted from the Demands for Grants of the concerned Department as mandated by SBM and the entire provisions being surrendered at the end of financial year. Such instances have been listed in *Appendix 3.6*.

- ***Lack of implementation of announcements in budget speech of current as well as previous financial years***

While presenting the budget for the year 2023-24 in February 2023, the State Government had announced several schemes/policies. The concerned Departments had intimated (June-September 2024) the current progress on some of these major policy initiatives. Audit observed that limited or no progress has been made on these projects/policy initiatives. Further, on reviewing the progress received from the concerned departments regarding the budget announcements made by the State Government in the previous financial years, it was found that the budget announcements had not been implemented even after the lapse of substantial periods of time. Details regarding status of implementation of budget announcements are given in *Appendix 3.7*.

Lack of follow up action on major announcements of Budget Speech of previous as well as current years is indicative of lack of monitoring and pursuance of initiatives announced during the budget speech.

3.4.3 Flow of expenditure

Maintaining a uniform pace of expenditure is a crucial component of sound public financial management. As per SBM, to assist the Finance Department in the preparation

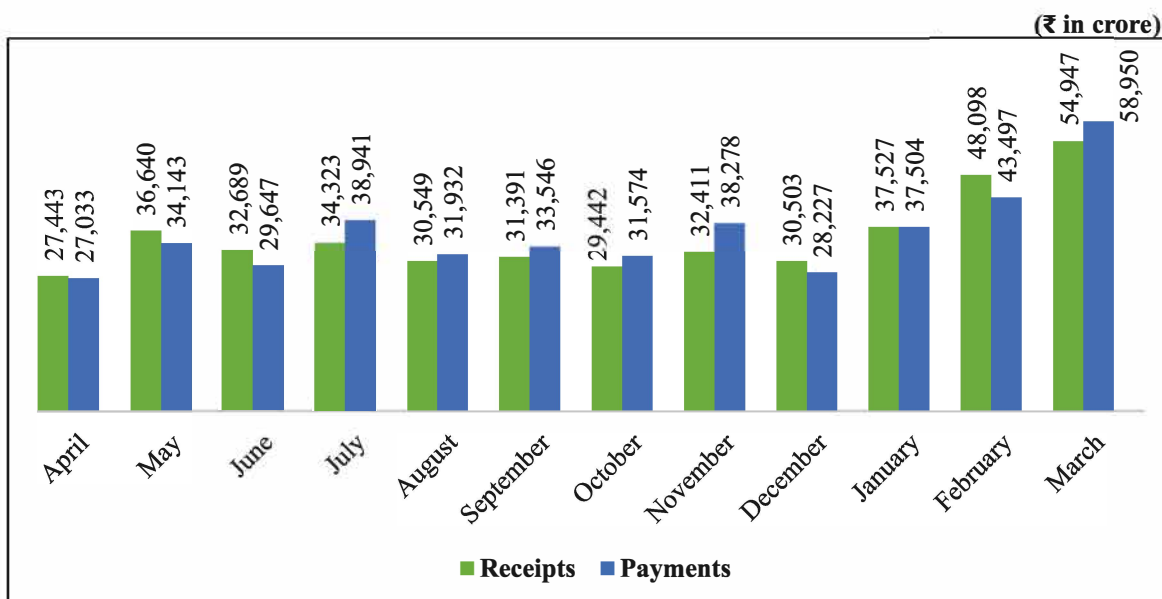
of forecasts for the likely cash balance position of the State, all budget controlling officers are required to furnish a statement every month, as per dates specified by Finance Department, showing the anticipated flow of revenue and expenditure. Any rush of expenditure in the closing month of the financial year should be avoided. Secretary Finance, GoR had directed (August 2023) that the flow of expenditure should be maintained in such a way that 90 *per cent* of total expenditure is incurred by the end of December, in the absence of which the controlling officer/ DDOs will be held liable.

During 2023-24, 32.30 *per cent* (₹ 1,39,951.20 crore) of the total expenditure (₹ 4,33,273.39 crore) was incurred during the last quarter of the financial year indicating that a uniform pace of expenditure could not be maintained during the year. However, it was also observed that 33.00 *per cent* (₹ 1,40,571.47 crore) of total receipts (₹ 4,25,961.60 crore) were received during last quarter only. Further, the expenditure incurred in the last quarter of the financial year 2023-24 has increased by 6.27 *per cent* (₹ 8254.06 crore) when compared to the previous year 2022-23.

During 2023-24, in respect of 78 sub-heads under 23 grants (where expenditure during last quarter was more than ₹ 50 crore and also more than 50 *per cent* of the total expenditure), total expenditure of ₹ 21,947.57 crore was incurred in the last quarter of the financial year which was 72.78 *per cent* of total expenditure (₹ 30,153.20 crore) and ₹ 16,714.10 crore (55.43 *per cent*) was spent in March 2024 alone as detailed in **Appendix 3.8**.

The monthly flow of receipts into the state exchequer and disbursement during 2023-24 are given in the following **Chart 3.5**

Chart 3.5: Monthly flow of receipts and disbursement during 2023-24



Source: Information provided by Accountant General (A&E) office.

The chart shows that expenditure (amount) increased substantially in the last quarter in comparison to the previous quarters of the year (amount). Further, the pattern of expenditure during 2023-24 revealed that the State Government incurred an expenditure of ₹ 58,950.02 crore constituting about 13.61 *per cent* of the total expenditure of ₹ 4,33,273.39 crore in the month of March alone.

As per Circular dated August 2023, directions were given to all Budget controlling officers/departments that prescribed percentage of expenditure against available Budget provision in the current financial year is to be restricted to 30 *per cent* at the end of first quarter, 60 *per cent* at the end of second quarter and 90 *per cent* at the end of third quarter of the year.

Details of 11 Major Heads, where expenditure incurred during the month of March was more than 50 *per cent* of total expenditure, are provided in **Table 3.11** below:

Table 3.11: Major Heads with more than 50 *per cent* expenditure in March during 2023-24

(₹ in crore)

S. No.	Head of Account	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	Expenditure in March	% of 4 th quarter w.r.t. total expenditure	% of March w.r.t. total expenditure
1.	2075	Miscellaneous General Services	2.87	2.97	1.70	910.07	917.61	908.47	99.18	99.00
2.	3054	Roads and Bridges	(-)7.61	408.21	120.07	3,912.90	4,433.57	3,822.23	88.26	86.21
3.	4059	Capital Outlay on Public Works	23.13	50.08	22.27	221.13	316.61	174.78	69.84	55.20
4.	4220	Capital Outlay on Information and Publicity	0.00	0.53	0.14	1.94	2.61	1.51	74.33	57.85
5.	4236	Capital Outlay on Nutrition	0.00	15.24	1.73	17.68	34.65	17.68	51.02	51.02
6.	4425	Capital Outlay on Co-operation	0.00	0.00	0.00	3.12	3.12	3.12	100.00	100.00
7.	4575	Capital Outlay on Other Special Areas Programmes	15.50	50.99	(-) 12.92	38.80	92.37	38.80	42.00	42.00
8.	4885	Other Capital Outlay on industries and Minerals	0.00	0.00	0.12	5.13	5.25	4.87	97.71	92.76
9.	5475	Capital Outlay on Other General Economic Services	19.97	23.55	79.52	285.18	408.22	249.26	69.86	61.06
10.	6408	Loans for Food Storage and Warehousing	0.00	0.00	0.00	5.97	5.97	5.97	100.00	100.00
11.	6425	Loans for Co-operation	0.00	0.00	0.00	0.50	0.5	0.50	100.00	100.00
Total			53.86	551.57	212.63	5,402.42	6,220.48	5,227.19		

Source: Information provided by Accountant General (A&E) office.

Huge expenditure incurred in the last month of the year indicates weak internal controls over expenditure and lack of budgetary control/management at the level of the department/Budget controlling officers.

3.4.4 Gender Responsive Budgeting

The Gender Budget of the State is part of the overall budget and is intended for the welfare of women. Gender Budget facilitates integration of gender analysis in the Government Budget. Gender budgeting in the State is regulated as per provisions contained in the State Budget Manual (SBM) which provides that in order to prepare the annual Gender Budget Statement, Budget Controlling officers of specified departments are required to provide information in the format given in the budget circular issued by the Finance Department.

The State Government has designated Women Empowerment Department as the Nodal Department for preparation of Gender Budget Statement. The categories of schemes in the Gender Budget are given below:

A	Schemes under which expenditure targeted at women is more than 70 <i>per cent</i> .
B	Schemes under which expenditure targeted at women is lower than 70 <i>per cent</i> .

During 2023-24, there were 478 schemes/programmes constituting 100 'A' category schemes and 378 'B' category schemes in the Gender Budget. The State Government allocated ₹ 38,679.43 crore in 2023-24 to the Gender Budget, 15 *per cent* higher than the Budget provision (₹ 33,745.11 crore) for 2022-23. Gender Budget accounts for 7.66 *per cent* of the total State Budget².

The allocation of funds and expenditure under Gender Budget during the period 2019-20 to 2023-24 is shown in **Table 3.12** below.

Table 3.12: Year-wise position of BE and Actuals under Gender Budgeting

(₹ in crore)					
S. No.	Year	Total Budget provision in schemes included in Gender Budget	Provision for women in such schemes of Gender Budget	Actual Expenditure in the schemes	Per cent of expenditure
1.	2019-20	37,415.03	18,928.78	15,700.39	82.94
2.	2020-21	28,595.68	14,481.66	15,202.61	104.98
3.	2021-22	35,730.36	18,198.64	18,155.67	99.77
4.	2022-23	69,851.91	33,745.11	28,630.92*	84.84
5.	2023-24	76,614.07	38,679.43	33,812.88	87.42

Source: Budget documents and department replies

* Expenditure pertains to 455 schemes

It is evident from the above table that State Government was not able to utilize 12 to 17 *per cent* budget allocation during 2019-20, 2022-23 and 2023-24.

Further scrutiny revealed that during the year 2023-24, *nil* expenditure has been incurred in 27 schemes by 12 departments against budget allotment of ₹161.66 crore under Category A and 65 schemes by 29 departments against budget allotment of ₹ 952.92 crore under Category B. Details of schemes under Gender budget having *nil* expenditure against the budget allocation by various departments is given in **Appendix 3.9**. Audit observed that the State Government made token provision in various schemes and without augmentation of provision the entire provision was surrendered.

It was also noticed that State Government made provision of ₹ 256.51 crore under various schemes in State budget for welfare of women but reduced it or even withdrew the whole amount in the revised estimates. Details of such schemes are given in **Appendix 3.10**.

2. ₹ 5,04,970.13 crore

This reflects lack of implementation by the concerned Departments/State Government as well as deficient monitoring by the nodal Department of the schemes for welfare and empowerment of women in the State.

3.4.5 Child Budgeting

Child budgeting represents the State Government's commitment on child focused schemes, programmes, and policies from the overall budget of a fiscal year.

The State Government made Women and Child Development Department as the Nodal Department for preparation of Child Budget Statement. The first Child Budget was presented in the State in FY 2020-21.

In 2023-24, the State Government allocated ₹39,693.08 crore for the Child Budget, which was 20.11 *per cent* higher than 2022-23³. The Child Budget accounted for 7.86 *per cent* of the total State Budget⁴ of 2023-24. The quantum of funds allotted to Child Budget during 2023-24 and the expenditure against it is given in **Table 3.13** below:

Table 3.13: Child Budget provision and expenditure during 2023-24

(₹ in crore)			
	Budget Provision	Expenditure	Percentage utilisation of BE
Child Budget	39,693.08	28,322.73	71.35

Source: As per Budget and Appropriation Account for 2023-24

During the year 2023-24, there were 167 schemes/programs under 17 departments in the Child Budget. Against the Budget provision of ₹ 39,693.08 crore, 71.35 *per cent* budget was utilized for these schemes. Further analysis revealed that as against the Budget provision of ₹ 1,787.01 crore in 17 out of 167 schemes only ₹ 245.62 crore was utilized by various Departments⁵. While in 10 cases there was nil expenditure, in remaining schemes the utilization ranged between 5.87 to 23.12 *per cent*. Details of such schemes are given in **Appendix 3.11**.

Director, Medical and Family Welfare intimated (July 2024) that less expenditure under *Shubh Laxmi Yojana* was due to non-timely availability of budget and delay in submission of applications by the beneficiaries. Reasons for less/nil expenditure in other schemes are awaited from the various Departments/units (November 2024).

Less/nil expenditure under various schemes for welfare of children shows lack of proper monitoring by Women and Child Development Department (Nodal Department) and laxity on the part of implementing Departments in implementing the schemes.

3. ₹ 33,046.08 crore

4. ₹ 5,04,970.13 crore (Appropriation Account)

5. Minorities department, Child Empowerment department, Family Welfare Department, Elementary Education department, Secondary Education department, Integrated Child development department and Social Justice & Empowerment department.

3.4.6 Review of selected grants

Grant No. 26-Medical and Health and Sanitation and Grant No. 29-Urban Plan and Regional Development were selected on the basis of expenditure against budgeted estimate for the last three years for detailed analysis. This analysis encompasses comments on Budget and Expenditure, Receipts with respect to Revised Estimates, Excess expenditure after re-appropriation, surrender, unnecessary/excessive supplementary provision, non-utilisation of provisions and persistent savings under these grants.

Grant No. 26- Medical and Public Health and Sanitation

Grant 26-Medical and Public Health and Sanitation included expenditure related to departments of Medical and Health, Medical education, Ayurveda, Homeopathy and Unani upto 2022-23. Since State Budget 2023-24, the grant got bifurcated into three Grants, namely Grant 27-Medical and Health Department, Grant 28-Medical education Department and Grant 29- Ayurveda, Homeopathy, Unani Medical Department.

Grant 27-Medical and Health Department is under the administrative control of the Additional Chief Secretary, GoR. Providing better medical facilities to its citizens is the ultimate duty and objective of the Government. To accomplish this task, the medical department make plans in accordance with the policies of the government and implements them into action for providing proper and quality service to the citizens of the state.

Grant 28-Medical Education Department is administered by Principal Secretary, Medical Education Department, GoR. All medical colleges and dental colleges in the State are under administrative control of the department. The department also manages the hospitals affiliated to these colleges. The main objective of the department is to provide skilled and timely human resources in the field of medicine and health, conduct undergraduate, postgraduate and super specialty courses, training and treat and cure general, complex, serious and referred patients through the related hospitals.

Grant 29- Ayurveda, Homeopathy, Unani Medical Department is under administrative control of Secretary, Ayush Department, GoR. The department administers Ayurveda Homeopathy and Indian Medicine for achieving the broad objective of 'health for all'. Health advice and treatment is provided to the people through Ayurveda, Homeopathy, Unani, Yoga and Naturopathy etc. by the department.

The overall budgetary provisions, expenditure and savings under these grants during the period 2021-24 is detailed below in the **Table 3.14**.

Table 3.14: Budgetary Position during 2021-22 to 2023-24

Statement of Budgetary Provisions during 2021-22 to 2023-24						(₹ in crore)
Year	Budgetary Provisions			Expen- Diture	Savings (Percentage of Deviation)	Amount Surrendered
	Original	Suppleme- ntary	Total			
Revenue Voted						
2021-22	11,627.29	271.41	11,898.70	11,409.66	489.04 (4.11%)	485.97
2022-23	13,358.78	-	13,358.78	11,771.45	1,587.33 (11.88%)	1,586.13
2023-24	13,929.34	435.60	14,364.94	13,436.62	928.32(6.46%)	925.84
Capital Voted						
2021-22	491.97	727.33	1,219.30	1,157.82	61.49 (5.04%)	61.48
2022-23	862.12	600.04	1,462.16	743.29	718.88 (49.17%)	717.88
2023-24	2,437.08	80.55	2,517.63	1,201.13	1,316.51 (52.29%)	1,316.55

Source: Appropriation Account of respective years

Audit scrutiny of budget and expenditure under this grant revealed that:

- The unutilized budget provision/savings under revenue section of the grant ranged from 4.11 *per cent* to 11.88 *per cent* during period from 2021-22 to 2023-24.
- As per SBM, grants that cannot be properly utilised should be surrendered. Under Revenue section, out of final savings, a sum of ₹ 3.07 crore, ₹ 1.20 crore and ₹ 2.48 crore remained un-surrendered during 2021-22, 2022-23 and 2023-24 respectively. During 2022-23 out of final savings, a sum of ₹ 1.00 crore remained un-surrendered under Capital section.
- Supplementary provision of ₹ 271.41 crore and ₹ 435.60 crore during 2021-22 and 2023-24 respectively was un-necessary in view of final savings in revenue section. Similarly, supplementary provision of ₹ 600.04 crore and ₹ 80.55 crore during 2022-23 and 2023-24 respectively was un-necessary in view of final savings in capital section as actual expenditure could not come up to the level of the original provision.
- In capital section there were savings of more than ₹ 500 crore i.e. 49.17 *per cent* and 52.29 *per cent* during the years 2022-23 and 2023-24.

This shows that the provision in SBM pertaining to budgetary controls were not adhered to by the concerned Departments.

Substantial Savings

Para 8.5 (8) of SBM provides that Budget Controlling Officers are required to prepare and submit monthly progress reports on expenditure and achievement of physical targets of plan schemes executed by the department to the Planning Department.

It was observed that in 14 schemes/programmes there were substantial savings of ₹ 784.69 crore (in cases where savings were more than ₹ one crore and above and more than 60 *per cent* of total provision) ranging from 59.80 *per cent* to 99.13 *per cent* of total grant/appropriation under the schemes/programmes during 2023-24. The details are given in **Table 3.15** below:

Table 3.15: Substantial Savings noticed under various Programme/Schemes

(₹ in crore)					
S. No.	Name of Head	Total (O+S)	Expenditure	Saving	Percentage of Savings
1.	2210-02-101-03-01 Ayurvedic college, Udaipur	2.39	0.63	1.76	73.64
2.	2210-05-001-01 Director, Medical Education	32.61	7.90	24.71	75.77
3.	2211-105-03-11 Compensation in unsuccessful Sterilization Cases	3.00	0.91	2.09	69.67
4.	2210-06-101-25-01 Eyes Retrieval and Eyes Transplant, Director medical and health	7.00	0.60	6.40	91.43
5.	3055-800-10-01 Mukhyamantry Chiranjeevi Jeevan Rakshak Yojana, Scheme operated through dedicated road safety fund	5.00	0.03	4.97	99.40
6.	4210-03-105-03-90 Allopathy, Medical College, Udaipur, Construction works	5.00	0.66	4.34	86.80
7.	4210-03-105-04-90 Allopathy, Medical college Ajmer, Construction works	4.64	0.08	4.56	98.28
8.	4210-03-105-05-90 Allopathy, Medical college Jodhpur, Construction works	5.95	1.23	4.72	79.33

S. No.	Name of Head	Total (O+S)	Expenditure	Saving	Percentage of Savings
9.	4210-03-105-07-01 Other expenditure, Medical College, Jaipur	54.70	11.51	43.19	78.96
10.	4210-03-105-07-05 Other expenditure, Medical College, Jodhpur	45.00	2.98	42.02	93.38
11.	4210-03-105-11-90 New Medical College, Construction work	859.00	323.44	535.56	62.35
12.	4210-03-105-12-01 State cancer Institute, SMS Medical College, Jaipur	40.90	16.44	24.46	59.80
13.	4210-03-105-18-01 Strengthening and Elevation of Medical college in state government for Acceleration in PG seats- phase-II, S.M.S. Medical college, Jaipur	57.50	3.31	54.19	94.24
14.	4210-03-105-21-01 Allopathy, New Public Health College, Directorate of Medical Education	32.00	0.28	31.72	99.13
	Total	1154.69	370.00	784.69	

Source: Detailed Appropriation Accounts

Budget Controlling Officer attributed the savings mainly to reasons such as (i) Less receipt of unsuccessful sterilization cases from districts than estimated cases, (ii) less execution of ongoing work by the PWD and non-receipt of sanction from Medical Education Department for construction and (iii) non-declaration for construction of new mortuary and overhead water tank.

Substantial savings against the budget allocation indicate that the provisions of SBM regarding budget formulation/preparation of demands for grants and monitoring were not adhered to. This also indicates poor monitoring over progress of work at the level of the departments.

Persistent savings

As per SBM, actual expenditure incurred in last two to three years and revised estimates for the current year should be taken into consideration for preparing estimates for the ensuing financial year and the estimates of expenditure should be as accurate as possible.

Audit examination of the records of the grant revealed that there were schemes having persistent savings (₹ One crore and above) from 2021-22 to 2023-24 which are given in **Table 3.16** below:

Table 3.16: Persistent savings noticed under various Programmes/Schemes

(₹ in crore)

S. No.	Name of Head	Savings (percentage of saving)		
		2021-22	2022-23	2023-24
1.	2210-04-800-01-01 Other expenditure, Through the National Rural Health Mission, Ayurveda Department	0	74.88 (100)	43.49 (58.07)
2.	2211-105-03-11 Compensation in unsuccessful Sterilisation Cases (Transport)	3.26 (72.37)	1.73 (57.62)	2.09 (69.51)
3.	2211-800-03-03 National Urban Health Mission (NUHM)	25.74 (57.64)	47.61 (100)	40.77 (100)
4.	4210-03-105-07-01 Allopathy, other expenditure of Medical College, Jaipur	1.22 (12.65)	4.80 (13.65)	43.19 (78.95)
5.	4210-03-105-07-06 Allopathy, other expenditure of Medical College, Kota	4.50 (64.98)	1.17 (37.03)	4.58 (54.64)

S. No.	Name of Head	Savings (percentage of saving)		
		2021-22	2022-23	2023-24
6.	4210-03-105-13-01 Tertiary Cancer Care Centre Medical College, Bikaner	5.00 (100)	7.28 (100)	6.15 (100)
7.	4210-03-105-14-01 National Mental Health Scheme, Medical College, Bikaner	1.81 (72.22)	1.74 (100)	2.34 (100)
8.	4210-03-105-15-02 Acceleration in UG seats Medical College, Udaipur	13.00 (100)	5.20 (40)	5.00 (27.78)
9.	4210-03-105-16-01 Elevation Phase III of Medical College under PMSSY, Medical College, Udaipur	2.00 (100)	4.35 (100)	4.35 (100)
10.	4210-03-105-18-02 Strengthening and Elevation of medical colleges in state government for acceleration in PG seats - Phase II, Medical College, Bikaner	23.39 (93.58)	9.00 (39.13)	20.00(36.36)
11.	4210-03-105-18-03 Strengthening and Elevation of medical colleges in state government for acceleration in PG seats - Phase II, Medical College, Jodhpur	8.49 (42.43)	20.81 (51.71)	18.64(35.52)
12.	4210-03-105-18-05 Strengthening and Elevation of medical colleges in state government for acceleration in PG seats - Phase II, Medical College, Udaipur	10.13 (56.26)	6.00 (33.34)	1.00 (5.26)
13.	4210-03-105-21-01 New Public Health College, Directorate, Medical Education	30.00 (100)	22.49 (89.97)	31.72(99.13)
14.	4210-03-105-24-01 PG Maternity and Neonatology Institution, Medical College, Jodhpur	5.00 (83.33)	1.00 (16.67)	19.20 (100)
15.	4210-03-105-25-01 Regional Cancer Institution, Medical College, Jodhpur	6.00 (60)	5.00 (13.51)	46.60(60.92)

Source: Detailed Appropriation Accounts.

The Budget Controlling Officers attributed the savings mainly to reasons such as (i) less receipt of unsuccessful sterilization cases from district than estimated cases; (ii) less execution of construction work; (iii) non-receipt of financial and administrative sanction for works relating to construction and supply of material to provide basic facility for treatment of cancer patients under Tertiary cancer care centre; (iv) non-release of funds to executive agency for construction of super specialty wing; (v) non-receipt of sanction for construction of Sports Complex under Acceleration in UG seats; (vi) non-transfer of funds to Bank Account of Single Nodal Agency; (vii) non-release of fund from the GoI and (viii) non-receipt of sanction for transfer of the funds to implementing agency etc.

The persistent savings indicate that the department did not utilise the budgeted funds consistently in respect of these development works/programmes/schemes. It also indicates over assessment of requirement of funds by the State Government in Appropriation Act without monitoring the flow of expenditure.

Non utilisation of entire provision

As envisaged in para 13.6 of SBM, the estimates of expenditure should be as accurate as possible. Cases under this grant, where there was 100 *per cent* savings during 2023-24, are given in **Table 3.17** below:

Table 3.17: Non-utilisation of provisions under various Programme/Schemes

(₹ in crore)

S. No.	Name of Head	Budget Provision	Expenditure	Savings
1.	2210-05-105-03-01 Grant to Health Science University, RHSU, Jaipur	55.20	0.00	55.20
2.	2210-05-105-08-01 Tertiary Cancer Care Centre, Jhalawar Hospital and Medical College Society	18.37	0.00	18.37
3.	2210-05-105-09-01 Acceleration in UG seats, Jhalawar Hospital and Medical College Society	3.43	0.00	3.43
4.	2210-05-105-09-02 Acceleration in UG seats, Rajasthan Health Science University Jaipur	19.00	0.00	19.00
5.	2211-105-03-12 Measures for Population Control, Subh Lakshmi Yojana	27.45	0.00	27.45
6.	2211-800-02-02 National Urban Health Mission (NUHM)	154.57	0.00	154.57
7.	2211-800-03-03 National Urban Health Mission (NUHM)	40.77	0.00	40.77
8.	4210-01-116-16-01 National Urban Health Mission (NUHM)	7.20	0.00	7.20
9.	4210-03-101-01-90 Medical education building construction works	4.59	0.00	4.59
10.	4210-03-105-11-01 New Medical College, Capital expenditure for new medical college	128.30	0.00	128.30
11.	4210-03-105-13-01 Tertiary Cancer Care Centre, Medical College, Bikaner	6.15	0.00	6.15
12.	4210-03-105-14-01 National Mental Health Scheme, medical college Bikaner	2.34	0.00	2.34
13.	4210-03-105-15-06 Acceleration in UG seats, Capital expenditure for new medical college	11.70	0.00	11.70
14.	4210-03-105-07-03 Medical Collage,Udaipur	2.25	0.00	2.25
15.	4210-03-105-16-01 Elevation Phase III of Medical College under PMSSY, Medical College, Udaipur	4.35	0.00	4.35
16.	4210-03-105-24-01 PG Maternity and Neonatology Institution, Medical college Jodhpur	19.20	0.00	19.20
	Total	504.87		504.87

Source: Appropriation Accounts

The Budget Controlling Officers attributed the savings mainly to reasons such as ((i) reduction in estimates of State Fund and Central Assistance as the plan ceiling of State was higher than sanctioned by GoI; (ii) non receipt of financial and administrative sanction from the State Government; (iii) non release of funds to executive agency for construction of work *etc.*

This indicates that the budget provision was prepared on *ad hoc* basis without assessing the actual requirement. The surrender of entire provision in Capital heads indicates that proposals for capital works were made without proper planning and feasibility study. Non-utilisation of funds also indicates systemic deficiency in utilisation of funds by the department and this adversely impacts the achievement of the objective of schemes.

Token provision in grant

As per para 13.14 of SBM, a sub-head of other unit of appropriation which remains inoperative for three consecutive years should be deleted from the demand for grants of the concerned department. During scrutiny of the grant, it was observed that during 2021-24, token provisions were made in 149 heads⁶ out of total 970 heads⁷ under this grant which remained token provisions without augmentation of the provisions through re-appropriations and at the end of the financial year token provisions in all these heads were surrendered/re-appropriated. This indicated that the department lacked proper estimation of provision and execution of financial plan.

Flow of expenditure

Audit noticed that during 2023-24, in respect of six sub-heads (where more than 40 *per cent* was incurred either during the last quarter or during the last month of the financial year) under this grant, total expenditure of ₹142.55 crore was incurred in the last quarter of the financial year which was 62.31 *per cent* of the total expenditure (₹228.77crore). Of this, ₹107.33 crore (46.92 *per cent*) was spent in March 2024 alone as detailed in **Table 3.18** below.

Table 3.18: Flow of expenditure during March and last quarter of the year

S. No.	Head of Account (up to Sub Head)	Expenditure incurred during January-March 2024	Expenditure during March 2024	Total Expenditure	(₹ in crore)	
					Percentage of total Expenditure incurred during	
					January-March 2024	March 2024
1.	4210-01-110-07 Construction works through the medical and Health Department	21.77	14.77	42.32	51.44	34.90
2.	4210-01-200-01 Shudh ke Liye Yudh Abhiyan	10.04	10.04	10.54	95.26	95.26
3.	4210-03-105-07 Other expenditure	14.53	11.11	25.28	57.48	43.93
4.	4210-03-105-12 State Cancer Institute	12.76	12.76	16.44	77.61	77.61
5.	4210-03-105-18 Strengthening and Elevation of Medical College	61.30	43.30	98.44	62.27	43.99
6.	2210-02-101-06 Grants-in-Aid to Ayurveda University	22.15	15.35	35.75	61.96	42.94
	Total	142.55	107.33	228.77	62.31	46.92

Source: Information provided by Accountant General (A&E) office.

Huge expenditure incurred by the department during the last quarter/month of the year is indicative of ineffective control over progressive expenditure during the year.

6. 2021-22 (46 heads), 2022-23 (49 heads), 2023-24 (54 heads).

7. 2021-22 (313 heads), 2022-23 (323 heads), 2023-24 (334 heads).

Excess Expenditure

Para 24.1 of SBM also provided that expenditure shall neither be incurred in excess of the sanctioned allotment nor on the items for which no provision has been made in the budget. As per SBM, it is essential that the statement should be prepared with utmost care, as inaccurate statements of excesses and savings not merely cause inconvenience to the Finance Department but may also lead to excess expenditure, for which concerned Budget Controlling Officer will be held responsible.

During test check of Appropriation Account, it was observed that under some heads expenditure was incurred in excess of the available budget, though there was no excess in the overall grant. Details are given in **Table 3.19** below:

Table 3.19: Excess expenditure in Heads under the Grant

(₹ in crore)						
S. No.	Head of Account	Total Provision	Surrender/Re-appropriation	Available fund	Actual Expenditure	Excess
1.	2210-02-101-02-01 Hospital and Dispensaries (Through the Director, Ayurveda Department)	27.57	17.10	44.67	44.80	0.13
2.	2211-800-02-03 National Rural Health Mission (NRHM),	1755.65	121.83	1877.48	1891.28	13.80
3.	4210-01-110-01-90 Hospital and Dispensaries, Ayurvedic (including Pharmacy) Construction work	0.51	(-)0.07	0.43	0.49	0.06

Source: Appropriation Accounts

This shows that expenditure was incurred by the department without availability of fund for these heads indicating deficient budgetary and expenditure controls.

Anticipated savings not surrendered

According to para 23.16 of SBM, grants that cannot be properly utilised should be surrendered. Accordingly, it is the duty of the Budget Controlling Officers to ensure that all anticipated savings are surrendered as soon as they are estimated, without waiting till the end of the year.

During the scrutiny of the grant, it was noticed that under two heads (where saving of ₹ 50 lakh & above) against savings of ₹ 41.50 crore, ₹ 14.53 crore was not surrendered. Details is given in the **Table 3.20** below:

Table 3.20: Details of heads where savings not surrendered

(₹ in crore)				
S. No.	Heads	Savings	Amount Surrendered/ Re-appropriate	Amount not surrendered
1.	2211-800-03-03 (Grant No 27) National Urban Health Mission (NUHM)	40.77	(-) 26.97	13.80
2.	2210-05-105-01-22 (Grant No 28) Swai Man Singh Medical College, Jaipur	0.73	0.00	0.73
	Total	41.50	(-) 26.97	14.53

This indicates poor expenditure management and inadequate financial control. Early surrender could have ensured more productive use of resources in other areas having shortfall.

Unexplained re-appropriations

Para 23.15.6 of SBM envisages that the reasons for anticipating excesses or savings should be clearly explained by the Department. Scrutiny of re-appropriation orders issued (31 March 2024) by the Finance Department, revealed that out of 460 explanations, 247 cases were clearly explained in the re-appropriation orders. Explanations in the remaining 213 cases were of general nature like 'actual requirement', 'based on latest assessment' and 'restriction of expenditure'.

The above tendency of non-specific explanations goes against the principle of transparency stipulated in Section 4 of the FRBM Act.

Irregular booking of expenditure under Capital heads

During the audit of Appropriation Account for the year 2023-24 of the State, it was noticed that the State Government made budget provision of ₹ 20.08 crore under certain Capital heads in State budget 2023-24 to provide Grants-in-aid to autonomous bodies and institutions which were earlier objected to and permission for opening these Capital heads was denied by the Office of the Accountant General (A&E) during 2021-22. The details of these heads are given ***Appendix 3.12***.

These Capital Heads were opened through the first supplementary grant during 2021-22 for creation of capital assets in autonomous institutions/bodies. This was irregular as per the extant provisions of Indian Government Accounting Standards (IGAS)-2 issued by Comptroller and Auditor General of India, funds should be issued by State Government to bodies/institutions with distinct legal/statutory status like universities, institutions/colleges, PSUs, etc only in the form of grant, investment or loans. Thus, the rules clearly prescribe that any Grant in aid by the State Government, irrespective of the purpose, has to be booked as Revenue Expenditure in the accounts of the State Government. The State Government also made provision under these Capital heads and booked expenditure during 2022-23. This indicates irregular booking and misclassification of expenditure in violation of GF&AR, Government Accounting Rules, 1990 and Indian Government Accounting Standard (IGAS-2).

Grant No. 29: Urban Plan and Regional Development

Grant No.29 has been divided between Grant 39 (Urban development and housing department) and Grant 40 (Local Self Government Department) in FY 2023-24.

Urban Development and Housing (UDH) Department is responsible for development of Urban Sector of Rajasthan. UDH Department is committed for systematic planning and development of cities. Principal Secretary, **Local Self Government (LSG) Department** is the controlling Department of all municipalities for all administrative purposes. It also performs monitoring and co-ordination function at the state level for all 282 municipalities of the state. The department is headed by Principal Secretary.

The overall budgetary provision, expenditure, and savings under this grant during the period 2021-24 is detailed below in the **Table 3.21**:

Table 3.21: Budgetary position under the grant during the period 2021-24

(₹ in crore)						
Year	Budgetary Provision			Expen- diture	Savings (Percentage)	Amount Surrendered
	Original	Suppleme- ntary	Total			
Revenue-Voted						
2021-22	6,034.41	₹ 2,000	6,034.41	5,154.35	880.05(14.58%)	876.01
2022-23	4,828.13	1,132.30	5,960.43	5,092.18	868.24(14.56%)	868.24
2023-24	6,053.02	878.03	6,931.05	5,126.53	1,804.52(26.03%)	1,804.52
Capital-Voted						
2021-22	1,323.84	2,158.99	3,482.83	3,114.95	367.88(10.56%)	357.82
2022-23	1,549.82	1,290.33	2,840.15	1,952.44	887.71(31.25%)	890.50
2023-24	4,589.75	58.41	4,648.16	2,029.86	2,618.29(56.32%)	2,618.97

It revealed from above table that during the period 2021-22 to 2023-24:

- The unutilized budget provision/savings under revenue section of the grant ranged from 14.56 per cent to 26.03 per cent.
- As per SBM, grants which could not be utilised need to be surrendered. During 2021-22 out of final savings, a sum of ₹ 4.04 crore under Revenue section and ₹ 10.06 crore under Capital section remained un-surrendered.
- During 2022-23 under Capital section, surrender of ₹ 890.50 crore was more than the savings.
- During 2023-24, supplementary provisions of ₹878.03 crore in Revenue section and ₹58.41 crore in Capital section were unnecessary as actual expenditure could not be incurred even to the level of the original provision.
- In capital section, there were persistent savings of more than ₹ 300 crore ranging from 10.56 per cent to 56.32 per cent of total budget.

This shows that the provision in SBM pertaining to budgetary controls were not adhered to by the respective departments.

Substantial Savings

Paragraph 13.7 of the SBM prescribes that actual expenditure incurred during the last three years and revised estimates for the current financial year should be taken into consideration for preparing estimates for the ensuing financial year.

It was observed that in 24 schemes/programmes there were substantial savings of 4617.72 crore (in cases where savings were more than ₹ one crore and also by more than 30 per cent of total provision) ranging from 32 per cent to 99 per cent of total grant/appropriation under the schemes/programmes during 2023-24. The details are given in **Table 3.22** below:

Table 3.22: Substantial Savings noticed under various Programmes/Schemes

(₹ in crore)					
S. No.	Name of Head/ Scheme	Total Provision (O+S)	Expenditure	Saving	Percentage savings
1.	2217-05-190-02-03 Ajmer city transport services Limited (General)	4.12	1.37	2.75	66.75
2.	2217-80-191-14-01 Grants under the recommendations of state finance commission (General)	263.88	140.72	123.16	46.67
3.	2217-80-191-50-01 Grant for air improvement to million plus cities (General)	106.47	17.52	88.95	83.54
4.	2217-80-191-50-04 Grant for drinking water and solid waste management to million plus cities (General)	415.58	201.95	213.63	51.41
5.	2217-80-191-50-07 Unobligated grant for non-million plus cities(general)	29.09	13.61	15.48	53.21
6.	2217-80-191-50-10 Obligated grant for drinking water and solid waste management to non-million plus cities (general)	43.63	20.41	23.22	53.22
7.	2217-80-191-51-01 Renovation/Improvement Repair of Roads (General)	192.33	82.43	109.90	57.14
8.	2217-80-192-14-01 Grants under the recommendations of state finance commission (General)	698.05	473.00	225.04	32.24
9.	2217-80-192-55-01 Unobligated grant for non-million plus cities(general)	266.01	125.97	140.04	52.64
10.	2217-80-192-55-04 Obligated grant for drinking water and solid waste management to non-million plus cities(general)	587.97	188.95	399.02	67.86
11.	2217-80-192-56-01 Renovation/improvement repair of roads (General)	288.50	123.64	164.86	57.14
12.	3475-108-02-01 Administrative expenses	2.91	1.29	1.62	55.61
13.	3475-108-03-01 Assistance under Indira Gandhi urban credit card yojana	14.00	0.09	13.91	99.36
14.	3475-108-04-01 Through the Local Self Government Department	440.00	203.07	236.93	53.85
15.	3475-191-02-01 Development works	11.71	5.06	6.66	56.87
16.	3475-192-02-01 Development works	27.33	11.26	16.08	58.84
17.	4217-03-800-01-02 Shahari Jan sabhbagi Yojana	2.06	0.28	1.78	86.41
18.	4217-03-800-02-07 For various urban bodies	47.50	2.41	45.09	94.93
19.	4217-60-050-04 Rajasthan urban sector development investment programme (RUSDIP) R.U.I.D.P. Third stage (EAP) Construction work	145.33	93.25	52.08	35.84
20.	4217-60-051-03-01 Local Self-Government department	10.00	5.00	5.00	50.00
21.	4217-60-051-07-01 Local Self-Government department	137.38	67.75	69.63	50.68
22.	4217-60-051-09-01 Local Self-Government department	2080.65	237.67	1842.98	88.58
23.	4217-60-051-10-01 Local Self-Government department	772.00	40.93	731.07	94.70
24.	4217-60-051-12-01 Local Self-Government department	220.10	131.27	88.84	40.36
	Total	6,806.60	2,188.90	4,617.72	

Source: Detailed Appropriation Accounts

Budget Controlling Officers attributed the savings mainly to reasons such as (i) less-receipt of fund from GoI and (ii) less execution of works by the Department etc. However, detailed reasons have not been intimated by the Department.

Substantial savings against the budget allocation indicate that the provisions of SBM regarding budget formulation/preparation of demands for grants and monitoring were not adhered to. This also indicates poor monitoring over progress of works at the level of the concerned Departments.

Persistent savings

As per SBM, actual expenditure incurred in last two to three years and revised estimates for the current year should be taken into consideration for preparing estimates for the ensuing financial year and the estimates of expenditure should be as accurate as possible.

Audit examination revealed that there were schemes having persistent savings (₹ 10 lakh and above) from 2021-22 to 2023-24 as given in the **Table 3.23** below:

Table 3.23: Persistent Savings noticed under various Programmes/Schemes

S.No.	Name of Head	Savings (percentage of saving)		
		2021-22	2022-23	2023-24
1.	2217-05-190-02-03 Ajmer City Transport Services Limited (General)	-	0.98 (23.67 %)	2.75 (66.67%)
2.	2217-80-001-04 Rajasthan Municipality Service Selection Commission- (Subordinate and ministerial)	-	0.09(18.22%)	0.14(26.04%)
3.	2217-80-001-06-01 Establishment chargers- committed	1.79(13.69%)	3.72(22.74%)	2.34(14.13%)
4.	2217-80-191-14-01 Grants under the recommendations of state finance commission (General)		32.21(12.21%)	123.16(46.67%)
5.	2217-80-191-50-07 Unobligated grant for non-million plus cities (General)	15.19(52.18%)	1.26(4.35%)	15.48(53.21%)
6.	2217-80-191-50-10 Obligated grant for drinking water and solid waste management to non-million plus cities (General)	22.78(52.18%)	1.88(4.35%)	23.22(53.21%)
7.	2217-80-192-14-01 Grants under the recommendations of state finance commission (General)	-	67.07(9.61%)	225.04(32.24%)
8.	2217-80-192-55-01 Unobligated grant for non-million plus cities (General)	119.58(49.74%)	125.72(33.75%)	140.04(52.64%)
9.	2217-80-192-55-04 Obligated grant for drinking water and solid waste management to non-million plus cities (General)	179.37(49.74%)	188.57(33.75%)	399.01(67.86%)
10.	4217-03-800-01-02 Shahari Jan Sahbhagi Yojana	-	2.40(70.00%)	1.78(86.57%)
11.	4217-03-800-02-07 For various urban bodies	26.04(84.26%)	3.28(95.60%)	45.09(94.93%)
12.	4217-60-051-03-01 Local Self Govt. Department	-	8.59(31.25%)	5.00(50.00%)
13.	4217-60-051-07-01 Local Self Govt. Department	58.97(51.46%)	75.26(45.65%)	69.63(50.68%)
14.	4217-60-01-09-01 Local Self Govt. Department	-	468.96(87.73%)	1842.98(88.58%)

Source: Detailed Appropriation Accounts.

The Budget Controlling Officers attributed the savings mainly to reasons such as (i) less-receipt of funds from GoI and (ii) less/non execution of works by the Department. However, detailed reasons have not been intimated by the Department.

The persistent savings indicate that the department did not utilise the budgeted funds consistently in respect of these development works/programmes/schemes. It also indicates over assessment of requirement of funds by the State Government in Appropriation Act without properly monitoring the flow of expenditure.

Non utilisation of entire provision

As envisaged in para 13.6 of SBM, the estimates of expenditure should be as accurate as possible. Cases under the grant, where there was 100 *per cent* savings during 2023-24, are given in **Table 3.24** below:

Table 3.24: Non-utilisation of the entire provision under various Programme/Schemes

(₹ in crore)				
S. No.	Name of Head	Budget Provision	Expenditure	Savings
1.	2217-05-190-02-08 Jodhpur City Transport Services Limited-(General)	6.87	0.00	6.87
2.	2217-05-190-02-11 Kota City Transport Services Limited-(General)	3.43	0.00	3.43
3.	2217-05-190-02-17 Udaipur City Transport Services Limited-(General)	4.81	0.00	4.81
4.	2217-05-190-02-20 Bharatpur City Transport Services Limited (General)	2.75	0.00	2.75
5.	2217-05-190-02-23 Rajasthan City Transport Services Limited (General)	50.00	0.00	50.00
6.	2217-80-191-14-04 Incentive grants for execution under the recommendations of state finance commission	13.89	0.00	13.89
7.	2217-80-191-50-16 Grant for urban health and wellness centers (General)	7.57	0.00	7.57
8.	2217-80-191-52-01 Conservation of buildings in walled area (General)	2.40	0.00	2.40
9.	2217-80-191-53-01 Local Self Government Department (General)	41.21	0.00	41.21
10.	2217-80-191-54-01 Local Self Government Department (General)	17.24	0.00	17.24
11.	2217-80-192-14-04 Incentive grants for execution under the recommendations of state finance commission	36.74	0.00	36.74
12.	2217-80-192-55-10 Grant for urban health and wellness centers (General)	69.24	0.00	69.24
13.	2217-80-192-57-01 Local Self Government Department (General)	96.17	0.00	96.17
14.	2217-80-192-60-01 Local Self Government Department – General	5.00	0.00	5.00
15.	2217-80-192-61-01 Local Self Government Department – General	13.00	0.00	13.00
16.	3475-108-02-02 I.E.C. Activities	0.25	0.00	0.25
17.	4217-60-051-05-01 Local Self Govt. department	1.00	0.00	1.00
18.	4217-60-051-06-01 Local Self Govt. department	68.41	0.00	68.41
19.	4217-60-051-08-02 Urban Development and Housing Department	240.42	0.00	240.42
20.	4217-60-051-15-01 Urban Development and Housing Department	13.00	0.00	13.00
	Total	693.40	0.00	693.40

Source: Appropriation Accounts

The Budget Controlling Officers attributed the savings mainly to reasons such as (i) Non-execution of construction work; (ii) non-release of grant; (iii) non-starting of new schemes; and (iv) non-receipts of funds from GoI etc.

Surrender of entire provision indicates that proposals for capital works were made without proper planning and feasibility study. Non-utilisation of funds also indicates systemic deficiency in utilisation of funds by the concerned Departments and adversely impacts the achievement of the objective of schemes.

Token provision in grant

As per para 13.14 of SBM, a sub-head or other unit of appropriation which remains inoperative for three consecutive years should be deleted from the Demand for Grants of the concerned Department. During scrutiny of the grants, it was observed that during 2021-24, token provisions were made in 248 heads⁸ out of total 491 heads⁹ under this grant which remained token provisions without augmentation of the provisions through re-appropriations and at the end of the financial year, token provisions in all these heads were surrendered/re-appropriated. This indicates that the Department lacked proper estimation of provision and execution of financial plan.

Flow of expenditure

Audit noticed that under seven sub-heads more than 25 per cent expenditure was incurred during the last quarter of 2023-24. Details of expenditure under these sub-heads is given in **Table 3.25** below:

Table 3.25: Flow of expenditure during March and last quarter of the year

S. No.	Head of Account (up to Sub Head)	Expenditure incurred during January-March 2024	Expenditure during March 2024	Total Expenditure	Percentage of total Expenditure incurred during	
					January-March 2024	March 2024
1.	2217-05-190-02 Scheme operated from Rajasthan Transport Infrastructure Development fund	51.50	33.50	118.49	43.46	28.27
2.	2217-05-800-01 Smart City	98.00	98.00	98.00	100	100
3.	2217-80-192-14 Grants under the recommendation of State Finance Commission.	135.80	124.74	473.00	28.71	26.37
4.	4217-60-051-09 Atal Mission for Rejuvenation and Urban Transformation (AMRUT) 2.0	204.84	147.84	237.67	86.19	62.20
5.	5055-190-02 Rajasthan Infrastructure Transport Development Fund	311.47	207.72	622.72	50.02	33.36
6.	2217-80-797-03 Rajasthan Transport Infrastructure Development Fund	763.49	763.49	763.50	100	100
7.	2217-80-797-04 Schemes operated from Rajasthan urban Development Fund	68.69	68.69	68.69	100	100
	Total	1,633.79	1,443.98	2,382.07		

Source: Information provided by office of the Accountant General (A&E) Rajasthan.

8. 2021-22 (66 heads), 2022-23 (90 heads), 2023-24 (92 heads).

9. 2021-22 (156 heads), 2022-23 (157 heads), 2023-24 (178 heads).

It is evident from above table that under these sub-heads, expenditure of ₹ 1,633.79 crore was incurred in the last quarter of the financial year which was 68.59 *per cent* of the total expenditure (₹ 2,382.07 crore) of these sub-heads during 2023-24. Further, audit also noticed that in respect of three sub-heads 100 *per cent* expenditure was incurred during the last quarter/month of the financial year.

Huge expenditure incurred by DDOs/CCOs of the concerned departments during the last quarter/month of the year is indicative of ineffective control over progressive expenditure during the year.

Excess Expenditure

As per para 8.5(5) of SBM, Budget Controlling Officer will ensure that expenditure does not exceed the budget allocation. Para 24.1 of SBM also provided that expenditure shall neither be incurred in excess of the sanctioned allotment nor on the items for which no provision has been made in the budget. As per SBM, it is essential that the statement should be prepared with utmost care, as inaccurate statements of excesses and savings not merely cause inconvenience to the Finance Department but may also lead to excess expenditure, for which concerned Budget Controlling Officer will be held responsible.

During test check of appropriation account of 2023-24, it was observed that under some heads of the grant there was expenditure in excess of provision as given in **Table 3.26** below:

Table 3.26: Excess expenditure in Heads under the Grant

(₹ in lakh)

S. No	Head of Account	Total Provision	Surrender (-)/Re-appropriation	Availability of fund	Actual Expenditure	Excess
1.	2217-80-001-04 Rajasthan Municipality Service Selection commission (subordinate and ministerial)	55.13	(-)14.36	40.77	40.77	₹ 491
2.	2217-80-192-14-01 Grants under the recommendations of State Finance Commission (General)	69,804.51	(-)22,508.06	47,296.45	47,300.33	3.88
3.	4217-60-050-06-01 Programme loan	15,355.87	(-)285.68	15,070.19	15,070.19	₹ 523
4.	4217-60-050-07-01 IV Stage (EAP)	41,562.04	(-)4,962.65	36,599.39	36,599.39	₹ 236
5.	4217-60-051-11-01 RUIDP fourth stage tranche-2(EAP)	17,109.37	9,388.96	26,498.33	26,575.44	77.11

Expenditure incurred by the department without availability of adequate funds for these heads indicates deficient budgetary and expenditure controls.

Unexplained re-appropriations

Para 23.15.6 of SBM envisages that the reasons for excesses or savings should be clearly explained by the Department. Scrutiny of re-appropriation orders issued (31 March 2024) by the Finance Department, revealed that out of 43 explanations, specific explanations were only provided in 29 cases in the re-appropriation orders. Explanations

in the remaining 14 cases were of general nature like ‘actual requirement’, ‘based on latest assessment’ and ‘restriction of expenditure’.

The above tendency of providing non-specific explanations goes against the principle of transparency stipulated in Section 4 of FRBM Act.

3.4.7 Other irregularities in Accounts

1. Incorrect disclosure of revenue expenditure as capital expenditure

According to Indian Government Accounting Standards (IGAS)-2 issued by Comptroller and Auditor General of India, funds should be issued by State Government to bodies/institutions with distinct legal/statutory status like universities, institutions/colleges, PSUs, etc only in the form of grant, investment or loans. Such grants-in-aid could be given in cash or kind used by the recipient agencies towards meeting their operating as well as capital expenditure requirement. Point no. 13 of IGAS-2 states that expenditure on Grant-in-aid for the purpose of creating assets shall not, except in cases specifically authorized by the President on the advice of the Comptroller and Auditor General of India, be debited to a capital head of account in the financial statements of the Government. Further, Rule 338(1) of GF&AR part-I of GoR states that expenditure on temporary assets or grant-in-aid shall not ordinarily be considered as expenditure of a capital nature. In addition, note under Rule 30(1) of Government Accounting Rules (GAR), 1990 of GoI also states that expenditure on a temporary asset or expenditure on Grants-in-aid to local bodies or institutions (for the purpose of creating assets which will belong to these local bodies or institutions) cannot ordinarily be classifiable as capital expenditure, and shall not, except in case specifically authorized by the President on the advice of Comptroller and Auditor General be debited to a capital head of account.

Further, Article 150 of the Constitution provides that, the accounts of the Union and of the State shall be kept in such form as the President may, on the advice of the Comptroller and Auditor General of India, prescribe. Thus, the State Government seeks post facto permission for the accounting heads opened in a budget from the office of the AG (A&E).

During 2021-22, the State Government opened certain Capital heads in supplementary budget through which Grant-in-Aid was provided to various autonomous bodies/institutions. Though the Office of the Accountant General (A&E) denied (January 2022) permission for opening these heads, the expenditure was irregularly booked as Capital Expenditure instead of Revenue Expenditure during 2021-22 and 2022-23 in contravention of the provisions of IGAS, GAR and GF&AR *ibid*.

Audit of Appropriation Account of the State for the year 2023-24 revealed that Government of Rajasthan had again made budget provision of ₹ 8.00 crore and booked expenditure of ₹ 4.00 crore under Capital Section instead of Revenue Section for expenditure against Grant-in-Aid to Autonomous body (Rajasthan Veterinary and Animal Husbandry University, Bikaner). As a result, the Revenue/ Capital Expenditure is understated/ overstated by ₹ 4.00 crore. Details of these Capital heads are provided in **Table 3.27** below:

Table 3.27: Irregular booking under Capital heads during 2023-24

(₹ in lakh)				
S. No.	Grant No	Budget Head	Original Provision	Expenditure
1	30	4403-796-05-01-18 Machinery and Equipment/Tool & Plant	200.01	100.00
2	47	4403-101-18-01-18 Machinery and Equipment/Tool & Plant	400.01	200.00
3	51	4403-789-05-01-18 Machinery and Equipment/Tool & Plant	200.01	100.00
		Total	800.03	400.00

Thus, operation of Capital heads for incurring Revenue Expenditure was irregular and in contravention of the provisions of IGAS, GAR and GF&AR.

2. Expenditure incurred without Budget provision

As per para 24.1 of SBM, expenditure shall neither be incurred in excess of the sanctioned allotment nor on the items for which no provision has been made in the budget. Four cases of expenditure incurred without provision pertaining to three grants, where ₹ 9.20 crore was cumulatively incurred are given in **Table 3.28**.

Table 3.28: Cases where expenditure was incurred without Budget provision

(₹ in crore)								
S. No.	Grant no. and name	Head of accounts	Provisions				Actual expenditure	Excess Expenditure
			Original	Supplementary	Re-appropriation	Total		
1.	18- Home Department	2055-115-09-01 Training to Students under Police Modernisation Scheme	3.06	0.00	(-) 3.06	0.00	2.13	2.13
2.		2055-101-01-03 Criminal Branch	₹ 3000	0.00	(-) ₹3000	0.00	0.64	0.64
3.	30-Tribal Area Department	4059-80-796-04-02 Other Buildings	12.60	0.00	(-) 12.60	0.00	2.00	2.00
4.	51- Special Component plan for Welfare of Scheduled Castes	4059-80-789-03-02 Other Buildings	16.20	0.00	(-) 16.20	0.00	4.43	4.43
	Total		31.86	0.00	(-) 31.86	0.00	9.20	9.20

Reasons for expenditure under these heads without any budget provision have not been intimated (November 2024).

3. Expenditure incurred in excess of Budget provision within grants

As per para 24.1 of SBM, expenditure shall neither be incurred in excess of the sanctioned allotment nor on the items for which no provision has been made in the budget. However, it was observed that under 20 Budget Heads expenditure was incurred in excess (more than ₹ 20 lakh) of the available budget provision, though there was no excess in the overall grant. Details are given in **Table 3.29** below.

Table 3.29: Details of expenditure incurred in excess of Budget provision**(₹ in crore)**

S. No.	No. and Name of Grant	Budget Head	Total provision (O+S+R)	Expenditure	Excess Expenditure
1.	4-Repayment of Public Debt	6004-09-101-02-01 Poverty Mitigating in West Rajasthan-World Bank	3.30	6.56	3.26
2.	11-Registration and Stamp Department	4059-80-051-13 General Building (Stamp and Registration Department)	7.29	7.50	0.21
3.	30-Tribal Area Development Department	2202-02-107-06-02 Pre-matric Scholarships	54.22	54.49	0.27
4.		2211-796-02-03 National rural Health Mission (NRHM)	437.30	439.80	2.50
5.	31-Social justice and Empowerment Department	2225-03-196-05-02 Post Matric scholarship for Special Backward Classes	80.54	87.66	7.12
6.		2225-03-196-06-05 Post Matric scholarship for Special Backward Classes(Elementary Education Department)	6.54	6.78	0.24
7.		2225-03-196-06-07 Devnarain Gurukul Yojana	5.89	12.68	6.79
8.		2235-02-196-19-07 Grant for Shelter less Children under Palanhar Yojana	527.40	543.58	16.18
9.		2059-80-053-22 Social justice and Empowerment Department-Committed	5.29	5.96	0.67
10.		4225-03-800-01-03 Construction of Devnarain Residential Schools	29.11	31.36	2.25
11.		4225-03-800-01-02 Construction of Devnarain Hostel Building under Adarsh Hostel Yojana	16.33	19.83	3.50
12.	40-Local Self Government Department	4217-60-051-11-01 RUIDP fourth stage trench-2(EAP)	264.98	265.75	0.77
13.	41-Public Health Engineering Department	4215-01-102-03-01 Other Rural Water Supply Schemes	575.65	598.30	22.65
14.	42-Water Resources and Indira Gandhi Nahar Project Department	4701-80-800-03-01 Construction Works	27.58	28.90	1.32
15.	44-Public Works Department	5054-02-337-03 Through the Border Road Development Board	414.62	506.30	91.68
16.		5054-03-337-11 Rajasthan Highway Development Project-I (ADB)	739.04	740.72	1.68
17.		5054-03-337-12 Rajasthan Highway Development Project-II (World Bank)	578.97	579.23	0.26
18.	51-Special Component Plan for Welfare of Scheduled Castes	2225-01-789-01 Scholarship and Stipend for Scheduled Castes	92.16	93.03	0.87
19.		2211-789-02-03 National Rural Health Mission (NRHM)	511.93	515.63	3.70
20.		5452-80-789-02 Development of Rural Tourism	1.39	1.66	0.27

Source: Detailed Appropriation Accounts

Reasons for expenditure in excess of budget provision under these heads have not been intimated by the concerned departments (November 2024).

3.5 Good Practices

The good aspects of budgetary management of the State Government are given below:

- Submission of all the Re-appropriation orders and Surrender orders before closing of the financial year.
- Surrender of most of the savings before the end of the year.

3.6 Conclusion

Cases of excessive/unnecessary supplementary provisions indicate that the Departments did not make realistic assessment of requirement and budget controlling officers did not exercise necessary budgetary control over the flow of expenditure through the monthly expenditure.

Cases of insufficient/excessive or unnecessary re-appropriation reflected that budget controlling officers did not adequately assess the requirement of funds in heads of accounts under their control.

Huge expenditure incurred in the last month/last quarter of the year was indicative of weak internal controls over expenditure/receipts and lack of budgetary control/management.

3.7 Recommendations

The budgetary control mechanism, specifically the monthly expenditure control and monitoring mechanism, may be strengthened to avoid excessive savings, especially where instances of persistent savings have been observed and to reduce Supplementary provisions which might remain unutilised.

An appropriate control mechanism needs to be instituted by the State Government to enforce proper implementation and monitoring of budget implementation to ensure that large savings within the Grants/Appropriations are controlled, and anticipated savings are identified and surrendered within the specified timeframe

Budget Controlling Officers need to be made aware of their responsibility to provide clear explanation of the variations in expenditure from the allocation to facilitate proper analysis of budget and accurate preparation of subsequent Appropriation Accounts.