

CHAPTER II

ALLOCATIVE PRIORITIES AND APPROPRIATION

2.1 Introduction

The Appropriation Accounts are prepared annually to indicate capital and revenue expenditure on various specified services vis-à-vis those authorised by the Appropriation Act(s) in respect of both charged and voted items of budget.

The objective of appropriation audit is to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act(s) and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2005-2006 against 98 grants/ appropriation was as follows:

(Rupees in crore)

	Nature of expenditure	Original grants/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving(-) Excess(+)
Voted	I. Revenue	16827.59	2585.98	19413.57	16866.92	-2546.65
	II. Capital	5018.43	4690.43	9708.86	8379.32	-1329.54
	III. Loans & Advances	828.80	589.12	1417.92	1235.20	-182.72
Total Voted		22674.82	7865.53	30540.35	26481.44	-4058.91
Charged	IV. Revenue	4571.54	17.09	4588.63	3781.99	-806.64
	V. Capital	12.47	1.06	13.53	3.41	-10.12
	VI. Public Debt	8531.42	--	8531.42	953.96	-7577.46
Total Charged		13115.43	18.15	13133.58	4739.36	-8394.22
Grand Total		35790.25	7883.68	43673.93	31220.80	-12453.13

Note: - The expenditure includes the recoveries adjusted as reduction of expenditure under revenue expenditure: Rs.85.44 crore and capital expenditure: Rs.2160.20 crore.

The overall savings of Rs.12453.13 crore was the net result of savings of Rs.12490.71 crore in 200 cases of grants and appropriations offset by excess of Rs.37.58 crore in six cases of grants and appropriations.

The table presents a picture of defective preparation of budget estimates of the State Government evidenced by significant saving of 64 per cent under charged section and overall unnecessary supplementary provision of Rs.7883.68 crore as the actual expenditure was even less than original provision.

Detailed comments on the expenditure and budgetary control systems in the case of some test-checked grants are contained in **paragraph 2.7**. Scrutiny of the Appropriation Accounts revealed the following further points:

(a) The expenditure was overstated:

By Rs.212.78 crore (Revenue (voted) section: Rs.144.84 crore, Revenue (charged) section: Rs.0.44 crore and Capital (voted) section: Rs.67.50 crore) being unspent amounts transferred to Major Head 8443-Civil Deposits, 800-Other Deposits, through NIL payment vouchers.

By Rs.132.90 crore (Deposits: Rs.895.83 crore less disbursements therefrom: Rs.762.93 crore) in respect of government institutions and by Rs.90.04 crore (Deposit: Rs.155.65 crore less disbursements therefrom Rs.65.61 crore) in respect of Semi Government institutions added to the balance of Major Head 8443- Civil Deposit, 106- Personal Deposit Account. Out of total deposit of Rs.1051.48 crore during the year, Rs. 451.92 crore were credited through NIL payment vouchers.

Genuineness of expenditure of Rs.0.99 crore drawn on Abstract Contingent bills could not be vouchsafed, as Detailed Contingent bills were not submitted.

(b) The overstatement of total expenditure was partly offset by its understatement:

To the extent of Rs.0.60 crore spent under various heads for which vouchers were not received from the treasuries during the year; the amount accordingly remained unaccounted for and was kept under objection in the books of the Accountant General (A&E) I.

By Rs.8.14 crore (Rs.7.14 crore under Grant No.6 Revenue (charged) section and Rs.1.00 crore under Grant No.79 Capital (voted) section) drawn from the contingency fund during the year and remained unrecouped at the close of the financial year.

The savings/ excesses (Detailed Appropriation Accounts) were sent to the controlling officers requiring them to explain significant variations. Out of total of 788 sub-heads commented upon in the Appropriation Accounts, explanation for savings/ excesses in respect of 588 Sub-heads (74.6 per cent) were either not received or not to the point.

2.3 Fulfilment of Allocative Priorities

2.3.1 Appropriation by Allocative Priorities

Savings in a grant or appropriation indicate that the expenditure could not be incurred as estimated and planned. It points to poor budgeting or shortfall in performance depending upon the circumstances under which and the purpose for which the grant or appropriation was provided.

Analysis of savings with reference to allocative priorities brought out the following:

Grant No. 13- Agriculture

(Rupees in crore)

Revenue (Voted)		Total grant	Actual Expenditure	Saving
Original:	298.76	342.20	230.43	111.77
Supplementary:	43.44			

Supplementary grant of Rs.43.44 crore proved unnecessary in view of final saving of Rs.111.77 crore as the total expenditure was less than the original grant. Saving occurred mainly under 2401-Crop Husbandry-Subordinate and expert staff (Rs.10.34 crore) Centrally Sponsored Scheme Normal-Macro Management Scheme (Rs.31.58 crore) and Central Sector Schemes Normal-State Horticulture Mission (Rs.40.50 crore). Saving of Rs.31.58 crore under Macro Management Scheme was partly due to unspent provision provided for newly implemented Agriculture Extension Improvement Programme and Agrisnet Project of Central Sector Scheme and establishment of new laboratory for chemical analysis of insecticides for plant conservation (Rs.3.56 crore). Reasons for balance saving have not been intimated (August 2006).

Grant No.23- Water Resources Department

(Rupees in crore)

Capital (Voted)		Total grant	Actual Expenditure	Saving
Original:	504.47	507.34	400.89	106.45
Supplementary:	2.87			

Supplementary grant of Rs.2.87 crore proved unnecessary in view of final saving of Rs.106.45 crore, as the total expenditure was less than the original grant. Savings occurred mainly under 4701-Capital Outlay on Major and Medium Irrigation-State Plan Schemes-Dam and Appurtenant Works (Rs.21.62 crore), Canal and Appurtenant Works Minor head 216 (Rs.36.18 crore) and Direction and Administration (Rs.22.06 crore). Savings of Rs.21.62 crore and Rs.36.18 crore were mainly due to less expenditure in survey work. Reasons for saving of Rs.22.06 crore have not been intimated (August 2006).

Grant No. 41- Tribal Areas Sub Plan

(Rupees in crore)

Capital (Voted)		Total grant	Actual Expenditure	Saving
Original:	578.30	666.97	474.67	192.30
Supplementary:	88.67			

Supplementary grant of Rs.88.67 crore proved unnecessary in view of final saving of Rs.192.30 crore, as the total expenditure was less than the original grant. Expenditure of Rs.474.67 crore was inflated by debit of Rs.11.31 crore to this grant and credit to Major Head 8443-Civil Deposits-800-Other Deposits on 31 March 2006. Savings occurred mainly under 4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes-Centrally Sponsored Schemes TSP-Construction of Hostel Buildings (Rs.18.99 crore), Construction of Ashram/Schools Buildings (Rs.18.27 crore) and 4701-Capital Outlay on Major and Medium Irrigation-Tribal Area Sub-plan-Omkareshwar Project (Rs.116.13 crore), Construction work of Medium Projects (Rs.23.58 crore) and 4702-Capital Outlay on minor Irrigation-Tribal Area Sub Plan- Construction work of Minor Irrigation Scheme (NABARD) (Rs.13.54 crore), which was partly off set by excess of Rs.60.51 crore under major head 4701-Tribal Area Sub plan share of project paid to NHDC. Savings of Rs.18.99 crore and Rs.18.27 crore were mainly attributed to non receipt of Central Share from the Government of India while saving of Rs.116.13 crore was mainly due to non finalisation of agency. Reasons for other savings/excesses have not been intimated (August 2006).

Grant No.48 -Narmada Valley Development

(Rupees in crore)

Revenue (Voted)		Total grant	Actual Expenditure	Saving
Original:	540.63	540.67	2.11	538.56
Supplementary:	0.04			

Savings occurred mainly under 2801-Power-Sardar Sarovar Project- sales operating and maintenance expenditure to M.P. Electricity Board (Rs.15 crore) and Generation of electricity by Indira Sagar project - Sale of electricity of MP State (NVDA) to Electricity Board (Rs.516.66 crore) which were reportedly due to non incurring of expenditure on operation and maintenance.

(Rupees in crore)

Capital (Voted)		Total grant	Actual Expenditure	Saving
Original:	733.37	1258.37	942.51	315.86
Supplementary:	525.00			

Savings occurred mainly under 4701-Capital Outlay on Major and Medium Irrigation-State Plan Schemes (Normal)-Bargi Canal Diversion Project (Rs.50.44 crore), Canal and Appurtenant Works (Rs.65.48 crore), Indira Sagar Project Unit-I (Rs.8.28 crore) and 4801-Capital Outlay on Power Project-State Plan Scheme (Normal)-Catchment area treatment (Rs.11.26 crore), Land acquisition and other works in submerged area of Sardar Sarovar (Rs.72.50 crore) and Sardar Sarovar project (Submerged) Special Liberal Package (Rs.64.00 crore). Savings of Rs.50.44 crore, Rs.65.48 crore and Rs.72.50 crore were mainly attributed to non-requirement of funds as per working staff and non fixing of agency and non receipt of compensation assistance by the displaced persons. Saving of Rs.8.28 crore was attributed to non commencement of survey work by consultancy and non-receipt of demand from NHDC, Rs.11.26 crore due to non-receipt of approval for work from NHDC and Rs.64.00 crore due to non-receipt of funds under Special Liberalisation Package from Gujarat.

Grant No. 55 –Women and Child Development

(Rupees in crore)

Revenue (Voted)		Total grant	Actual Expenditure	Saving
Original:	367.69	370.52	230.02	140.50
Supplementary:	2.83			

Supplementary grant of Rs.2.83 crore was unnecessary as the actual expenditure was less than the original grant. Expenditure of Rs.230.02 crore was inflated by debit of Rs.76.98 lakh to this grant and credit to Major head 8443-Civil Deposits 800-Other deposits on 31 March 2006. Savings occurred mainly under 2235-Social Security and Welfare-Central Sector Schemes Normal-Integrated Service Scheme (Externally Aided) (Rs.23.92 crore), Integrated Child Development Service Schemes (Rs.30.91 crore), and 2236-Nutrition-State Plan Scheme (Normal)-Minimum Needs Programmes-Special Nutrition Programme (Rs.10.29 crore) and Central Sector Schemes Normal-Pradhan Mantri Gramodaya Yojana (Rs.60 crore). Saving of Rs.60 crore was due to closure of the scheme by Government of India. Reasons for balance savings have not been intimated (August 2006).

Grant No. 58 –Expenditure on relief on account of Natural Calamities and Scarcity

(Rupees in crore)

Revenue (Voted)		Total grant	Actual Expenditure	Saving
Original:	241.70	537.66	421.81	115.85
Supplementary:	295.96			

Saving occurred mainly under 2245-Relief on account of Natural Calamities-Additional Provision for Drought Relief and Employment (Rs.16.72 crore), Relief to sufferers of fire (Rs.39.74 crore), Drinking Water Supply (Rs.40.13 crore) and Cash Doles (Rs.6.20 crore) and Assistance for Restoration of other works (Rs.10.27 crore) which were partly off set by excess of Rs.22.25 crore under Major head 2245 - Implementation of Relief works through Tehsildars. Reasons for saving /excess have not been intimated (August 2006).

Grant No.64-Special Component Plan for Scheduled Castes

(Rupees in crore)

Revenue (Voted)		Total grant	Actual Expenditure	Saving
Original:	445.47	509.93	374.63	135.30
Supplementary:	64.46			

Supplementary grant of Rs.64.46 crore was unnecessary as the actual expenditure was less than the original grant. Savings occurred mainly under 2029-Land Revenue-Special Component Plan for Scheduled Castes-Scheme for Purchase of Private Land for allotment to the landless on lease (Rs.9.70 crore), 2210-Medical and Public Health-Special Component Plan for Scheduled Castes-Medical Guarantee Scheme (Rs.7.34 crore), 2225-Welfare of Scheduled Castes Scheduled Tribes and Other Backward Classes -Special Component Plan for Scheduled Castes-Lump-sum provision for Special Component Plan (Rs.8.72 crore), 2236-Nutrition-Special Component Plan for Scheduled Castes-Special Nutrition Programmes for Scheduled Castes in Urban Slums (Rs.11.04 crore), Centrally Sponsored Schemes SCP-Special Nutrition Programmes for Urban Slums (Rs.24.00 crore) and 2401-Crop Husbandry-Special Component Plan for Scheduled Castes-National Agriculture Insurance Scheme (Rs.11.00 crore) and Central Sector Schemes SCP - State Horticulture Mission (Rs.7.33 crore). Saving of Rs.7.34 crore under Medical Guarantee Scheme was attributed to transfer of schemes from Plan to Non-Plan in first supplementary while saving of Rs.24 crore under Special Nutrition Programmes for Urban Slums was due to receipt of fifty percent central share of the schemes at the end of financial year and restriction imposed on acceptance of bills and drawals by the Finance Department. Reasons for balance saving have not been intimated (August 2006).

In many other Cases also, savings/ excesses occurred as follows:-

- In 22 cases, the entire budget provision of Rupees one crore and more in each case totaling Rs.299.27 crore, provided under various Central schemes remained unutilised, as detailed in **Appendix 2.1**.
- In 14 schemes, expenditure in each case exceeded the approved provisions by Rs. 5 crore or more and also by more than 100 per cent of the total provision, aggregating to Rs.356.60 crore. Excesses indicate poor budgeting and weak expenditure control. Details are given in **Appendix 2.2**.

- In 86 schemes, substantial saving of Rs.5 crore or more and also more than 80 per cent of the provision in each case, aggregating to Rs.9614.31crore was noticed. In 54 of these schemes, the entire provision remained unutilised. The details are given in **Appendix 2.3.**

2.3.2 Persistent savings

In 23 cases of grants, there were persistent savings of more than Rupees 1 crore and also 20 per cent or more of provision in each case. Persistent savings indicate budgeting based on inappropriate assumptions. Details are given in **Appendix 2.4.**

2.3.3 Excess requiring regularisation

(i) Excess over provision relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/ appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs.5087.83 crore during the years 1993-94 to 2004-05 had not been regularised so far (August 2006). This was breach of Legislative control over appropriations. The details are as follows:

(Rupees in crore)

Year	No. of grants/ appropriation	Amount of excess	Amount for which explanations not furnished to PAC
1993-94	21	258.11	1.12
1994-95	15	407.46	0.39
1995-96	21	251.59	Furnished
1996-97	18	224.17	Furnished
1997-98	13	302.79	0.97
1998-99	17	1276.45	1.81
1999-2000	17	1584.94	Furnished
2000-2001	07	265.07	Furnished
2001-2002	03	6.26	0.64
2002-2003	08	424.79	12.40
2003-2004	07	2.54	2.54
2004-2005	15	83.66	83.66
Total		5087.83	103.53

(ii) Excess over provisions during 2005-06 requiring regularisation

The excess of Rs.37,58,14,518 under six grants and appropriations during the year requires regularisation under Article 205 of the Constitution. Details are given below :

(In Rupees)

Sr. No.	Grant No.	Name of Grant/ Appropriation	Total Provision	Actual Expenditure	Amount of Excess (Percentage of Excess)
(1)	(2)	(3)	(4)	(5)	(6)
A-REVENUE- VOTED					
1	24	Public Works- Roads and Bridges	2,87,65,86,100	2,95,40,92,494	7,75,06,394 (2.7)
2	67	Public Works- Buildings	2,08,05,29,000	2,08,64,78,876	59,49,876 (0.3)
B-CAPITAL-VOTED					
1	06	Finance	5,31,47,10,000	5,58,43,36,909	26,96,26,909 (5.1)
2	39	Food, Civil Supplies and Consumer Protection	25,75,39,000	28,01,97,105	2,26,58,105 (8.8)
C-CAPITAL-CHARGED					
1	21	Housing and Environment	2,00,000	2,26,546	26,546 (13.3)
2	45	Minor Irrigation Works	40,00,000	40,46,688	46,688 (1.2)
Grand Total (A+B+C)			10,53,35,64,100	10,90,93,78,618	37,58,14,518

Reasons for the excesses had not been furnished by the Government as of August 2006.

2.3.4 Original budget and supplementary provision

Supplementary provision (Rs.7883.68 crore) made during this year constituted 18.05 *per cent* of the total provision (Rs.43673.93 crore) as against 11.22 *per cent* in the previous year.

2.3.5 Unnecessary/ excessive/ inadequate supplementary provisions

Supplementary provision of Rs.730.85 crore made in 57 cases during the year proved unnecessary in view of aggregate saving of Rs.2390.82 crore (saving in each case exceeding Rs. 10 lakh), as detailed in **Appendix 2.5**.

In 38 cases, against additional requirement of only Rs.5332.17 crore, supplementary grants of Rs.6664.74 crore were obtained, resulting in savings in each case exceeding Rs.10 lakh, aggregating to Rs.1332.57 crore. Details of these cases are given in **Appendix 2.6**.

In three cases, supplementary provision of Rs.417.63 crore proved insufficient leaving an uncovered excess expenditure of Rs.35.31 crore. Details are given in **Appendix 2.7**.

2.3.6 Excessive/ unnecessary re-appropriations/ surrender of funds

Re-appropriation is a transfer of funds within a grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. Cases where the re-appropriations / surrender of funds of more than rupees one crore in each case proved injudicious due to (a) withdrawal of funds from heads where excess expenditure had already occurred, (b) withdrawal of funds in excess of available saving, (c) unnecessary augmentation of funds despite saving and (d) augmentation of funds by more than the amount required to cover the excess are given in **Appendix 2.8**.

2.3.7 Anticipated savings not surrendered

(a) According to rules, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, at the close of the year 2005-06, there were 154 cases of grants/ appropriations in which large savings had not been surrendered by the departments; the amount involved was Rs.9747.59 crore. Out of these, in 44 cases, significant amounts of available savings (of Rupees 5 crore and above in each case), aggregating to Rs.9663.28 crore, were not surrendered, as per details given in **Appendix 2.9**.

(b) Besides, in 116 cases, Rs.2583.25 crore (91.7 per cent) were surrendered on the last day of March 2006, out of total surrender of Rs.2817.48 crore, indicating inadequate financial control over expenditure.

2.3.8 Injudicious surrender of funds

(a) In 14 cases, the amount surrendered was in excess of the available saving, which indicated inefficient budgetary control. It was noticed that as against the total available savings of Rs.880.63 crore, the amount surrendered was

Rs.923.54 crore, resulting in injudicious excess surrender of Rs.42.91 crore. Details are given in **Appendix 2.10**.

(b) In two cases, Rs.31.47 crore were surrendered though there was excess expenditure of Rs.2.87 crore. Details are given in **Appendix 2.10**.

2.3.9 Expenditure without Budget Provision

Expenditure should not be incurred on any scheme / service without provision of funds by budget. It was however, noticed that expenditure of Rs.48000 was incurred in two cases without the provision having been made in the original estimates/ supplementary demands as per details given in **Appendix 2.11**.

2.4 Unreconciled expenditure

Financial rules require Controlling Officers to reconcile periodically the departmental figures of expenditure with those booked by the Accountant General (A&E). The reconciliation of expenditure of Rs.1716.71 crore in respect of 10 major heads involving 15 grants, representing 5.5 per cent of the total expenditure during the year, had however, remained in arrears in several departments. Details are given in **Appendix 2.12**.

2.5 Defective sanctions for re-appropriations/surrenders

As per instructions (August 1996) of the State Government and financial rules, (i) all sanctions for re-appropriations / surrenders should be issued before the end of the financial year and should be received in Accountant General (A&E) office well in time for incorporation in the Accounts, (ii) budget provision under the head "office expenses" should not be increased by re-appropriation in any circumstances; (iii) no amount can be re-appropriated from Charged to Voted and Revenue to Capital and vice versa, (iv) re-appropriations are not permissible from "Salary and wages" head to other heads and vice versa, (v) proper details of schemes should be furnished from which surrenders/ re-appropriations are sanctioned and total of both sides of re-appropriation sanction should tally etc. Audit observed that Rs.306.12 crore were re-appropriated/ surrendered during the year in violation of these instructions. However, these were not accepted by Accountant General (A&E) for inclusion in accounts. Details are given in **Appendix 2.13**.

2.6 Rush of expenditure

The financial rules require that Government expenditure should be evenly distributed throughout the year. The rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial rules. The position in respect of expenditure for the four quarters and also for the month of March 2006 is depicted in **Appendix 2.14** which shows that the expenditure incurred in March 2006 in 10 cases ranged between 45 and 90 *per cent* of the total expenditure during the year indicating a tendency to utilise the budget at the close of the financial year.

2.7 Budgetary Control

A review of budgetary procedure and control over expenditure and test check of records in case of eight grants* revealed the following:

2.7.1 Non maintenance of Expenditure Control Registers

For the purpose of effective control and monitoring over expenditure, a register is required to be maintained in the office of Grants controller and the subordinate offices are required to send the monthly expenditure statement regularly to the controlling officer. The figures of expenditure so received were to be posted in the Expenditure Controls Register and progressive total thereof worked out month-by-month by the controlling officer in order to update the position of expenditure.

Test check of records of eight grants* revealed that neither Expenditure Control Registers were maintained in any of the controlling offices nor Monthly Expenditure Statement were sent regularly by subordinate offices. This was indicative of absence of proper control and monitoring of expenditure which led to (a) heavy excesses/ large savings over the provisions under certain sub-heads, (b) inadequate/unnecessary/ excessive supplementary provisions and (c) irregular re-appropriations and non-surrender of funds thereof. The controller of Grant No.06 stated that the accounts of the expenditure are available in Book No. 04. The reply was not tenable as the said register was not maintained. The essential records were also not found maintained in the office of grant controller of grant No. 6 such as Budget proposals Register, Check Register of receipts of expenditure statement from subordinate units, Reappropriation/Surrender of funds Register, Budget allotment Register, Reconciliation Register and Deposit / Investment Register.

2.7.2 Defective preparation of budget estimates

The procedure followed in test-checked grants* and the Appropriation Accounts 2005-06 revealed that demands for budget estimates were prepared on adhoc basis. The poor quality of budget preparation and budgetary operations led to:

(i) Excessive provisions ranging from Rs.45.27 crore to Rs.172.92 crore in five grants (6,15,19,29 and 93) under Revenue voted section. In Capital voted section also, excessive provisions ranged from Rs.7.2 crore to Rs.62.38 crore in four grants (24,27,75 and 93).

(ii) Substantial savings of Rupees two crore or more and more than 20 per cent of the provision in each case aggregating to Rs.709.17 crore under 45 schemes of test checked grants during 2005-06 (in 37 schemes persistent saving had occurred) as per details given in **Appendix 2.15** while under 17 schemes, substantial excesses of more than Rupees 1 crore in each case, totaling Rs.266.91 crore during 2005-06 (in nine schemes persistent excess had occurred) were noticed as per details given in **Appendix 2.16**.

* 6-Finance (Revenue voted), 15-Financial Assistance to Three Tier Panchayati Raj Institutions under special component plan for scheduled castes (Revenue Voted), 19- Public Health and Family Welfare (Revenue Voted), 24- Public Works – Roads and Bridges (Capital Voted), 27-School Education (Primary Education) (Capital Voted), 29-Law and legislative Affairs (Revenue voted), 75- NABARD Aided projects pertaining to Water Resources Department (Capital Voted) and 93-Expenditure pertaining to Accelerated Energy Development (Revenue and Capital Voted).

2.7.3 Unnecessary/excessive/inadequate supplementary provisions under schemes of selected grants

In eight schemes of test checked grants, supplementary provisions totaling Rs. 14.86 crore remained unutilised and proved unnecessary, in seven schemes supplementary provisions were excessive by Rs.15.64 crore and in five schemes, supplementary provision of Rs.1.88 crore proved inadequate in view of final excess of Rs.62.47 crore. Details are given in **Appendix 2.17**.

2.7.4 Rush of expenditure in March

Regular flow of expenditure throughout the year is the primary requirement of budgetary control. The percentage of expenditure during March 2006 under various schemes of grant no. 24 and 75 was as under-

(Rupees in lakh)

Sr. No.	Grant No.	Particulars of schemes	Total Expenditure	Expenditure in March-06	Percentage of Expenditure in March-06
1	24	5053-02-102-0101-4727 Construction and extension of Air Strips	1625.46	815.66	50.2
2	24	5054-03-101-0101-4149 Construction of Major Bridges	138.55	57.92	41.8
3	24	5054-04-800-0101-7088 Survey work	370.78	311.80	84.1
4	24	5054-04-800-0101-1513 Construction of Major Roads of Districts	795.30	270.26	34.0
5	24	5054-04-800-0101-2457 Minimum Needs Programme (Including rural Roads)	398.67	236.73	59.4
6	24	5054-05-337-0101-6841 Construction of Roads through MPRRDC	11974.35	8974.35	74.9
7	75	4701-03-243-0101-2897 Dam and Appurtenant works	71.70	69.63	97.1
8	75	4701-03-252-0101-2897- Dam and Appurtenant works	524.44	374.75	71.5

Besides this in grant No. 15 (Fisheries Department) it was noticed that out of total expenditure of Rs.70.04 lakh, Rs.62.09 lakh were spent in February and March 2006 which was 88.6 per cent of the total expenditure. Rush of expenditure at the end of Financial year indicates poor financial control.

2.7.5 Non –reconciliation of expenditure

In order to enable the controlling officer to ascertain exact and update position of expenditure, the figures of expenditure in Departmental records should be reconciled with those shown in the records of office of the Accountant General (A&E)-I, M.P. Reconciliation of Departmental expenditure figures for the year 2005-06 with the figures of Accountant General (A&E)-I, M.P Gwalior were not carried out by any of the Controlling officers of grant no. 6, 15, 19, 24, 27 and 75 resulting in ineffective control over expenditure. The controlling officers accepted the fact.

2.7.6 Irregular transfer of funds to Deposit Head

An amount of Rs.41.95 crore was reappropriated (29 March 2006) from saving of pay and allowances under different schemes of Major head 2210 to the scheme 2210-01-110 - 1473-District hospital for payment of pending bills of medicines and other material during 2005-06 under grant no.19. Out of

reappropriated amount of Rs.41.95 crore, an amount of Rs.41.67 crore was transferred on the same date (29 March 2006) to Personal Deposit Accounts of Commissioner Health Services and shown as spent in the accounts. Thus, the reappropriated amount which was to be utilised during 2005-06, was transferred to Personal Deposit Account with a view to avoid lapse of budget grant and resulted in inflation of expenditure to that extent. Similarly an amount of Rs.1.01 crore pertaining to Twelfth Finance Commission (TWFC) was also transferred (March 2006) from the scheme 2515-789-101-1303-Recommendation of Twelfth Finance Commission (Special Component Plan)-6905-Financial Assistance to Local Bodies under grant no. 15 to Personal Deposit Accounts as per sanction (28 February 2006) by the Finance Department.

2.7.7 Irregular transfer of Provision from Plan to Non-plan

Finance Department instructions of December 1974 and August 1996 provide that funds allocated for expenditure on plan schemes may not be re-appropriated to meet non plan expenditure and vice-versa. However an amount of Rs. 24.21 crore was irregularly re-appropriated from plan to non plan under the Scheme 2210-03-103-0101-2777-Primary Health Centres in grant no. 19.