



**Chapter-2**  
**Financial Management**  
**and**  
**Budgetary Control**

## Chapter-2

### Financial Management and Budgetary Control

#### 2.1 Introduction

**2.1.1** Appropriation Accounts are accounts of the expenditure, voted and charged, compared with the amounts of the voted grants and appropriations charged as specified in the schedules appended to the Appropriation Act. These Accounts list the original budget estimates, supplementary grants, surrender and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services vis-à-vis those authorized by the Appropriation Act in respect of both charged and voted items of budget. Appropriation Accounts, thus, facilitate management of finances and monitoring of budgetary provisions and are, therefore, complementary to Finance Accounts.

**2.1.2** Audit of Appropriation Accounts by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorization given under the Appropriation Act. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions issued from time to time in this behalf. This chapter contains audit observations in respect of the Appropriation Accounts prepared by the Controller of Accounts, Government of NCT of Delhi for the year 2012-13.

#### 2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2012-13 against 13 grants/appropriations is as given in **Table 2.1**:

**Table 2.1**  
**Summarized position of actual expenditure vis-à-vis**  
**original/supplementary provisions**

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary Grant/ appropriation	Total	Actual expenditure	Saving(-)/ Excess(+)
<b>Voted</b>	Revenue	19258.54	572.36	19830.90	17751.75	(-) 2079.15
	Capital	4907.21	164.89	5072.10	4177.26	(-) 894.84
	Loans and Advances	4530.88	340.65	4871.53	3734.82	(-) 1136.71
<b>Total Voted</b>		<b>28696.63</b>	<b>1077.90</b>	<b>29774.53</b>	<b>25663.83</b>	<b>(-) 4110.70</b>
<b>Charged</b>	Revenue	3439.33	1.95	3441.28	2986.43	(-) 454.85
	Capital	0.04	0	0.04	0	(-) 0.04
	Loans and Advances	1300.00	0	1300.00	1287.99	(-) 12.01
<b>Total Charged</b>		<b>4739.37</b>	<b>1.95</b>	<b>4741.32</b>	<b>4274.42</b>	<b>(-) 466.90</b>
	Appropriation to Contingency Fund (if any)	Nil	Nil	Nil	Nil	Nil
<b>Grand Total</b>		<b>33436.00</b>	<b>1079.85</b>	<b>34515.85</b>	<b>29938.25</b>	<b>(-) 4577.60</b>

The overall saving of ₹ 4577.60 crore was a result of saving of ₹ 2534 crore in 13 grants and one appropriation (Public Debt) under Revenue Section and ₹ 2043.60 crore under Capital Section.

### 2.3 Financial accountability and budget management

#### 2.3.1 Appropriation vis-à-vis allocative priorities

While framing the estimates, the Department should take into account the past performance, the stages of formulation/ implementation of the various schemes, the institutional capacity of the implementing agencies to execute the schemes, the constraints on spending with the objective of minimizing the scope for surrenders at a later stage. Appropriation Accounts for the year 2012-13 showed that savings exceeding ₹ 50.00 crore in each case occurred in 27 cases relating to five grants and one appropriation totaling ₹ 4303.04 crore (**Appendix 2.1**).

Amongst the many reasons for savings were slow progress of schemes, non-receipt of bills/claims, non-filling up of vacant posts, non-release of funds, non purchase of articles, economy measures, etc.

#### 2.3.2 Persistent savings

According to Rule 48(2) of the General Financial Rules, Ministries/ Departments are required to prepare their estimates, keeping in view the trends of disbursements during the previous years and other relevant factors like instructions on economy issued by the Ministry of Finance, from time to time. Scrutiny of Appropriation Accounts for the years 2008-09 to 2012-13

**Chapter II : Financial Management and Budgetary Control**

showed that there were persistent savings of more than ₹ one crore in five cases which were more than 20 per cent of the total grant indicating unrealistic budgeting, deficient financial provisions and slackness on the part of the departments in implementing the schemes as detailed in **Table 2.2** :

**Table 2.2**  
**List of grants indicating persistent savings during 2008-13**  
(₹ in crore)

Sl. No.	Head No. and Name of the grant		2008-09	2009-10	2010-11	2011-12	2012-13	Reasons given by Departments
<b>Revenue-Charged</b>								
<b>5 Home</b>								
1	2055 D (1)(1)(1) Forensic Science Laboratory	O	11.92	12.36	12.11	16.52	16.67	Saving was mainly due to vacancies and orders of economy.
		S	6.24	2.56	2.85	6.49	4.89	
		%	52.34	20.71	23.53	39.28	29.33	
<b>Revenue-Voted</b>								
<b>07 Medical And Public Health</b>								
1	2211 K 1 (3)(1) Urban Family Welfare Centres (CSS)	O	13.16	15.00	10.00	10.00	4.50	Saving was mainly due to non receipt of approval for releasing of grant to NGOs in time.
		S	10.83	12.22	2.04	7.45	1.93	
		%	82.29	81.47	20.40	74.50	42.89	
<b>Capital-Voted</b>								
<b>08- Social Welfare</b>								
1	5055 DD1(3)1 Introduction of Electronic Trolley Buses-Alternative Transport		120.00	60.00	10.00	250.00	10.00	Saving was mainly due to non-finalization of project.
			46.71	30.00	10.00	240.75	8.39	
			38.93	50.00	100.00	96.30	83.9	
<b>Revenue-Voted</b>								
<b>11- Urban Development and Public Works Department</b>								
1	2217 A 8 (2)(1)(26)- Grant in aid for Municipal reforms	O	198.71	201.93	207.45	300.93	339.87	Saving was mainly due to release of less grant.
		S	198.71	198.93	64.45	300.93	189.87	
		%	100.00	98.51	31.06	100.00	55.86	
<b>Capital-Voted</b>								
2	4202 BB 4 (1)(4)(2) Constructions of Delhi Govt. Sponsored College Building	O	39.90	60.00	40.00	35.00	50.00	Saving was mainly due to slow progress of work.
		S	29.00	14.59	8.16	23.32	19.54	
		%	72.68	24.31	20.40	66.62	39.08	

O-original provision, S-Savings

The above cases are indication of over estimation of fund requirement and failure of the department to take effective remedial measures to avoid persistent unspent provisions as well as non-implementation of plans.

### **2.3.3 Savings of entire provision**

In 98 sub-heads of 10 grants, the entire provision remained unutilized by the Departments or was remitted back to Government before the closure of the financial year 2012-13. The details of sub-heads are given in **Appendix 2.2**. Saving of the entire provision was indicative of the fact that the estimates were not prepared after adequate scrutiny of the projects/schemes. Major schemes which failed to take off or suffered due to non-utilisation of entire provision were-Delhi Swarojgar Yojna for SC/ST/OBC/Minorities (₹ 30 crore), Loan to MRTS for reimbursement of sales tax (₹ 300 crore), Loan to DJB for Chandrawal WTP (₹ 24 crore), Loan to South Delhi Municipal Corporation for construction of roads under JNNURM (₹ 30 crore), Central Road Fund (CRF) Scheme (₹ 50 crore), Loan to Delhi Transco Ltd (₹ 350 crore), Equity contribution to Pragati Power Corporation Ltd. Phase II Bamnauli (₹ 75 crore).

### **2.3.4 Excess expenditure over provisions during previous years requiring regularization**

Article 205 of the Constitution of India, provides that if any money has been spent for any services during a financial year in excess of the amount granted for that service for that year, the excess expenditure should be regularized by the State Legislative Assembly. Although no time limit for regularization of expenditure has been prescribed under the Article, as a practice the excess expenditure is required to be regularized after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹ 47.60 crore for the period 2006-07 to 2010-11 was yet to be regularized (November 2013).

### **2.3.5 Expenditure over provisions during 2012-13 requiring regularization**

It was observed from the head wise Appropriation Accounts for the year 2012-13 that there was an excess expenditure of ₹ 27.22 crore (**Appendix 2.3**) under 11 sub-heads in Grant No. 11-Urban Development and Public Works Department, which was not regularized as of date (February 2014).

### **2.3.6 Unnecessary supplementary provision**

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

Audit scrutiny of Appropriation Accounts for the year 2012-13 showed that supplementary grant amounting to ₹ 12.83 crore in eight sub-heads was obtained in anticipation of higher/additional expenditure(**Appendix 2.4**). However, the final expenditure was less than even the original grant/appropriation (**Appendix 2.4**). The main reasons for non-utilisation of

supplementary grant were attributed to slow progress of scheme, non-implementation of scheme, engagement of new agency at lower rates etc. The following cases need special attention of the department: -

(i) Under Grant No. 8 – Social Welfare - there was no original provision for providing loan to MRTS for reimbursement of sales tax, but an amount of ₹ 2.00 crore was provided as supplementary grant. However, no loan was released to MRTS and the entire supplementary grant remained unutilised.

(ii) Under Grant No. 10– Development Department, there was an original provision of ₹ 30 crore under sub-head ‘Refund’ E2(3)(1)(2)(4), out of which expenditure of only ₹ 0.06 crore was incurred resulting in saving of ₹ 29.94 crore. However, an amount of ₹ 5 crore was obtained as supplementary grant, but the entire supplementary grant remained unutilized.

The above cases showed deficient planning in budgeting.

### 2.3.7 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. The re-appropriations in the following cases proved unnecessary as the departments were not able to utilize fully their original grants. There was a cumulative non-utilization of ₹ 794.32 crore under 31 sub-heads against the re-appropriation of ₹ 435.94 crore as detailed in **Appendix 2.5**. The departments attributed the reasons for savings to non-finalization of medical claims, vacancies, receipt of less claims/ bills, late receipt of sanction etc. The excessive/unnecessary re-appropriation of funds point towards deficient budgeting exercise.

### 2.3.8 Substantial surrenders

Substantial surrenders involving ₹ 210.54 crore (more than 40 *per cent* of total provision) were made in respect of 16 sub-heads (**Appendix 2.6**), out of which in five sub-heads 100 *per cent* grant amounting to ₹ 130.70 crore was surrendered because of non-implementation of schemes and non finalization of Pension scheme.

Substantial surrenders amounting to ₹ 9.99 crore and ₹ 31.72 crore were made under Grant No. 6 -Education and Grant No.11 -Urban Development and Public Works Department under Sub-heads 4202 JJ 1(1)(1)(1) - Allotment of land and construction of building of Indraprastha Vishva Vidyalaya and 5054 BB11(1)(1)(8) - B.R.T corridor respectively. The surrenders were attributed to slow progress of work and non-implementation of scheme.

### 2.3.9 Anticipated savings not surrendered

Rule 56 (2) of General Financial Rules (GFR) stipulates that savings as well as provisions that cannot be profitably utilized should be surrendered to Government as soon as these are foreseen without waiting till the end of the year. The objective is to minimize the scope for avoiding surrenders at a later stage.

Out of the savings of ₹ 3452.32 crore under eight grants where savings of ₹ one crore and above were indicated in each grant/appropriation, an amount of ₹ 1393.36 crore only was surrendered leaving ₹ 2057.96 crore (59.62 per cent of amount of savings) as unsurrendered (**Appendix 2.7**). There were two grants – Medical and Public Health (Voted) and Social Welfare (Voted) in which savings of ₹ 697.03 crore occurred but these were not surrendered till the end of financial year.

#### **2.3.10 Unrealistic budgeting**

Rule 48 (2) of the GFRs lays down that Ministries/ Departments have to prepare their estimates keeping in view the trends of disbursements during the previous years and other relevant factors, like the economy instructions issued by the Ministry of Finance from time to time. Scrutiny of records for the year 2012-13 showed that provision under various sub-heads under CSS and SCSP schemes was made during the year, but in 72 sub-heads in 11 grants/appropriation, the entire provisions of ₹ 72.08 crore (**Appendix 2.8**) remained unutilized defeating the very purpose for which the budget provisions were passed by the Legislative Assembly indicating that the budget estimates were not prepared after adequate pre-budget scrutiny of projects and schemes. The main reasons for non-utilisation of funds were attributed to non-receipt of funds from Government of India and non-implementation of schemes.

Unrealistic budgeting was also observed in review of Grant no. 7 – Medical and Public Health and Grant no. 8 – Social Welfare. Audit observed that in 2010-11, an amount of ₹ 136 crore, in 2011-12 – ₹ 72.03 crore and in 2012-13 – ₹ 460.17 crore remained unutilized or remitted to Government before closure of the financial year (only cases where provision of ₹ 10 lakh or more remained unutilized). The Departments attributed these unutilisation to non-implementation or slow progress of work, less/non-release of funds or equity capital, less number of beneficiaries, etc.

#### **2.3.11 Rush of expenditure**

Rule 56(3) of the GFRs advises against rush of expenditure, particularly in the closing months of the financial year and lays down that this shall be regarded as a breach of financial propriety. Contrary to this, expenditure incurred by the Departments in the month of March 2013 under 35 sub-heads ranged between 26.78 per cent and 100 per cent of the total expenditure as given in **Appendix 2.9**.

The reasons for disproportionately higher expenditure incurred in the last quarter/month were awaited from the Government.

#### **2.4 Recoveries adjusted in account in reduction of expenditure**

The demands for grants presented to the Legislature are for gross expenditure including credits and recoveries, which are adjusted in the accounts as reduction of expenditure. The anticipated recoveries and credits are shown separately in the Budget Estimates. Actual recoveries during the year 2012-13 were ₹ 79.45 crore against nil anticipated recoveries.

### 2.5 Unnecessary provision for vacant posts

As per instructions issued by the Department of Finance, Government of NCT of Delhi, no provision should be kept for the post lying vacant for one year or more and likewise no provision should be kept in respect of such posts, which have been kept in abeyance. However, scrutiny of records showed that the Departments were making provision of funds in violation of the instructions which resulted in savings of ₹ 152.02 crore.

### 2.6 Other audit observations

In accordance with instructions issued (May 2006) by the Ministry of Finance, Government of India, augmentation of provision by way of re-appropriation to the object head 'Grants-in-aid' to anybody or authority from the Consolidated Fund of India in all cases could only be made with the prior approval of Legislature.

Scrutiny of re-appropriation orders for the year 2012-13 showed that in 52 cases (**Appendix-2.10**), there was augmentation of provision of ₹ 537.95 crore by way of re-appropriation in the object head '31-Grants-in-aid'.

The Controller of Accounts' reply to the request (October 2013) to confirm that the prior approval of the Legislature was taken for the above re-appropriations was awaited (February 2014).

## 2.7 Review of Grant No.7 - Medical and Public Health and Grant No.8 - Social Welfare

### 2.7.1 Introduction

Grant No.7-Medical and Public Health of Government of NCT of Delhi covers grants for Health and Family Welfare Department, Drug Control Department, Prevention of Food Adulteration Department, Directorate of Indian System of Medicine and Homeopathy and 31 Hospitals and medical colleges. Grant No.8- Social Welfare covers grants for Social Welfare Department, Women & Child Development Department, Welfare of SC/ST/OBC/Minorities Department, Transport Department and Tourism Department.

### 2.7.2 Budget and expenditure

The overall position of budget provision, actual disbursement and unspent provision under both the grants for the last three years is given in **Table 2.3**:



**Table: 2.3**  
**Budget and expenditure**

(₹ in crore)

Sl. No.	Year	Provision		Actual disbursement		Unspent provision	
		Revenue	Capital	Revenue	Capital	Revenue	Capital
<b>Grant No.7: Medical &amp; Public Health</b>							
1.	2010-11	2272.92	NIL	2185.95	NIL	86.97	NIL
2.	2011-12	2554.70	20.01	2447.39	3.69	107.31	16.32
3.	2012-13	2933.77	10.00	2498.90	6.29	434.87	3.71
<b>Grant No.8: Social Welfare</b>							
1.	2010-11	1140.38	4031.81	1039.09	3750.47	101.29	281.34
2.	2011-12	2048.09	1881.04	1950.52	1780.70	97.57	100.34
3.	2012-13	2756.73	1981.15	2604.95	1654.47	151.78	326.68

Note: Amount includes 'Charged' appropriation and disbursement

### 2.7.3 Savings under various sub-heads

While framing the estimates, the department should take into account the past performance, the stages of formulation/implementation of the various schemes, the institutional capacity of the implementing agencies to implement the scheme, the constraints on spending by the spending agencies etc., with the objective of minimizing the scope for surrenders of savings at a later stage.

Scrutiny of the head-wise Appropriation Accounts for the years 2010-11 to 2012-13 showed that there were 72 cases where there were savings of more than ₹ 5 crore and 54 cases where there were savings of more than ₹ one crore for Centrally Sponsored Scheme (CSS)/ Scheduled Caste Special Programme (SCSP). The savings ranged between four per cent and 100 per cent grant wise.

### 2.7.4 Persistent savings

According to Rule 48(2) of the GFRs, Ministries/ Departments are required to prepare their estimates, keeping in view the trends of disbursements during the previous years and other relevant factors like instructions on economy issued by the Ministry of Finance from time to time. Scrutiny of Appropriation Accounts for the years 2010-11 to 2012-13 showed that there were persistent savings under the following sub-heads which indicated unrealistic budgeting, deficient financial management and slackness on the part of the department in implementing the schemes. The details of sub-heads are given in the following **Table 2.4**:

**Table: 2.4**  
**Persistent savings**

(₹ in crore)

Sl.No.	Head of account and name of the Grant		2010-11	2011-12	2012-13	Reasons for savings mentioned in Appropriation account
<b>Revenue-Voted</b>						
<b>Grant No. 07- Medical and Public Health</b>						
1.	2211 K.1(3)(1)-Urban Family Welfare Centre (CSS)	T	10.00	10.00	4.50	Slow progress of work.
		S	2.04	7.45	1.93	
		%	20.40	74.50	42.88	
<b>Grant No. 08- Social Welfare</b>						
2.	2225 C.1(1)(3)(13)-Pre Metric Scholarship Scheme (CSS)	T	5.00	4.33	5.00	Late receipts of funds from GoI.
		S	1.23	4.17	3.81	
		%	24.60	96.30	76.20	
3.	2225 C.1(3)(1)(7)-Multi Sectrol development programme for minority (CSS)	T	3.10	5.19	10.00	Non release of funds due to administrative reasons.
		S	1.55	4.69	9.998	
		%	50.00	90.36	99.98	
4.	2225 C.1(1)(3)(5)-Free supply of books & stationery to Schedule Castes Students in Schools	T	24.45	55.00	56.15	Less demands from the Local Bodies due to less number of beneficiaries under the Scheme.
		S	10.31	11.02	3.37	
		%	42.17	20.03	6.00	
<b>Capital-Voted</b>						
<b>Grant No.8: Social Welfare</b>						
5.	5055 DD.1(2)(4)-Equity Capital to Delhi Transport Corporation for JNNURM	T	645.00	370.00	40.00	Non/Less release of equity to DTC for JNNURM & due to slow progress of work.
		S	425.66	169.00	40.00	
		%	65.99	45.68	100.00	
6.	5055 DD.1(3)(1)-Introduction of Electronic Trolley Buses-Alternate Mode of Transport	T	10.00	250.00	10.00	Slow Progress of work due to non-finalisation of project
		S	10.00	240.75	8.39	
		%	100.00	96.30	83.90	

T: Total Provision (Original + Supplementary + Re-appropriation), S: Savings,

The above table shows that there is a need to review budgetary assumptions and to improve the efficiency of the programme management. The reasons attributed by the department for persistent savings were less or late receipt of funds from GoI, non-release of funds due to administrative reasons, less demands from local bodies due to less number of beneficiaries and non-release of equity due to slow progress of work.

### 2.7.5 Schemes with persistent unspent provisions

Some of the schemes affected by persistent under-spending are discussed below:

#### (a) Urban Family Welfare Centre (CSS)

The Ministry of Health & Family Welfare, Government of India releases grant-in-aid to the GNCT of Delhi for running 1083 Urban Family Welfare Centres (UFWCs) run by Municipal Corporation of Delhi (MCD) and Non-Government Organisations (NGOs).

Audit noticed that against provisions of ₹ 10 crore, ₹ 10 crore and ₹ 4.50 crore in the Original Budget Estimate (OBE) for the years 2010-11, 2011-12 and 2012-13 respectively under the sub-head 2211 K.1(3)1(1)- Urban Family Welfare Centre (CSS), ₹ 2.04 crore (20.40 *per cent*), ₹ 7.45 crore (74.50 *per cent*) and ₹ 1.93 crore (42.88 *per cent*) respectively remained unspent due to non-release of grants to MCD and NGOs due to their non-submission of audit reports and utilization certificates in time and closure of some centres.

**(b) Introduction of Electronic Trolley Buses-Alternate Mode of Transport**

To tackle the urban transport problems in Delhi and to limit the use of private vehicles, the Committee on Sustainable Transport recommended for creating sustainable multi-modal public transport. Accordingly, Delhi Integrated Multi-Modal Transit Systems Company Ltd. was established for implementing the alternative modes of public transport like High Capacity Bus System (HCBS) through Bus Rapid Transport (BRT) corridors, Mono Rail and Light Rail Transit System (LRTS) by 2021 to support the Metro Rail, DTC and other bus services. The techno-feasibility studies for the LRTS and Mono Rail were completed during the years 2008-09 and 2012-13 respectively.

Against a provision of ₹ 10 crore, ₹ 250 crore and ₹ 10 crore in the Original Budget Estimate (OBE) for the year 2010-11, 2011-12 and 2012-13 respectively under the MH 5055 DD.1(3)(1)- Introduction of Electronic Trolley Buses-Alternate Mode of Transport, ₹ 10 crore (100 *per cent*), ₹ 240.75 crore (96.30 *per cent*) and ₹ 8.39 crore (83.90 *per cent*) remained unspent as investment decision for both projects was still pending (February 2014).

**2.7.6 Surrender of unspent provision at the fag end of financial year**

Rule 56(2) of the GFRs provides that unspent provisions in a grant or appropriation are to be surrendered to the Government as soon as these are foreseen without waiting for the end of the financial year. Unspent provision should also not be held in reserve for any possible future excess. Audit observed that contrary to this, the Departments receiving grants/appropriations under Grants No. 7 and 8 surrendered unspent provisions of ₹ 219.52 crore to the Finance Department, Government of NCT of Delhi on the last day of the financial year 2012-13. Also, in the years 2010-11 and 2011-12, unspent provisions of ₹ 276.72 and ₹ 52.83 respectively were surrendered on the last day of the financial year. The details are given in the **Appendix 2.11**.

The reasons for surrender of unspent balances on last day of the financial year were stated to be slow progress or non-implementation of the schemes/ non purchase of equipment.

**2.7.7 Rush of expenditure**

As per Rule 56(3) of the GFRs, rush of expenditure, particularly in the closing months of the financial year, shall be regarded as a breach of financial propriety and should be avoided. Contrary to this, major expenditure was incurred by the departments in last quarter/month of the year during 2010-11 to 2012-13 ranging between 34 *per cent* and 100 *per cent* of total expenditure. Illustrative cases are given in **Appendix 2.12**.

#### **2.7.8 Unnecessary supplementary grants**

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

Audit scrutiny showed that, during the period 2010-11 to 2012-13 in 40 cases as detailed in **Appendix 2.13**, the department sought supplementary provisions in anticipation of higher expenditure but the final expenditure was less than the original grant/appropriation which showed that supplementary provisions were unnecessary, indicating deficient budgeting.

Reasons for not using the supplementary grant were stated to be non-filling up of vacant posts, non-implementation of scheme, receipt of less claims or bills, less number of beneficiaries, procurement of less store items and machinery and slow progress of work etc. Thus, estimation of expenditure was unrealistic.

#### **2.7.9 Injudicious re-appropriation of funds to sub-heads**

Re-appropriation of funds to other sub-heads were injudicious as the original provision under the sub-heads was found to be more than adequate. Consequently, final savings under the sub-heads were more than the amount re-appropriated to sub-heads as detailed in **Appendix 2.14**.

Reasons for not using the re-appropriations and resultant savings were stated to be receipt of less claims or bills, less number of beneficiaries, procurement of less store items and machinery, conversion of posts from plan to non-plan, non-filling up of vacant posts, non-implementation of scheme and slow progress of work etc. Thus, the excessive/unnecessary re-appropriation of funds pointed towards deficient budgeting.

#### **2.7.10 Excess expenditure over appropriation**

It is an important function of the Accounts Office to see that no payment is made in excess of the budget allocation. The Pay and Accounts Offices can make payment only on receipt of an assurance in writing from the Head of Department controlling the Grant that necessary funds to accommodate the disbursement will be provided by issue of re-appropriation order etc.

Audit observed that there was an excess expenditure of ₹ 0.96 crore on the following sub-heads during the year 2010-11.

**Table 2.5**  
**Excess expenditure over provision requiring regularisation**  
(₹ in crore)

Year	Number of Grants/Appropriations	Grant/Appropriation Number	Amount of excess expenditure	Status of regularisation
<b>2010-11</b>				
<b>8, Social Welfare</b>				
		3452 E.1(1)(3)(10)- GIA to DTTDC for celebration of Incredible India Festival (CSS)	0.80	Not yet regularized
		4235 BB 1.(1)(1)(2) Women's Welfare- Construction of Working Women's Hostel	0.16	Not yet regularized
		<b>Total</b>	<b>0.96</b>	

The excess expenditure has not been regularized by the State Legislative Assembly even after two years of incurring expenditure.

## 2.8 Conclusions

During 2012-13, against total provision of ₹ 34515.85 crore, expenditure of ₹ 29938.25 crore was incurred. This resulted in an unspent provision of ₹ 4577.60 crore (13.26 per cent). The savings were mainly due to receipt of less claims/bills, purchase of less store items/machinery & equipment, less release of grants to various organizations, slow progress of work and non-finalisation of purchase proposals in time. An excess expenditure of ₹ 74.82 crore relating to the period 2006-07 to 2012-13 required regularization under Article 205 of the Constitution. Supplementary provision of ₹ 12.83 crore in eight cases was unnecessarily made and there was cumulative non-utilization of ₹ 794.32 crore under 31 sub-heads against the re-appropriation of ₹ 435.94 crore. Substantial surrender of funds were observed and in five sub heads 100 per cent grant amounting to ₹ 130.70 crore were surrendered. Rush of expenditure in the month of March 2013 was observed when expenditure under 35 sub- heads ranged between 26.78 per cent and 100 per cent of the total expenditure. In eight grants/appropriations, a provision of ₹ 152.02 crore was made for vacant posts in violation of instructions issued by the Finance Department of the GNCTD.

## 2.9 Recommendations

The government may consider:

- Strengthening budgetary control in all the Government Departments, where savings/excess persisted;
- Re-appropriation/supplementary grant to be provided after proper assessment in heads where actual additional funds are needed;
- Avoiding rush of expenditure in the last month of the year; and
- The practice of keeping provision for vacant posts should be avoided.