

## Financial Management and Budgetary Control

### 2.1 Introduction

**2.1.1** Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the 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 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 appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the 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 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 2009-2010 against 49 grants/appropriations (48 Grants and one Appropriation) was 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 (+)
Voted	I Revenue	2568.41	264.47	2832.88	2422.52	(-)410.36
	II Capital	772.26	218.96	991.22	680.91	(-)310.31
	III Loans and Advances	25.05	--	25.05	18.77	(-)6.28
<b>Total Voted</b>		<b>3365.72</b>	<b>483.43</b>	<b>3849.15</b>	<b>3122.20</b>	<b>(-)726.95</b>
Charged	IV Revenue	265.06	19.82	284.88	280.27	(-)4.61
	V Capital	--	--	--	--	--
	VI Public Debt- Repayment	236.65	139.53	376.18	365.33	(-)10.85
<b>Total Charged</b>		<b>501.71</b>	<b>159.35</b>	<b>661.06</b>	<b>645.60</b>	<b>(-)15.46</b>
<b>Appropriation to Contingency Fund (if any)</b>		--	--	--	--	--
<b>Grand Total</b>		<b>3867.43</b>	<b>642.78</b>	<b>4510.21</b>	<b>3767.80</b>	<b>(-)742.41</b>

The overall savings of ₹ 742.41 crore was the result of savings of ₹ 743.32 crore in 34 grants and four appropriations under Revenue Section, 14 grants and one appropriation under Capital Section offset by excess of ₹ 0.91 crore in two grants under Revenue Section.

The Appropriation accounts of 2009-10 included 48 Grants and one Appropriation. Substantial savings occurred in Secretariat Administration (₹ 54.54 crore), Agriculture (₹ 102.36 crore), Medical & Health Services (₹ 34.04 crore), School Education (₹ 31.98 crore) and Rural Development (₹ 26.69 crore) under revenue section and Finance (₹ 200.23 crore), Food & Civil Supply (₹ 32.94 crore), Urban Development & Poverty Alleviation (₹ 30.24 crore), Rural Development (₹ 22.29 crore), Public Works (₹ 11.33 crore) under Capital Section.

The reasons for savings/excess were called for from the concerned Departments. However, no reply was received (November 2010).

## 2.3 Financial Accountability and Budget Management

### 2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit reveals that in 46 cases, savings exceeded ₹ one crore in each case. (Appendix-2.1). Against the overall savings of ₹ 743.32 crore during 2009-10, savings of ₹ 357.13 crore (48.04 per cent) occurred in three cases relating to three grants where savings were more than ₹ 50 crore and above as indicated in Table-2.2.

**Table-2.2: List of Grants with savings of ₹ 50 crore and above**

(₹ in crore)

Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
<b>Revenue-Voted</b>						
1	11-Secretariat Administration	96.87	2.35	99.22	44.68	54.54
2	31-Agriculture	146.67	24.46	171.13	68.77	102.36
<b>Capital-Voted</b>						
3	9-Finance	219.00	--	219.00	18.77	200.23
<b>Total</b>		<b>462.54</b>	<b>26.81</b>	<b>489.35</b>	<b>132.22</b>	<b>357.13</b>

### 2.3.2 Persistent Savings

In two cases, during the last six years there were persistent savings of more than ₹ one crore in each case and also by more than 20 per cent or more of the total grant (Table-2.3).

**Table-2.3: List of Grants indicating Persistent Savings during 2004-10**

(₹ in crore)

Sl. No.	No. and Name of the grant	Amount of savings					
		2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Revenue-Voted</b>							
1.	14 - Planning and Programme Implementation Department	68.72 (82)	72.40 (79)	64.56 (85)	50.77 (61)	112.39 (80)	8.85 (21)
<b>Capital-Voted</b>							
2.	9 - Finance	5.00 (100)	5.00 (100)	5.00 (100)	3.27 (65)	4.97 (50)	200.23 (91)
<i>Figures in the parentheses indicate percentage to total provision of that grant</i>							

**2.3.3 Excess Expenditure**

Revenue expenditure aggregating ₹ 272.11 crore in eight cases exceeded the approved provisions (₹ 210.90 crore) by ₹ 61.21 crore and also by more than one crore in each case or by more than 15 per cent of the total provisions. In one case under Capital (Voted), 100 per cent savings occurred. Details are given in Appendix-2.2.

**2.3.4 Expenditure without Provision**

Expenditure should not be incurred on a scheme/service without provision of funds. Audit, however, noticed that an amount of ₹ 54.38 lakh was incurred in two cases as detailed in Table-2.4 without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

**Table-2.4: Expenditure incurred without provision during 2009-10**

(₹ in lakh)

Number and Name of Grants/Appropriations	Amount of Expenditure without provision	Reasons/Remarks
16 - Home 2055 - Police 115 - Modernisation of Police Force	18.22	Not stated
29 - Social Welfare 4235 - Capital outlay in social securities 02-800-01 - Scheme Under Article 275(1) ACA	36.16	-do-
<b>Total</b>	<b>54.38</b>	

**2.3.5 Drawal of funds to avoid lapse of budget grant**

As per Central Treasury Rules, no money shall be drawn from the treasury unless it is required for immediate disbursement. However, contrary to the codal provision, the State Government drew a huge amount of fund from the Government Treasury without its immediate requirement for disbursement and retained the same as Civil Deposit under Head of Account – 8443 as indicated in Appendix-2.3.

As can be seen from Appendix-2.3, to avoid lapse of budget grant, an amount of ₹ 821.68 crore (including opening balance of ₹ 349.97 crore) was drawn and retained in Civil Deposit under Head of Account - 8443 during 2009-10. Out of this, an amount of ₹ 366.25 crore was withdrawn leaving a closing balance of ₹ 455.43 crore at the close of the financial year 2009-10.

### 2.3.6 Excess over provisions 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 regularized by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, but the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹ 795.45 crore for the years 2003-04 to 2008-09 was yet to be regularised as detailed in Appendix-2.4. The year-wise amount of excess expenditure pending regularisation for grants/appropriations is summarized in Table-2.5.

**Table-2.5: Excess over provisions relating to previous years requiring regularisation**

(₹ in crore)

Year	Number of grants/appropriations	Grant/Appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2003-04	5	17, 22, 39, 43 & Public Debt	387.34	-
2004-05	6	1, 2, 4, 38, 39 & Public Debt	308.98	-
2005-06	5	4, 12, 16, 33 & Public Debt	29.78	-
2006-07	2	38 & Public Debt	25.30	-
2007-08	4	4, 33, 36 & 38	13.92	-
2008-09	4	8, 9, 20, 30	30.13	-
<b>Total</b>	<b>26</b>		<b>795.45</b>	

### 2.3.7 Excess over provisions during 2009-10 requiring regularisation

Table-2.6 contains the summary of total excess in two grants amounting to ₹ 0.91 crore over authorisation from the Consolidated Fund of the State (CFS) during 2009-10 and requires regularisation under Article 205 of the Constitution.

**Table-2.6: Excess over provisions requiring regularisation during 2009-10**

(₹ in crore)

Sl. No.	Number and title of grant/appropriation	Total grant/appropriation	Expenditure	Excess
<b>Voted Grants</b>				
1.	29- Social Welfare (Capital/Voted)	0.00	0.36	0.36
2.	33 - Soil and Water Conservation (Capital)	3.50	4.05	0.55
<b>Total (Voted)</b>		<b>3.50</b>	<b>4.41</b>	<b>0.91</b>

### 2.3.8 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating ₹ 157.95 crore obtained in 24 cases, ₹ 50 lakh or more in each case, during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in Appendix-2.5. Out of 23 cases as detailed in Appendix-2.6, fifteen cases of supplementary provision amounting to ₹ 73.64 crore proved excessive by more than ₹ one crore in each case as given below in Table 2.7.

**Table-2.7: Statement showing excessive supplementary Provision**

(₹ in lakh)

Sl. No.	Grant No.	Name of the Grant	Original Provision	Supplementary Provision	Total Provision	Expenditure	Excess Supplementary
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>A. Revenue (Voted)</b>							
1	17	Food, Civil, Supplies and Consumer Affairs	4789.97	2783.17	7573.14	6912.53	660.61
2	21	Higher and Technical Education	6596.26	792.44	7388.70	6743.30	645.40
3	25	Water Supplies and Sanitation	7791.35	2955.12	10746.47	10483.67	262.80
4	27	District Council	13625.89	1079.49	14705.38	14002.71	702.67
5	35	Fisheries	986.33	430.08	1416.41	1081.71	334.70
6	36	Environment and Forest	3884.94	681.18	4566.12	4187.34	378.78
7	39	Power	16569.00	902.88	17471.88	17050.69	421.19
8	45	Public Works	9724.97	430.78	10155.75	9979.45	176.30
9	46	Urban Development and Poverty Alleviation	1828.53	972.55	2801.08	2071.53	729.55
10	47	Minor Irrigation	459.20	203.50	662.70	531.57	131.13
<b>Total for Revenue (Voted)</b>			<b>66256.44</b>	<b>11231.19</b>	<b>77487.63</b>	<b>73044.50</b>	<b>4443.13</b>
<b>B. Revenue (Charged)</b>							
11		Public Debt	25590.04	1933.37	27523.41	27085.25	438.16
<b>Total for Revenue (Charged)</b>			<b>25590.04</b>	<b>1933.37</b>	<b>27523.41</b>	<b>27085.25</b>	<b>438.16</b>
<b>C. Capital (Voted)</b>							
12	25	Water Supply & Sanitation	3089.97	3051.32	6141.29	6038.78	102.51
13	39	Power	6748.82	1775.22	8524.04	8362.57	161.47
14	45	Public Works	12975.48	7378.60	20354.08	19220.61	1133.47
<b>Total for Capital (Voted)</b>			<b>22814.27</b>	<b>12205.14</b>	<b>35019.41</b>	<b>33621.96</b>	<b>1397.45</b>
<b>D. Capital (Charged)</b>							
15		Public Debt	23665.37	13952.68	37618.05	36532.99	1085.06
<b>Total for Capital (Charged)</b>			<b>23665.37</b>	<b>13952.68</b>	<b>37618.05</b>	<b>36532.99</b>	<b>1085.06</b>
<b>Grand Total</b>			<b>138326.12</b>	<b>39322.38</b>	<b>177648.50</b>	<b>170284.70</b>	<b>7363.80</b>

### **2.3.9 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. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh and more than ₹ one crore in seven sub-heads in each cases, as detailed in Appendix-2.7.

### **2.3.10 Unexplained re-appropriations**

Scrutiny of re-appropriation orders issued by the Finance Department revealed that in 13 cases of re-appropriations, reasons for increase/decrease of provisions were not stated (November 2010). The details are given in Appendix-2.8.

### **2.3.11 Substantial surrenders**

Substantial surrenders (the cases where more than 50 *per cent* of total provision was surrendered) were made in respect of 20 sub-heads on account of either non-implementation or slow implementation of schemes/programmes or late receipt of sanction from Government. Out of the total provision amounting to ₹ 723.94 crore in these 47 Schemes, ₹ 458.37 crore were surrendered, which included 100 *per cent* surrender in 16 Schemes (₹ 23.72 crore) as shown in Table-2.8 below. The details of substantial surrenders (more than 50 *per cent* of total provision) are given in Appendix-2.9.

**Table-2.8: Statement showing 100 per cent surrenders of total provision made during the year 2009-10****(₹ in lakh)**

Sl. No.	Grant No.	Number and details of Grant/Scheme	Total Provision	Amount of Surrender	Percentage of Surrender	Reasons/Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	5	Vigilance 2070-104 (01) Director	10.00	10.00	100	Technical Reason
2.	16	Home - 2055-001 (01) Direction (CSS)	256.20	256.20	100	Not Stated
3.	24	Medical and Public Health Service 2210-01-110 (08) North Eastern Arrears	33.33	33.33	100	Late in sanction
		2210-01-110 (02) State Illness Fund	15.00	15.00	100	Non receipt of Govt. Sanction
4.	28	Labour and Employment 2230-03-101 (01) Center of Excellence	46.00	46.00	100	Revalidation of fund for next year
5.	29	2235-60-800 (01) Minorities Concentration Districts (CSS)	200.10	200.10	100	Late receipt of Fund from GOI
		2235-03-102 (01) National Family Benefit Scheme	61.40	61.40	100	Late Approval of Sanction Proposal
6.	34	Animal Husbandry (Capital)	106.00	106.00	100	--
7.	38	2505-01-702 (03) Assistance to Rural Housing	600.00	600.00	100	Non-passing of bills by treasury
8.	42	5056-800 (01) Development of Inland Water Transport (CSS)	105.60	105.60	100	--
		5055-050(01) Construction of office building	10.00	10.00	100	--
9.	45	4202-02-104(01) Setting up of Polytechnic, Kolasib (CSS)	200.00	200.00	100	Non receipt of Sanction from Govt.
		4202-02-104(02) Setting up of Polytechnic, Champhai (CSS)	200.00	200.00	100	-do-
		4202-01-203(06) Construction of Mizoram Law College (NLCPR)	100.53	100.53	100	-do-
		4202-04-105(01) Construction of Building (CSS)	20.00	20.00	100	-do-
10.	46	4217-01-051(05) Other Construction	407.86	407.86	100	--
<b>Total</b>			<b>2372.02</b>	<b>2372.02</b>		

**2.3.12 Surrender in excess of actual savings**

As against savings of ₹ 137.18 crore, an amount of ₹ 143.93 crore was surrendered resulting in excess surrender of ₹ 6.74 crore as detailed in Appendix 2.10. There were four cases where the surrender in excess (₹ 4.72 crore) were more than 50 lakh as shown in Table 2.9. In 46 cases, an amount of ₹ 140.56 crore were surrendered without furnishing any reason (November 2010) as detailed in Appendix 2.11. The amount surrendered was in excess of actual savings indicating lack of budgetary control in these departments.

**Table-2.9: Surrenders in excess of actual savings (₹ 50 lakh or more)**

(₹ in lakh)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
<b>Revenue – Voted</b>					
1.	14 - Planning and Programme Implementation	4306.77	885.44	1036.51	151.07
2.	25 - Water Supply and Sanitation	10746.47	262.80	365.30	102.50
3.	45 - Public Works	10155.75	176.30	240.39	64.09
4.	Public Dept	27523.41	438.16	592.62	154.46
<b>Grand Total</b>		<b>52732.40</b>	<b>1762.70</b>	<b>2234.82</b>	<b>472.12</b>

### 2.3.13 Anticipated savings not surrendered

As per Budget Manual, the spending departments are required to surrender the grants/ appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2009-10, there was, however, one grant/appropriation in which savings occurred but no amount of this savings was surrendered by the concerned Department. The amount involved in this case was ₹ 102.51 lakh (0.14 per cent of the total savings) (Appendix-2.12).

Similarly, out of total savings of ₹ 154.13 crore (savings of ₹ one crore and above), under eight other grants/appropriations, savings amounting to ₹ 110.26 crore (71.54 per cent) was not surrendered as shown in Table-2.10 below. Details of savings which were not surrendered during 2009-10 are given in Appendix-2.13.

Table-2.10: Details of saving of ₹ one crore and above not surrendered

(₹ in crore)

Sl. No.	Number and Name of Grants/ Appropriation	Saving	Surrender	Saving which remained to be surrendered
<b>Revenue (Voted)</b>				
1.	9-Finance	9.56	0.87	8.69
2.	11-Secretariat Administration Department	54.54	5.36	49.18
3.	17-Food, Civil Supplies and Consumer Affairs	6.61	5.25	1.36
4.	20-School Education	31.98	19.05	12.93
5.	21-Higher and Technology Education	6.45	4.30	2.15
<b>Capital (Voted)</b>				
6.	17-Food, Civil Supplies and Consumer Affairs	32.94	0.0053	32.93
7.	25-Water Supply and Sanitation (CAP)	1.03	0.00	1.03
8.	47-Minor Irrigation	11.02	9.03	1.99
<b>Total</b>		<b>154.13</b>	<b>43.87</b>	<b>110.26</b>

### 2.3.14 Rush of expenditure

According to Financial Rules, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 15 Grants listed in Appendix-2.14, expenditure exceeding ₹ 10 crore (in seven cases out of 10 Major Heads)<sup>1</sup> of the total expenditure for the year was incurred in March 2010. Table-2.10 also presents two major head where more than 50 per cent expenditure was incurred either during the last quarter or during the last month of the financial year.

<sup>1</sup> Expenditure exceeding ₹ 10 crore in the Major Heads – 2055, 2202, 2210, 2211, 2215, 2235, 2401, 2403, 2515 and 2851.

**Table-2.11: Cases of Rush of Expenditure towards the end of the financial year 2009-10**

(₹ in crore)

Sl. No.	Grant Number	Major Head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2010	
				Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	24	2210	234.97	160.58	68.34	141.88	60.38
2.	31	2401	85.36	60.81	71.24	55.49	65.01

Source : Information furnished by A.G (A&amp;E)

## 2.4 Reconciliation of Departmental figures

### 2.4.1 Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

As per Central Treasury Rules, Abstract Contingent (AC) bills must be regularised by Detailed Countersigned Contingent (DCC) bills. An AC bill should not be encashed without a certificate to the effect that DCC bills in respect of earlier AC bills drawn more than a month before the date of that bill have been submitted to the Controlling Officer. The Controlling Officers must submit the DCC bills to the AG (A&E) within one month from the date of receipt of the DCC bills in his office.

It was noticed that against the total amount (₹ 992.45 crore) drawn in AC bills during the period 2000-01 to 2009-10, DCC bills for ₹ 969.87 crore have been received by the Accountant General (A&E) as of 31 March 2010. Thus, an amount ₹ 22.58 crore (2 per cent) drawn in AC bills remained outstanding as of March 2010 due to non submission of DCC bills to that extent. Year wise details are given in Table-2.12.

**Table-2.12: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills**

(₹ in crore)

Year	Amount drawn in AC bills	Amount adjusted through DCC bills	Amount outstanding (as of 31 March 2010)	Percentage of outstanding amount
2000-01 to 2003-04	164.19	156.86	7.33	4.46
2004-05	88.06	88.06	--	--
2005-06	86.25	85.26	0.99	1.15
2006-07	86.13	86.13	--	--
2007-08	172.06	172.05	0.01	0.01
2008-09	228.38	223.61	4.77	2.09
2009-10	167.38	157.90	9.48	5.66
<b>Total</b>	<b>992.45</b>	<b>969.87</b>	<b>22.58</b>	<b>2.28</b>

Source : Finance Account 2009-10

Non-adjustment of advances for long period is fraught with risk of misappropriation and therefore, requires close monitoring by the respective Drawing and Disbursing Officers (DDOs).

#### 2.4.2 Un-reconciled Expenditure

To enable Controlling Officers of Departments to exercise effective control over expenditure to keep it within the budget grants and to ensure accuracy of their accounts, Financial Rules stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General (A&E). Even though non-reconciliation of Departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers continued to persist during 2009-10 also. It was noticed that 16 Controlling Officers did not reconcile expenditure amounting to ₹ 3,110.74 crore (Receipt ₹ 2,728.26 crore & Payment ₹ 382.48 crore) as of March 2010 as shown in Appendix-2.15. Out of the 16 controlling officers, un-reconciled amounts exceeding ₹ 10 crore in each case (four cases in payment and one case in receipt) by five controlling officers during 2009-10 are shown in following table.

**Table-2.13: List of controlling officers where amounts exceeding ₹ 10 crore in each case remained un-reconciled during 2009-10**

(₹ in crore)

Sl. No.	Major Head	Name of Controlling Officers	Amount not reconciled	
			Receipts	Payments
1.	4408	Director of Food & Civil Supplies	--	62.72
2.	2055 4055	Director General of Police	--	281.61
3.	3053	Secretary, General Administration Department	--	11.15
4.	2015	Chief Electoral Officer	--	15.51
5.	0030 6003 6004 1601 0020 0021 0032 0037	Secretary, Finance Department	2723.84	--
<b>Total</b>			<b>2723.84</b>	<b>370.99</b>

Source : Information furnished by A.G (A&E)

#### 2.5. Conclusion and Recommendations

During 2009-10, expenditure of ₹ 3,767.80 crore was incurred against the total grants and appropriations of ₹ 4,510.21 crore, resulting in savings of ₹ 742.41 crore. The overall savings was the net result of saving of ₹ 743.32 crore which was offset by excess of ₹ 0.91 crore (Para 2.2).

Expenditure aggregating ₹ 272.11 crore exceeded the approved provision by ₹ 61.21 crore which need to be regularised by the State Government. To avoid lapse of budget grant, an amount of ₹ 821.68 crore (including opening balance of ₹ 349.97 crore) was drawn and retained in Civil Deposit under Head of Account - 8443 during 2009-10. Out of this, an amount of ₹ 366.25 crore was withdrawn leaving a closing balance of ₹ 455.43 crore at the close of the financial year 2009-10. Supplementary provision aggregating ₹ 157.95 crore obtained in 24 cases during the year proved unnecessary as the expenditure did not come up to the level of original provision. There were also instances of injudicious re-appropriation and unexplained re-appropriation during 2009-10. There was substantial surrender of ₹ 458.37 crore in 47 cases against the provision of ₹ 723.94 crore, wherein 100 *per cent* surrender of ₹ 23.72 crore in 16 cases was involved. As against savings of ₹ 137.18 crore, an amount of ₹ 143.93 crore was surrendered resulting in excess surrender of ₹ 6.74 crore. At the close of the financial year 2009-10, there was one grant/appropriation in which savings of ₹ 102.51 lakh (0.14 *per cent* of total savings) occurred but no amount of this saving was surrendered by the concerned Departments (Para 2.3).

As of March 2010, 16 Controlling Officers did not reconcile expenditure amounting to ₹ 3,110.74 crore (Receipt ₹ 2,728.26 crore and Payment ₹ 382.48 crore). An amount of ₹ 22.58 crore drawn in AC bills remained outstanding as of March 2010 due to non submission of DCC bills to that extent (Para 2.4.1).

Provision of funds through supplementary provisions should be used as an instrument to fine-tune the flow of expenditure and should be applied in a judicious manner so that budget provisions and actual expenditure are convergent to each other as nearest as possible.

A close and rigorous monitoring mechanism should be put in place by the DDOs to adjust the Abstract Contingent (AC) bills within 30 days from the date of drawal of the amount.