

## CHAPTER 2

### FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

#### 2.1 Introduction

**2.1.1** Appropriation Accounts are accounts of expenditure, voted and charged, of the Government for each financial year compared with amounts of voted grants and appropriations charged for different purposes as specified in schedules appended to the Appropriation Act, 2015. These Accounts list original budget estimates, 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 Act in respect of both charged and voted items of the budget. Appropriation Accounts are thus a control document facilitating management of finances and monitoring of the budgetary provisions and are therefore complementary to the Finance Accounts.

**2.1.2** Audit of Appropriations by the Comptroller and Auditor General of India seeks to ascertain whether expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution, is so charged. It also ascertains whether the expenditure incurred is in conformity with the law, relevant rules, regulations and instructions.

#### 2.2 Summary of Appropriation Accounts

As per para 141 of the Budget Manual, no amount out of the savings reported in the final statement shall subsequently be utilised by the controlling officer without the prior approval of the Finance Department. All final savings must be surrendered to the Finance Department by 25 March.

The summarised position of Actual Expenditure during 2015-16 against 93 grants/appropriations is as given in **Table 2.1**.

**Table 2.1: Summarised position of Actual Expenditure, vis-à-vis, Original/ Supplementary Provision**

(₹ in crore)

Nature of expenditure		Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total Grant/ Appropriation	Actual Expenditure	Savings	Amount surrendered	Amount surrendered on 31 March 2016	Percentage of savings surrendered by 31 March 2016
	1	2	3	4	5	6	7	8	Col.7/ Col.6
<b>Voted</b>	I- Revenue	1,88,270.49	28,822.93	2,17,093.42	1,85,502.85	31,590.57	17,242.98	17,242.98	55
	II -Capital	74,082.90	10,711.05	84,793.95	77,312.13	7,481.82	7,066.59	7,066.59	94
	III -Loans and Advances	2,792.99	7,088.64	9,881.63	9,117.91	763.72	738.22	738.22	97
<b>Total Voted</b>		<b>2,65,146.38</b>	<b>46,622.62</b>	<b>3,11,769.00</b>	<b>2,71,932.89</b>	<b>39,836.11</b>	<b>25,047.79</b>	<b>25,047.79</b>	<b>63</b>
<b>Charged</b>	IV -Revenue	29,055.56	547.70	29,603.26	28,777.49	825.77	26.84	26.84	3
	V- Capital	36.11	11.00	47.11	29.09	18.02	3.08	3.08	17
	VI- Public Debt- Repayment	20,983.89	402.64	21,386.53	17,672.76	3,713.77	3,771.19	3,771.19	102
<b>Total Charged</b>		<b>50,075.56</b>	<b>961.34</b>	<b>51,036.90</b>	<b>46,479.34</b>	<b>4,557.56</b>	<b>3,801.11</b>	<b>3,801.11</b>	<b>83</b>
<b>Grand Total</b>		<b>3,15,221.94</b>	<b>47,583.96</b>	<b>3,62,805.90</b>	<b>3,18,412.23</b>	<b>44,393.67</b>	<b>28,848.90</b>	<b>28,848.90</b>	<b>65</b>

Note: Figures of actual expenditure include recoveries adjusted as reduction of expenditure under voted revenue expenditure (₹ 1,544.39 crore) and voted capital expenditure (₹ 12,918.50 crore).

(Source: Appropriation Accounts, Finance Accounts and Budget documents 2015-16)

**Table** indicates that the overall savings of ₹ 44,393.67 crore is 12 *per cent* of total grants/ appropriation (₹ 3,62,805.90 crore). Out of overall savings (₹ 44,393.67 crore), ₹ 28,848.90 crore was surrendered, which constitutes 65 *per cent* of the overall savings.

Under Voted Section, the savings (₹ 39,836.11 crore) was 13 *per cent* of the total grant (₹ 3,11,769 crore). Out of this, ₹ 25,047.79 crore was surrendered on 31 March 2016, which constituted 63 *per cent* of the savings.

Under Charged Section, the total savings was ₹ 4,557.56 crore, which constituted nine *per cent* of the total appropriation (₹ 51,036.90 crore). Out of the total savings, ₹ 3,801.11 crore was surrendered on 31 March 2016, which constituted 83 *per cent* of the savings.

Overall savings of ₹ 44,393.67 crore were the results of savings of ₹ 47,067.01 crore in 123 cases of grants and appropriations under Revenue Section and 79 cases of grants and appropriations under Capital Section including Loan Section (Public Debt-Repayments), offset by excess of ₹ 2,673.34 crore in eight grants and appropriations under Revenue Section and four grants under Capital Section.

## **2.3 Financial Accountability and Budget Management**

### **2.3.1 Excess Expenditure**

Expenditure amounting to ₹ 16,665.84 crore exceeded the provision by ₹ 2,673.33 crore where expenditure was more than ₹ 10 crore or more in seven cases involving four grants; and more than 20 *per cent* of the total provision in five cases involving five grants. Details are given in **Appendix 2.1**.

Substantial excess expenditure was noticed in two grants consistently for preceding five years ending 2015-16 as detailed in **Table 2.2**.

**Table 2.2: Grants indicating Persistent Excess Expenditure**

(₹ in crore)

Sl. No.	Number and name of the Grant	Excess Expenditure				
		2011-12	2012-13	2013-14	2014-15	2015-16
<b>Revenue-Voted</b>						
1	55- Public Works Department (Buildings)	2.48	2.36	4.78	7.71	8.35
2	58-Public Works Department (Communications -Roads)	106.77	166.12	204.95	310.73	281.23
<b>Capital-Voted</b>						
3	55- Public Works Department (Buildings)	54.55	71.97	70.68	47.23	29.19
4	58- Public Works Department (Communications -Roads)	1,068.66	2,152.37	3,131.34	2,430.21	2,211.02

(Source: Appropriation Accounts of the respective years)

Persistent excess expenditure in Public Works Department during 2011-16 under Revenue section of grant numbers 55-Public Works Department (Buildings) and 58-Public Works Department (Communications -Roads) and Capital section of grant numbers 55-Public Works Department (Buildings) and 58-Public Works Department (Communications -Roads) indicated underestimation of demands at the time of preparation of budget.

During scrutiny of six schemes<sup>1</sup> of Grant number 58, ₹ 1,075 crore was provided through budget provision and ₹ 63.19 crore was augmented by re-appropriation. Against the total provision of ₹ 1,138.19 crore, Department spent ₹ 1,244.32 crore and made an excess expenditure of ₹ 106.13 crore.

On being pointed out by the Audit, the Department replied that due to prorata adjustment, excess expenditure adjusted with establishment expenditure under Grant number 54.

### **2.3.2 Excess of expenditure over grants/appropriations relating to previous years requiring regularisation**

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excess expenditure over a grant/ appropriation regularised by the State Legislature. However, the excess expenditure amounting to ₹ 22,577.49 crore pertaining to the years 2005-15 was yet to be regularised. The year-wise break-up of the amount of excess expenditure awaiting regularisation under 91 grants and 34 appropriations is given in **Table 2.3**.

<sup>1</sup>Construction of State Highways, current work of construction of small bridges in naxal affected areas, construction of by-pass for the cities having more than one lakh population, strengthening/ widening of main/ other district roads of rural areas under RIDF plan, construction of link roads to connect unconnected inhabitations selected under Dr. Ram Manohar Lohiya Integrated Village Development Scheme and link roads to connect unconnected inhabitations having population 500 or more selected under Sri Ram Saran Das Gram Sadak Yojna.

**Table 2.3: Excess of expenditure over grants/appropriations relating to previous years requiring regularisation**

(₹ in crore)

Year	Number of Grants/ Appropriations	Details of Grants/ Appropriations	Amounts of excess
2005-06	25- Grants 4-Appropriations	Revenue Voted- 8,12,19,53,55,57,58,72; Capital Voted-15,16,18,23, 24, 33, 34,37,38,40, 55,56, 57,58,73,75,96; Revenue Charged-1,52; Capital Charged-52,55;	1,026.78
2006-07	18-Grants 6-Appropriations	Revenue Voted-9,13,55,58,61,62,73,91,95; Capital Voted-3,16,31, 37, 55,57,58,89,96; Revenue Charged-2,3,10,52,62,89;	2,484.47
2007-08	12-Grants 2-Appropriations	Revenue Voted-51,55,57,58,62; Capital Voted-13,16,55,58,63,83,96; Revenue Charged-51,66	3,610.65
2008-09	5-Grants 1-Appropriations	Revenue Voted-62,96; Capital Voted-55,58,96; Revenue Charged-52;	3,399.42
2009-10	6-Grants 6-Appropriations	Revenue Voted-58; Capital Voted-1,16,55,58,59; Revenue Charged-3,10,16,48,52,66;	1,250.16
2010-11	6-Grants 4-Appropriations	Revenue Voted-30,51,91; Capital Voted-10,55,58; Revenue Charged-10,23,61,82;	1,702.62
2011-12	6-Grants 6-Appropriations	Revenue Voted-21,62,91; Capital Voted-1,55,58; Revenue Charged-13,18,23,61,62,82;	1,889.66
2012-13	4-Grants 3-Appropriations	Revenue Voted-51,57; Capital Voted-55,58; Revenue Charged-55,62,89;	2,380.23
2013-14	2- Grants 1- Appropriation	Capital Voted - 55, 58; Capital Charged - 52;	2,608.18
2014-15	7- Grants 1- Appropriation	Revenue Voted – 57,91; Capital Voted –1,40,55,57,58; Revenue Charged -13;	2,225.32
<b>Total</b>			<b>22,577.49</b>

(Source: Appropriation Accounts of the respective years)

### 2.3.3 Excess of expenditure over grants/ appropriations during 2015-16 requiring regularisation

**Table 2.4** presents summary of excesses in eight cases of grants/ appropriations amounting to ₹ 1,566.71 crore<sup>2</sup> over and above the authorisation from the Consolidated Fund of the State during 2015-16.

<sup>2</sup> Remaining excess amount (i.e. ₹ 2,673.34 crore- ₹ 1,566.71 crore) does not require separate regularisation being *pro-rata* / suspense adjustment in relevant grants.

**Table 2.4: Excess over provision requiring regularisation during 2015-16**

(₹ in crore)

Sl. No.	Number and name of grant/ appropriation	Total grant/ appropriation	Expenditure	Excess expenditure	Adjustment of amounts during the year	Excess expenditure requiring regularisation
1	2	3	4	5	6	7
<b>Capital - Voted</b>						
1	55- Public Works Department (Buildings)	81.31	110.50	29.19	7.87	21.32
2	57- Public Works Department (Communications - Bridges)	1,380.56	1,519.15	138.59	138.11	0.48
3	58- Public Works Department (Communications - Roads)	8,358.88	10,569.90	2,211.02	668.22	1,542.80
4	87-Soldiers's Welfare Department	2.37	2.38	0.01	0.00	0.01
<b>Total</b>		<b>9,823.12</b>	<b>12,201.93</b>	<b>2,378.81</b>	<b>814.20</b>	<b>1,564.61</b>
<b>Revenue - Charged</b>						
5	2-Housing Department	1.67	1.68	0.01	0.00	0.01
6	23-Cane Development Department (Cane)	0.02	0.06	0.04	0.00	0.04
7	52-Revenue Department (Board of Revenue and other Expenditure)	0.19	1.03	0.84	0.00	0.84
8	62-Finance Department (Superannuation Allowances and Pensions)	31.51	32.72	1.21	0.00	1.21
<b>Total</b>		<b>33.39</b>	<b>35.49</b>	<b>2.10</b>	<b>0.00</b>	<b>2.10</b>
<b>Grand Total</b>		<b>9,856.51</b>	<b>12,237.42</b>	<b>2,380.91</b>	<b>814.20</b>	<b>1,566.71</b>

(Source: Appropriation Accounts 2015-16)

It would be seen from the **Table** that ₹ 1,566.71 crore was awaiting regularisation under Article 205 of the Constitution, as of March 2016.

### 2.3.4 Savings

Audit of Appropriation Accounts reveals that savings exceeded ₹ Ten crore in each case and by more than 20 *per cent* of total provisions in 46 cases (**Appendix 2.2**).

Against the savings of ₹ 47,067.01 crore, savings of ₹ 44,890.95 crore (95 *per cent*) occurred in 48 cases (exceeding ₹ 100 crore in each case) relating to 34 grants/ appropriations. The details thereof are given in **Appendix 2.3**.

It was noticed that savings under Revenue voted head of account exceeding ₹ 500 crore occurred in 17 grants under Grant numbers 9- Power Department, 14-Agriculture and other Allied Department (Panchayati Raj), 26-Home Department (Police), 32-Medical Department (Allopathy), 35-Medical Department (Family Welfare), 37-Urban Development Department, 48-Minorities Welfare Department, 49-Women and Child Welfare

Department, 51-Revenue Department (Relief on account of Natural Calamities), 54-Public Works Department (Establishment), 62-Finance Department (Superannuation Allowances and Pensions), 71-Education Department (Primary Education), 72-Education Department (Secondary Education), 80-Social Welfare Department (Social Welfare and Welfare of Scheduled Castes), 83- Social Welfare Department (Special Component Plan for Scheduled Castes), 94-Irrigation Department (Works) and 95-Irrigation Department (Establishment).

Similarly, savings under the Capital voted head of account exceeding ₹ 500 crore also occurred in eight grants under Grant numbers 9-Power Department, 11-Agriculture and other Allied Departments (Agriculture), 13- Agriculture and other Allied Departments (Rural Development), 40- Planning Department, 48-Minorities Welfare Department, 71-Education Department (Primary Education), 72-Education Department (Secondary Education) and 83-Social Welfare Department (Special Component Plan for Scheduled Castes).

Likewise, savings exceeding ₹ 500 crore also occurred under Grant number 61-Finance Department (Debt Services and other Expenditure) pertaining to Revenue Charged as well as under Capital Charged.

The savings (exceeding ₹ 500 crore) occurring in 21 grants/ appropriation during 2015-16 was compared with the savings of previous year and it was noticed that out of the above 21 grants/appropriation, the savings (exceeding ₹ 500 crore) occurred in 19 cases involving 16 grants/appropriation during 2014-15 also as detailed in **Table 2.5**.

**Table 2.5: Grants indicating Savings**

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant	Savings occurred (₹ 500 crore and above) during	
			2014-15	2015-16
1	09	Power Department – Capital Voted	1,615.00	2,493.80
2	13	Agriculture and other Allied Departments (Rural Development) – Capital Voted	2,017.90	1,669.11
3	14	Agriculture and other Allied Departments (Panchayati Raj) – Revenue Voted	2,368.27	3,117.69
4	26	Home Department (Police) – Revenue Voted	994.09	1,346.41
5	32	Medical Department (Allopathy) – Revenue Voted	672.14	938.53
6	37	Urban Development Department – Revenue Voted	2,762.12	1,390.72
7	48	Minorities Welfare Department – Revenue Voted	815.40	852.81
8	48	Minorities Welfare Department – Capital Voted	640.44	635.44
9	54	Public Works Department (Establishment) – Revenue Voted	1,265.68	1,384.03
10	61	Finance Department (Debt services and other Expenditure) – Revenue Charged	3,211.79	796.83
11	61	Finance Department (Debt services and other Expenditure) – Capital Charged	9,971.46	3,711.90

12	62	Finance Department (Superannuation Allowances and Pensions) – Revenue Voted	3,829.53	4,666.51
13	71	Education Department (Primary Education) – Revenue Voted	4,390.54	3,229.85
14	72	Education Department (Secondary Education) – Revenue voted	787.75	918.15
15	80	Social Welfare Department (Social Welfare and Welfare of Scheduled Castes) – Revenue voted	1,612.85	667.45
16	83	Social Welfare Department (Special Component Plan for Scheduled Castes) – Revenue Voted	2,509.94	2,306.78
17	83	Social Welfare Department (Special Component Plan for Scheduled Castes) – Capital Voted	1,634.76	1,357.70
18	94	Irrigation Department (Works) – Revenue Voted	745.95	766.33
19	95	Irrigation Department (Establishment) – Revenue Voted	739.30	933.97

(Source: Appropriation Accounts 2014-15 & 2015-16)

Savings of substantial amounts (exceeding ₹ 500 crore) occurring during 2015-16 and also during the previous year out of the budgeted grants/appropriations indicated incorrect estimation of funds required.

### 2.3.5 Persistent Savings

In 18 cases involving 16 grants/appropriation, it was noticed that there were persistent savings (₹ 100 crore and above) during the preceding five years ranging between ₹ 208.61 crore and ₹ 3,711.90 crore. The details are given in **Table 2.6**.

**Table 2.6: Grants indicating Persistent Savings**

Sl. No.	Grant No.	Name of the Grant	Amount of Savings				
			2011-12	2012-13	2013-14	2014-15	2015-16
<b>Revenue – Voted</b>							
1	11	Agriculture and other Allied Departments (Agriculture)	766.37	644.92	596.10	425.39	438.74
2	13	Agriculture and other Allied Departments (Rural Development)	134.31	103.79	201.09	399.75	208.61
3	14	Agriculture and other Allied Departments (Panchayati Raj)	211.63	907.53	462.21	2,368.27	3,117.69
4	32	Medical Department (Allopathy)	145.70	403.79	471.31	672.14	938.53
5	37	Urban Development Department	625.51	238.51	654.69	2,762.12	1,390.72
6	42	Judicial Department	172.36	178.52	223.31	330.65	329.12
7	49	Women and Child Welfare Department	636.11	372.97	271.58	370.04	1,058.88
8	54	Public Works Department (Establishment)	238.54	681.45	1,041.27	1,265.68	1,384.03
9	71	Education Department (Primary Education)	888.00	1,865.81	2,567.23	4,390.54	3,229.85
10	72	Education Department (Secondary Education)	582.87	1,276.77	874.11	787.75	918.15
11	73	Education Department (Higher Education)	745.76	816.09	348.28	422.39	278.80
12	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	792.46	1,762.10	1,315.74	2,509.94	2,306.78
13	94	Irrigation Department (Works)	504.35	198.79	738.76	745.95	766.33
<b>Total</b>			<b>6,443.97</b>	<b>9,451.04</b>	<b>9,765.68</b>	<b>17,450.61</b>	<b>16,366.23</b>

(₹ in crore)

		Capital – Voted					
14	11	Agriculture and other Allied Departments (Agriculture)	100.86	177.73	470.53	286.17	533.67
15	26	Home Department (Police)	488.36	363.24	126.51	110.84	282.44
16	48	Minorities Welfare Department	373.36	164.73	148.22	640.44	635.44
17	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	415.46	588.84	524.04	1,634.76	1,357.70
<b>Total</b>			<b>1,378.04</b>	<b>1,294.54</b>	<b>1,269.30</b>	<b>2,672.21</b>	<b>2,809.25</b>
		Capital – Charged					
18	61	Finance Department (Debt Services and other Expenditure)	9,999.25	9,934.16	9,840.02	9,971.46	3,711.90
<b>Total</b>			<b>9,999.25</b>	<b>9,934.16</b>	<b>9,840.02</b>	<b>9,971.46</b>	<b>3,711.90</b>

(Source: Appropriation Accounts of the respective years)

Persistent savings in substantial number of grants over the years is indicative of improper assessment of the requirement of fund by the State Government repeatedly without proper scrutiny of the need and the flow of expenditure.

### 2.3.6 Unnecessary/ Inadequate Supplementary Provision

During 2015-16, supplementary provision amounting to ₹ 8,120.51 crore obtained in 52 cases, (₹ one crore or more in each case) proved unnecessary as the expenditure was not even up to the level of the original provision as detailed in *Appendix 2.4*. Unnecessary and inadequate supplementary provisions indicated that the provision made in the supplementary budget was not based on actual estimated requirement.

### 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 where additional funds are needed<sup>3</sup>.

Injudicious re-appropriations proved excessive or insufficient and resulted in savings of ₹ 3,053.82 crore in 135 sub-heads involving 46 grants and excess of ₹ 1,004.36 crore occurred in 63 sub-heads involving 31 grants as detailed in *Appendix 2.5*.

### 2.3.8 Substantial Surrenders

Substantial surrenders (50 per cent or more of the total provision) amounting to ₹ 9,245.82 crore (92 per cent) were made in respect of 227 sub-heads, out of the total provision amounting to ₹ 10,076.37 crore during 2015-16, which included cent per cent surrenders in 95 schemes/programmes (₹ 4,941.22 crore). The details viz. names of the grants, heads of accounts, amounts surrendered together with the reasons for surrender as intimated by the Government are given in *Appendix 2.6*. Substantial surrender of amounts indicated that the budgeting was not done with due prudence.

<sup>3</sup>Budget Manual, Section II.



### **2.3.9 Surrender in Excess of Actual Savings**

In 12 grants/ appropriation (₹ 50 lakh or more in each case) as against savings of ₹ 5,740.03 crore, the amount surrendered was ₹ 5,938.18 crore resulting in excess surrender of ₹ 198.15 crore during 2015-16 as detailed in *Appendix 2.7*. The surrender in excess of actual savings indicated that the Departments did not exercise adequate budgetary controls by watching flow of expenditure through monthly expenditure statements.

### **2.3.10 Anticipated Savings not surrendered**

As per para 139 of the Budget Manual, spending Departments are required to surrender grants/ appropriations or portion thereof to the Finance Department as and when savings are anticipated. At the end of 2015-16, it was noticed that though savings occurred in 47 cases of grants/appropriations, no part of it was surrendered by the spending Departments. The amount involved was ₹ 12,631.61 crore. The details are given in *Appendix 2.8*.

Similarly, out of savings of ₹ 34,191.65 crore in 83 cases (savings of ₹ one crore and above), an amount of ₹ 18,583.12 crore (54 per cent) was not surrendered (*Appendix 2.9*), which forms 39 per cent of total savings of ₹ 47,067.01 crore. This is indicative of inadequate financial control and resultant blocking of funds thereby resulting in non-availability of funds for alternative purposes of development.

### **2.3.11 Misclassifications of expenditure between revenue and capital accounts**

Revenue expenditure is recurring in nature and is intended to be met from revenue receipts. Further, as per Indian Government Accounting Standard-2 (IGAS-2), expenditure on grants-in-aid is recorded as revenue expenditure in the books of the grantor and as revenue receipt in the books of recipient. Capital expenditure is defined as expenditure incurred with the object of increasing concrete assets of a material of permanent character, or of reducing recurring liabilities.

During 2015-16, the State Government provided and booked minor construction works amounting to ₹ 60.17 crore under various Capital heads instead of Revenue heads. Expenditure on grants-in-aid amounting to ₹ 33.54 crore has been incurred under Capital section, whereas it should be expended as Revenue expenditure.

### **2.3.12 Advances from the Contingency Fund**

The State Government of Uttar Pradesh set up a Contingency Fund under Article 267 (2) of the Constitution of India. Its corpus was ₹ 600 crore as on 1 April, 2015. It was enhanced by an ordinance (No. 03 dated 01 May 2015) to ₹ 4,400 crore by drawing the sum out of the Consolidated Fund of the State. An advance of ₹ 3,214.44 crore was drawn during the year 2015-16.

As per the accounting procedure relating to the Contingency Fund amount appropriated from the Consolidated Fund for transfer to the Contingency Fund and debited under the Major Head 7999- Appropriation to the Contingency Fund will be credited under the head 8000-201- Appropriation from the Consolidated Fund. However, it was noticed that advance was withdrawn without observing the accounting procedure so prescribed in this respect (i.e. no appropriation was made from the Consolidated Fund by debit to the Major Head 7999).

The State Government stated (June 2016) that limit of the Contingency Fund was increased in May 2015 by an ordinance. It was not permanent, so the bill was not introduced in the *Vidhan Sabha*. As such no budget provision was made in Supplementary Budget for transfer of the amount.

### **2.3.13 Advances from the Contingency Fund - Not recouped**

The transaction relating to the Contingency Fund is depicted under the Major Head 8000–Contingency Fund in Statement Number 21 of the Finance Accounts. It revealed that ₹ 44.07 crore, drawn from the Contingency Fund during 2015-16, was not recouped to the Contingency Fund during the same year and was lying unrecouped at the close of March 2016.

Scrutiny of the records of Director, Panchayati Raj, Uttar Pradesh Lucknow, revealed that ₹ 37.77 crore was sanctioned from the Contingency Fund and the same was drawn by the Department for the purpose of counting of population of backward castes in the State (Rapid Survey) in view of Gram Panchayat Elections 2015-16. On being pointed out by the Audit, the Department stated that, the amount was drawn for counting of backward castes population of the State as the data of population of backward caste was not available in the Census 2011, which was required for conducting the Panchayat Election in 2015-16.

Reply of the Department is not acceptable because this expenditure was not unforeseen in nature and it should be budgeted.

### **2.3.14 Rush of Expenditure**

During 2015-16, 27.43 *per cent* of the total Revenue Expenditure and 35.12 *per cent* of the total Capital Expenditure was incurred during the month of March 2016 alone. Such expenditure constituted a significant portion of the budget for the year of the Departments. Details of the cases, in which expenditure more than 10 *per cent* was incurred in month of March are given in *Appendix 2.10*.

### **2.3.15 Drawal of funds to avoid lapse of budgetary provision**

Rule-4 of Part-2 of Uttar Pradesh Personal Ledger Account Rules, 1998 provides that Personal Ledger Account (PLA) can be opened in the name of Head of Offices under the authority issued by Accountant General. Rule 162

of FHB-Volume-V, part-I provides that no funds shall be withdrawn from the treasury unless it is necessarily required for immediate payment.

However, it was noticed in test check of sanction orders of the Minorities Welfare Department, Medical Department and Social Welfare Department that funds amounting to ₹ 91.99 crore were drawn from the treasury and deposited in Personal Ledger Account (PLA) in violation of the provisions in order to avoid lapse of funds as per details given in **Table 2.7**.

**Table 2.7: Draws of funds to avoid lapse of budgetary provision**

Sl. No.	Number, name of Grant, Department and Major Head	Budget Provision (₹ in crore)	Amount deposited in PLA (₹ in crore)	Audit Observations involving financial repercussions
1	Grant Number 31 – Medical Department (Medical Education and Training) MH 4210	0.50 8.41	0.50 0.20	<ul style="list-style-type: none"> <li>Rupees 0.50 crore was sanctioned (March 2016) for purchase of equipment which was drawn and deposited (March 2016) in the PLA of KGMU, Lucknow.</li> <li>Rupees 8.41 crore was sanctioned (March 2016) for purchase of equipment, out of which ₹ 8.21 crore surrendered to the Department and remaining amount i.e. ₹ 0.20 crore was deposited (March 2016) in the PLA of KGMU, Lucknow.</li> </ul>
2	Grant Number 32 – Medical Department (Allopathy) MH 4210	0.87	0.87	<ul style="list-style-type: none"> <li>Rupees 0.87 crore was sanctioned (January 2016) for establishment of 10 bedded Paediatric ICU including five ventilators in five districts (₹ 17.32 lakh each) which was drawn and deposited (March 2016) in the PLA.</li> </ul>
3	Grant Number 48 – Minorities Welfare Department MH 4235	200.00	84.14	<ul style="list-style-type: none"> <li>Rupees 200 crore sanctioned (October 2015) for construction of boundaries of graveyard of Minorities/ cremation places, out of which ₹ 115.86 crore was incurred on the said work and the remaining amount i.e. ₹ 84.14 crore was deposited (March 2016) in PLA of DRDA, Lucknow.</li> </ul>
4	Grant Number 83 – Social Welfare Department (Special Component plan for Scheduled Castes) MH 4210	10.00	6.28	<ul style="list-style-type: none"> <li>Rupees 10 crore was sanctioned (February 2016) for purchase of equipment, out of which ₹ 3.72 crore surrendered to the Department and remaining amount i.e. ₹ 6.28 crore was deposited (March 2016) in the PLA of KGMU, Lucknow.</li> </ul>
<b>Total</b>		<b>219.78</b>	<b>91.99</b>	

(Source: Concerned Departments)

## 2.4 Outcome of the Review of Selected Grants

After voting of all Demands for Grants is completed in Legislative Assembly, an Appropriation Bill is introduced for appropriation out of the Consolidated Fund of the State all moneys required to meet (a) grants made by the Assembly and (b) expenditure charged on the Consolidated Fund. The Governor's assent to the Bill is obtained; and when that has been given, the amounts shown in the Act assented to by the Governor and the Schedule thereto become sanctioned Grants for expenditure under various demands.

Out of 93 Grants as per the Appropriation Act, 2015, seven<sup>4</sup> grants were reviewed in audit in September 2016. The details of amount budgeted, expenditure, savings etc. and results of review for 2015-16 are discussed below:

### Grant Number 11-Agriculture and other Allied Department (Agriculture)

The position of the Grant Number 11 pertaining to Agriculture and other Allied Departments (Agriculture) is summarised in **Table 2.8**.

**Table 2.8: Grant Number 11- Agriculture and other Allied Department (Agriculture)**  
(₹ in crore)

Particulars	Amount	Total	Actual Expenditure	Savings/Excess	Savings in Percentage
<b>Revenue - Voted</b>					
Original	3,043.74	3,048.90	2,610.16	(-) 438.74	14.39
Supplementary	5.16				
<b>Revenue - Charged</b>					
Original	0.15	0.15	1.13	0.98	-
Supplementary	-				
<b>Capital - Voted</b>					
Original	890.29	902.29	368.62	(-) 533.67	59.15
Supplementary	12.00				
<b>Grand Total</b>	<b>3,951.34</b>	<b>3,951.34</b>	<b>2,979.91</b>	<b>(-) 971.43</b>	<b>24.58</b>
<b>Amount Surrendered</b>	<b>Revenue Voted</b>		418.64		
	<b>Capital Voted</b>		534.51		

(Source: Appropriation Accounts 2015-16)

A review of the aforesaid grant revealed that

- Under the Grant Number 11- Agriculture and other Allied Departments (Agriculture) there was a total provision of ₹ 3,951.34 crore. Against the provision, ₹ 2,979.91 crore was spent, leaving the overall savings of ₹ 971.43 crore (25 per cent). In the revenue voted section, provision of ₹ 3,048.90 crore was made. Against the provision, ₹ 2,610.16 crore was spent, leaving a savings of ₹ 438.74 crore (14 per cent) and in capital voted section, provision of ₹ 902.29 crore was made. Against the

<sup>4</sup> Grant Number 11- Agriculture and other Allied Department (Agriculture), Grant Number 14- Agriculture and other Allied Department (Panchayati Raj), Grant Number 35- Medical Department (Family Welfare), Grant Number 36- Medical Department (Public Health), Grant Number 48- Minorities Welfare Department, Grant Number 80- Social Welfare Department (Social Welfare and Welfare of Scheduled Castes) and Grant no.- 83 Social Welfare Department (Special Component plan for Scheduled Castes)

provision, ₹ 368.62 crore was spent, leaving the savings of ₹ 533.67 crore (59 per cent).

- Supplementary Grant of ₹ 5.16 crore allotted in the Revenue Voted section and ₹ 12.00 crore allotted in Capital Voted section proved unnecessary as the expenditure was not up to the level of original budget provision.

Scheme-wise savings are discussed below:

- Budget provision of ₹ 15.96 crore was made for the scheme “National Mission on Oil Seed and Oil Palm”. The Government released ₹ 15.77 crore but the Department utilised only ₹ 12.42 crore and surrendered the remaining amount i.e. ₹ 3.36 crore. In reply, the Department stated that ₹ 3.40 crore was released on 17 March 2016 and due to shortage of time the amount could not be utilised.
- Budget provision of ₹ 229.51 crore was made for the scheme “National Food Security Mission”. The Government released ₹ 188.07 crore but the Department could utilise only ₹ 166.07 crore and surrendered the remaining amount of ₹ 59.83 crore.
- Budget provision of ₹ 81.44 crore was made for the scheme “Subsidy on Certified Seeds”. The Government released ₹ 61.44 crore but the Department could utilise only ₹ 39.33 crore and surrendered the remaining amount i.e. ₹ 20.11 crore. In reply, the Department stated that due to drought in Kharif crop and shortage of Promotional Prajati seeds, paddy seeds were not distributed. The reply of the Department itself proves that set target of seed distribution was not achieved.
- Budget provision of ₹ 240.67 crore was made for the scheme “National Mission on Agriculture Extension and Technology”. The Government released ₹ 138.60 crore but the Department could utilise only ₹ 108.37 crore and surrendered the remaining ₹ 79.43 crore.
- Rupees 28.67 crore was provided for the scheme “Utilisation of Information Technology in Agriculture Department”. The Department utilised only ₹ 16.43 crore and surrendered the remaining ₹ 12.17 crore. In reply, the Department stated that due to non-agreement of contract for the scheme, the amount was surrendered.
- Under the "National Agriculture Development Scheme" ₹ 373.00 crore was allotted, out of which only ₹ 21.35 crore was utilised leaving the balance of ₹ 351.65 crore unutilised. The Department has stated in its reply that due to non-approval of projects, funds could not be utilised.
- For strengthening of biodegradable manure production laboratories/ incentive programme for use of biodegradable manure amount ₹ 0.50 crore was allotted. The total amount was surrendered. The Department

stated that due to non-compliance of tender process the amount was surrendered.

Para 25 of the Budget Manual states that in the preparation of the budget the aim is to achieve as close an approximation to the actuals as possible. The above observation shows that the Department could not utilise the budgeted funds which led to the surrender of huge amount.

It is worthwhile to mention here that though the Government had declared the year 2015-16 as “KISAN VARSH”, the huge amount was surrendered.

#### **Grant Number 14- Agriculture and other Allied Departments (Panchayati Raj)**

The position of the Grant Number 14 pertaining to Agriculture and other Allied Departments (Panchayati Raj) is summarised in **Table 2.9**

**Table 2.9: Grant Number 14- Agriculture and other Allied Department (Panchayati Raj)**  
(₹ in crore)

Particulars	Amount	Total	Actual Expenditure	Saving/Excess	Savings in percentage
<b>Revenue - Voted</b>					
Original	7,052.96	8,156.82	5,039.13	(-)3,117.69	38.22
Supplementary	1,103.86				
<b>Capital - Voted</b>					
Original	621.38	621.38	482.17	(-)139.21	22.40
Supplementary	-				
<b>Grand Total</b>	8,778.20	8,778.20	5,521.30	(-) 3,256.90	37.10
<b>Amount Surrendered</b>	<b>Revenue - Voted</b>		3,112.12		
	<b>Capital - Voted</b>		138.95		

(Source: Appropriation Accounts 2015-16)

A review of the aforesaid grant revealed that:

- Under the Grant Number 14 - Agriculture and other Allied Departments (Panchayati Raj) there was a total provision of ₹ 8,778.20 crore. Against the provision, ₹ 5,521.30 crore was spent, leaving the overall savings of ₹ 3,256.90 crore (37 per cent). In Revenue Voted section, provision of ₹ 8,156.82 crore was made. Against the provision ₹ 5,039.13 crore was spent, leaving the savings of ₹ 3,117.69 crore (38 per cent) and in the Capital Voted section, provision of ₹ 621.38 crore was made. Against the provision ₹ 482.17 crore was spent, leaving the savings of ₹ 139.21 crore (22 per cent).
- Supplementary Grant of ₹ 1,103.86 crore was allotted in the Revenue Voted section proved unnecessary as the expenditure was not up to the level of original budget provision.
- Para 174(10) of Uttar Pradesh Budget Manual states that it is a financial irregularity to draw money from the treasuries which is not required for immediate use.

The Government of Uttar Pradesh started free Laptop/Tablet/Smartphone scheme, to provide Laptops/ Tablets/ Smartphone's to Gram Panchayat Adhikari under e-District scheme. Under the scheme ₹ 5.30 crore was allotted for distribution of smart phone to Gram Panchayat Adhikari and strictly instructed in order to withdraw and disburse the money for the said scheme. Scrutiny of records of office of Director-Panchayati Raj Uttar Pradesh Lucknow revealed that the Department had ordered on 31-03-2016, to transfer the budgeted amount in the account of District Panchayat.

Transferring the allotted money by the Department into the account of District Panchayat (district fund) instead of surrendering the money after completion of financial year reflects the irregularity of Department as the fund was drawn from the treasury without any requirement, in order to avoid the lapse of budget, which is repugnant to Government order's and Uttar Pradesh Budget Manual.

**Grant Number 35- Medical Department (Family Welfare) and Grant Number 36- Medical Department (Public Health)**

The position of the Grant Number 35 pertaining to Medical Department (Family Welfare) is summarised in **Table 2.10** and Grant Number 36 pertaining to Medical Department (Public Health) in **Table 2.11**.

**Table 2.10: Grant Number 35- Medical Department (Family Welfare)**

(₹ in crore)

Particulars	Amount	Total	Actual Expenditure	Saving/Excess	Savings in percentage
<b>Revenue - Voted</b>					
Original	4,946.59	4,946.59	3,542.48	(-) 1,404.11	28.39
Supplementary	-				
<b>Revenue - Charged</b>					
Original	0.26	0.26	0.07	(-)0.19	73.08
Supplementary	-				
<b>Capital - Voted</b>					
Original	10.74	10.74	0.06	(-) 10.68	99.44
Supplementary	-				
<b>Grand Total</b>	4,957.59	4,957.59	3,542.61	(-) 1,414.98	28.54
<b>Amount Surrendered</b>	<b>Revenue - Voted</b>		1,394.31		
	<b>Revenue - Charged</b>		0.19		
	<b>Capital -Voted</b>		10.68		

(Source: Appropriation Accounts 2015-16)

**Table 2.11: Grant Number 36- Medical Department (Public Health)**

(₹ in crore)

Particulars	Amount	Total	Actual Expenditure	Saving/Excess	Savings in percentage
<b>Revenue - Voted</b>					
Original	611.24	620.24	375.74	(-) 244.50	39.42
Supplementary	9.00				
<b>Revenue - Charged</b>					
Original	0.02	0.02	-	(-) 0.02	100
Supplementary	-				
<b>Capital - Voted</b>					
Original	8.15	15.15	9.21	(-) 5.94	39.21
Supplementary	7.00				
<b>Grand Total</b>	635.41	635.41	384.95	(-) 250.46	39.42
<b>Amount Surrendered</b>	<b>Revenue - Voted</b>		Nil		
	<b>Capital - Voted</b>		Nil		

(Source: Appropriation Accounts 2015-16)

A review of the aforesaid grants revealed that:

The State Government allocated a sum of ₹ 4,957.59 crore under Grant number 35 and ₹ 635.41 crore under Grant number 36 for expenditure under pay and allowances of the employees, construction of hospital building, purchase of equipment etc. The Drawing and Disbursing Officers are required to incur the expenditure out of allocated fund in compliance of the provisions of the Financial Handbook, directions contained in the Budget Manual and Government Orders.

It is evident from the position depicted in above **Table** that only ₹ 3,542.61 crore was utilised against the total provision of ₹ 4,957.59 crore under Grant number 35 and ₹ 384.95 crore was spent against the total provision of ₹ 635.41 crore under Grant number 36, leaving a short utilisation of ₹ 1,414.98 crore (29 per cent) in case of Grant number 35 and short utilisation of ₹ 250.46 crore (39 per cent) against allocation in Grant number 36.

- Para number 32 of Uttar Pradesh Budget Manual (UPBM) envisages that budget estimates for pay and allowances including leave salary were to be worked out on the basis of actual number of staff employed instead of on the basis of the sanctioned strength. Not adhering to the provisions of the UPBM resulted in excess allocation ₹ 282.99 crore for salary and allowance including leave salary under the various heads<sup>5</sup> of Grant number 35, which was subsequently surrendered as posts were vacant.

Similarly, in contravention of above provision, estimates for pay and leave salary under various heads<sup>6</sup> of Grant Number 36 was also framed on the basis of sanctioned posts. As a result an amount of ₹ 228.10 crore was surrendered due to vacant posts.

<sup>5</sup>2211-001 (Direction and Administration) surrendered amount: ₹15.35 crore; 2211-003 (Training) surrendered amount: ₹ 10.45 crore; 2211-101(Rural Family Welfare service) surrendered amount: ₹ 135.63 crore; 2211-102 (Urban Family welfare services) surrendered amount: ₹ 11.53 crore; 2211-200 (other services and Supplies) surrendered amount: ₹ 27.68 crore; 2211-103 (Mother and Child Health) surrendered amount: ₹ 82.35 crore.

<sup>6</sup>2210-001 (Establishment expenditure) surrendered amount: ₹ 4.53 crore; 2210-003 (Training) surrendered amount: ₹ 1.32 crore; 2210-101 (Prevention and control of disease) surrendered amount: ₹ 220.44 crore; 2210-800 (Other expenditure) surrendered amount: ₹ 1.81 crore.



- Para Number 141 of UPBM envisages that all the final savings must be surrendered to the Finance Department by 25 March, so that it could be re-allotted by the Finance Department under the heads of expenditure where it was required through re-appropriation or Supplementary Grant. Scrutiny of the records in audit revealed that an amount of ₹ 10.74 crore was allotted in two heads<sup>7</sup> of Grant Number 35 for construction of buildings of Health Sub-Centres and Training Centres. Audit noticed that an amount of ₹ 10.68 crore was surrendered on 31 March against sanctioned amount as it was not released by the Director General, Family Welfare to the districts for expenditure. As a result, construction work of Health Sub-centres and Training Centres could not be carried out due to paucity of fund and allocated fund was surrendered. Audit further noticed that since the fund was surrendered after 25 March, it was not available to Finance Department for reallocation in the head of expenditure where it was required and therefore it remained unutilised for the purpose for which it was allocated in the budget by the State Legislature.

Similarly, under two heads<sup>8</sup> of Grant Number 36, an amount ₹ 22.40 crore, including ₹ 5.58 crore allocated for purchase of equipment under head 4210-04-107-03 for upgradation of Government Public Analyst Labs was also surrendered on 31 March instead of 25 March in contravention of aforesaid provisions. The main reason for surrender of total allocation of fund for above Labs was due to non-completion of tendering process for procurement of equipment within the financial year 2015-16. Thus, ₹ 5.58 crore could not be utilised for the upgradation of Government Public Analyst labs.

### Grant Number 48- Minorities Welfare Department

The position of the Grant Number 48 pertaining to Minorities Welfare Department is summarised in **Table 2.12**.

**Table 2.12: Grant Number 48- Minorities Welfare Department**

(₹ in crore)

Particulars	Amount	Total	Actual Expenditure	Saving/Excess	Savings in percentage
<b>Revenue - Voted</b>					
<b>Original</b>	1,768.24	1,821.74	968.93	(-) 852.81	46.81
<b>Supplementary</b>	53.50				
<b>Revenue - Charged</b>					
<b>Original</b>	0.02	0.02	0.02	0.00	0.00
<b>Supplementary</b>	-				
<b>Capital - Voted</b>					
<b>Original</b>	1,007.33	1,007.33	371.89	(-) 635.44	63.08
<b>Supplementary</b>	-				
<b>Grand Total</b>	2,829.09	2,829.09	1,340.84	(-) 1,488.25	52.61
<b>Amount Surrendered</b>	<b>Revenue Voted</b>		829.93		
	<b>Capital Voted</b>		633.85		

(Source: Appropriation Accounts 2015-16)

<sup>7</sup> 4210-101(Health sub centre) ₹ 0.68 crore; 4210-101 (Establishment of Training Centre) ₹ 10.00 crore;

<sup>8</sup> 2210-001 (Establishment expenditure) ₹ 16.82 crore; 4210-107 (Upgradation of Lab) ₹ 5.58 crore.

A review of the aforesaid grant revealed that

- Under the Grant Number 48 - Minorities Welfare Department, there was a total provision of ₹ 2,829.09 crore. Against the provision, ₹ 1,340.84 crore was spent, leaving an overall savings of ₹ 1,488.25 crore (53 *per cent*). In the Revenue Voted section, a provision of ₹ 1,821.74 crore was made. Against the provision, ₹ 968.93 crore was spent, leaving a savings of ₹ 852.81 crore (47 *per cent*) and in the Capital Voted section, a provision of ₹ 1,007.33 crore was made. Against the provision, ₹ 371.89 crore was spent, leaving a savings of ₹ 635.44 crore (63 *per cent*).
- Supplementary Grant of ₹ 53.50 crore allotted in the Revenue Voted section proved unnecessary as the expenditure was not up to the level of original budget provision.
- The Government of Uttar Pradesh introduced Pre-Matric Scholarship Scheme for students to provide education and overall progress of minority community.

Under this scheme, minority communities students (boys/girls) studying in 9 or 10 with annual family income of less than ₹ one lakh will be eligible to receive a scholarship of ₹ 60 per month. Moreover, under the Post-Matric scheme, students of class 11 and 12 will get scholarship of ₹ 3,595 per annum. The details of the target and implementation of scheme by the Department is given in **Table 2.13**.

**Table 2.13: Target and Implementation of scheme**

(₹ in crore)

Sl. No	Name of the scheme	Estimated Beneficiaries	Budget (Original+ Supplementary)	Amount released	Beneficiaries benefitted	Expenditure	Surrender
1.	Pre-matric scholarship scheme (Non-plan)	418333	30.12	19.64	0	0.00	19.64 (100)*
2.	Pre-matric scholarship scheme (ZilaYojna)	146250	10.53	10.53	39268	2.76	7.77 (74)*
<b>Total</b>		<b>564583</b>	<b>40.65</b>	<b>30.17</b>	<b>39268</b>	<b>2.76</b>	<b>27.41</b>
1.	Post-matric scholarship scheme	513839	214.73	163.89	313774	106.76	57.13 (35)*

(Source: Appropriation Accounts 2015-16)

\* Percentage of amount surrendered is shown in bracket

Scrutiny of the records of Directorate, Minority Welfare revealed that for Pre-Matric scholarship scheme, the Department set a target of 564583 students to be benefitted by this scheme and provision of budget of ₹ 40.65 crore was made, against which ₹ 30.17 crore was released. As per records, it was noticed that only 39268 (seven *per cent*) beneficiaries got benefit of the scheme and ₹ 27.41 crore (91 *per cent*) was surrendered.

Similarly, for the Post-Matric Scholarship scheme, the Department set a target of 513839 students to be benefitted by this scheme and provision of budget of ₹ 214.73 crore was made, against which ₹ 163.89 crore was released. As per the records, it revealed that only 313774 (61 *per cent*) beneficiaries got the benefit of the scheme and ₹ 57.13 crore (35 *per cent*) was surrendered.

On being pointed out by the Audit, the Department stated that, due to non-requirement, the amount was surrendered. It was also stated that ₹ 30.12 crore is being allotted consecutively from the year 2014-15 for Pre-matric scholarship scheme.

The reply of the Department itself proves that the budget allotted under the scheme was not estimated appropriately and unnecessary budget was allotted in financial year 2015-16, which resulted into the surrendering of huge amount.

**Grant Number 80- Social Welfare Department (Social Welfare & Welfare of Scheduled Castes) and Grant Number 83- Social Welfare Department (Special Component Plan for Scheduled Castes)**

The position of the Grant Number 80 pertaining to Social Welfare Department (Social Welfare & Welfare of Scheduled Castes) is summarised in **Table 2.14** and Grant Number 83 pertaining to Social Welfare Department (Special Component Plan for Scheduled Castes) is summarised in **Table 2.15**.

**Table 2.14: Grant Number 80- Social Welfare Department (Social Welfare & Welfare of Scheduled Castes)**

(₹ in crore)

Particulars	Amount	Total	Actual Expenditure	Saving/Excess	Savings in percentage
<b>Revenue - Voted</b>					
Original	5,275.05	5,329.05	4,661.60	(-) 667.45	12.52
Supplementary	54.00				
<b>Grand Total</b>	<b>5,329.05</b>	<b>5,329.05</b>	<b>4,661.60</b>	<b>(-) 667.45</b>	<b>12.52</b>
<b>Amount Surrendered</b>	<b>Revenue Voted</b>		Nil		

(Source: Appropriation Accounts 2015-16)

**Table 2.15: Grant Number 83- Social Welfare Department (Special Component Plan for Scheduled Castes)**

(₹ in crore)

Particulars	Amount	Total	Actual Expenditure	Saving/Excess	Savings in percentage
<b>Revenue - Voted</b>					
Original	11,612.85	13,511.74	11,204.96	(-) 2,306.78	17.07
Supplementary	1,898.89				
<b>Capital - Voted</b>					
Original	7,493.56	7,639.60	6,281.90	(-) 1,357.70	17.77
Supplementary	146.04				
<b>Grand Total</b>	<b>21,151.34</b>	<b>21,151.34</b>	<b>17,486.86</b>	<b>(-) 3,664.48</b>	<b>17.33</b>
<b>Amount Surrendered</b>	<b>Revenue Voted</b>		899.24		
	<b>Capital Voted</b>		613.56		

(Source: Appropriation Accounts 2015-16)

A review of the aforesaid grants revealed that:

- Uttar Pradesh Budget Manual Para 25 states that in the preparation of budget, the aim is to achieve as close an approximation to the actuals as possible. Under Grant Number 80, Social Welfare Department (Social Welfare & Welfare of Scheduled Castes) there was a total provision of ₹ 5,329.05 crore. Against the provision, ₹ 4,661.60 crore was spent, leaving an overall savings of ₹ 667.45 crore (13 per cent).
- Supplementary Grant under Grant number 80 of ₹ 54.00 crore was allotted in the Revenue Voted section, proved unnecessary as the Department could not utilise the original budget during the year 2015-16.
- Under Grant Number 83 - Social Welfare Department (Special Component Plan for Scheduled Castes) there was a total provision of ₹ 21,151.34 crore. Against the provision, ₹ 17,486.86 crore was spent, leaving an overall savings of ₹ 3,664.48 crore (17 per cent). In the Revenue Voted section, provision of ₹ 13,511.74 crore was made, against which ₹ 11,204.96 crore was spent, leaving a savings of ₹ 2,306.78 crore (17 per cent). In Capital Voted section, provision of ₹ 7,639.60 crore was made. Against the provision, ₹ 6,281.90 crore spent, leaving an overall savings of ₹ 1,357.70 crore (18 per cent).
- Under Grant number 83, supplementary grant of ₹ 1,898.89 crore was allotted in the Revenue Voted section and ₹ 146.04 crore was allotted in the Capital Voted section. The supplementary grant proved unnecessary as the Department could not utilise the original budget during the year 2015-16.
- The Government of Uttar Pradesh started a welfare scheme “Samajwadi Pension Yojna” in the year 2014-15 for upgradation of social and economic status of selected poor family. The scheme provides pension of ₹ 500 per month to the head of the family. During the financial year 2015-16, the Government set a target to provide pension to 45 lakh families to be benefitted by this scheme and allotted a budget of ₹ 2,716 crore for the same.

Scrutiny of records of Grant Number 80 and grant Number 83 revealed that the target set by the Government to extend the benefit of pension scheme to beneficiaries was not achieved, despite the availability of the budget. This resulted into the surrendering of budget of ₹ 142.11 crore. The detail of the scheme is given in **Table 2.16**.

**Table 2.16: Target and Implementation of Pension Schemes**

(₹ in crore)

Grant No.	Targeted Beneficiaries	Benefitted Beneficiaries	Shortfall in set target	Budget required	Budget Allotted	Expenditure	Surrender
80	3150000	2920927	229073	1,890.00	1,908.90	1,785.03	123.87
83	1350000	1316203	33797	810.00	807.10	788.86	18.24
<b>Total</b>	<b>4500000</b>	<b>4237130</b>	<b>262870</b>	<b>2,700.00</b>	<b>2,716.00</b>	<b>2,573.89</b>	<b>142.11</b>

(Source: Concerned Department)

On being pointed out by Audit, the Department stated that the payment was made on the actual basis of actual number of beneficiaries. This shows that either the criteria on which the estimate of beneficiaries made was not proper or the Department failed in granting the pensions to the required number of beneficiaries.

- The Government of Uttar Pradesh allotted ₹ one crore for “Special Component Plan” (Major Head 2235-02-789-07 - Pre-examination Training to Students/Girl Student) under Grant Number 83, to provide free coaching during the year 2015-16. Under the plan, 12 institutions of Allahabad and Lucknow were selected for imparting free coaching to SC/ST students. The first installment of the allotted money of ₹ 0.50 crore was released on 12.05.2015 and the second installment of remaining allotted money ₹ 0.50 crore was released on 31.03.2016.

During the audit of Grant Number 83, it was noticed that 2000 students of 12 institutions had taken the coaching under the plan. District Social Welfare Officer of Allahabad and Lucknow provided the list of beneficiaries to the Director, Social Welfare for the payment of ₹ 0.99 crore (Scholarship money of ₹ 0.43 crore and Free Coaching money of ₹ 0.56 crore) to the institutions on 17.03.2016. The Director, Social Welfare issued an order for payment to the institutions on 31.03.2016. Due to delay in order of payment, the allotted amount of ₹ one crore lapsed on 31.03.2016.

On being pointed out by Audit, the Department stated that due to delay in order of payment, the allotted money lapsed. The reply of the Department itself proves that due to slackness on the part of Department and delay in order of payment, ₹ one crore lapsed at the end of the year 2015-16, which resulted into creating of undue liability on the Department for the next financial year.

- The Government of Uttar Pradesh allotted a huge amount of budget on the various welfare schemes for the financial year 2015-16 which is given below in **Table 2.17**.

**Table 2.17: Welfare Schemes and their budget provision**

(₹ in crore)			
Sl. No.	Name of the scheme and Head of Account	Budget allotted	Amount Surrendered
<b>Grant-83 Social Welfare Department (Special Component Plan for Scheduled Castes)</b>			
1.	Centrally Sponsored Schemes; 2204-789-01	8.80	8.80
2.	Implementation of Solid Waste Management; 2217-05-789-03	25.00	25.00
3.	Scholarship and non-recurring assistance to students of Scheduled Castes studying in class 1 <sup>st</sup> to 10 <sup>th</sup> (District Plan); 2225-01-789-06	1.00	1.00
4.	Financial assistance to Scheduled Castes persons for treatment and marriage of daughters (District Plan); 2225-01-789-07	1.00	1.00
5.	Short period vocational training in Government Industrial Training Institutes; 2230-03-789-05	1.13	1.13

6.	Pre-examination training to students/girls students; 2235-02-789-07	1.00	1.00
7.	Saree for women of B.P.L. families; 2235-02-789-09	1.00	1.00
8.	Blankets to old persons of B.P.L. families; 2235-02-789-10	1.00	1.00
9.	Rastriya Krishi Vikas Yojana; 2401-789-02	50.00	50.00
10.	Water A.T.M. under Samajwadi Pure Drinking Water Scheme; 2515-789-08	5.00	5.00
11.	Centrally Sponsored Schemes; 2810-01-789-01	0.59	0.59
12.	Express Way Projects with the help of private sector; 2852-80-789-04	0.64	0.64
13.	Establishment of Engineering College in Mainpuri district; 4202-02-789-08	2.50	2.50
14.	Centrally Sponsored Schemes; 4415-789-01	10.94	10.94
15.	Drainage Schemes; 4711-03-789-03	1.34	1.34
16.	Centrally Sponsored Schemes; 4801-06-789-01	300.00	300.00
<b>Total</b>		<b>410.94</b>	<b>410.94</b>

(Source: Appropriation Accounts 2015-16)

**Table** reveals that 16 schemes under Grant Number 83, a total of ₹ 410.94 crore was allotted but 100 *per cent* of the allotted money was surrendered at the end of year 2015-16 indicating that the Department did not make efforts to utilise the allotted budget, which resulted into the surrender of the same amount without incurring any amount on the above mentioned schemes.

## 2.5 Conclusion and Recommendations

### Conclusion

- **Financial Accountability and Budget Management**

There were overall savings of ₹ 44,393.67 crore which was the result of savings of ₹ 47,067.01 crore offset by excess of ₹ 2,673.34 crore. Besides, there were cases of unnecessary, inadequate, excess savings and supplementary provisions.

- **Excess expenditure**

Excess expenditure of ₹ 22,577.49 crore under 91 grants and 34 appropriations pertaining to the period 2005 to 2015 and ₹ 1,566.71 crore pertaining to 2015-16 require regularisation under Article 205 of the Constitution of India.

### Recommendations

- The Government should ensure that the budgetary control is strengthened in all Departments to avoid cases of provisions remaining unutilised. The Government should also ensure that the excessive, unnecessary supplementary provision injudiciously be avoided.
- The Government should take immediate steps to regularise the excess expenditure.