

**CHAPTER-2**

**FINANCIAL MANAGEMENT  
AND BUDGETARY CONTROL**



## CHAPTER- 2

### FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

#### 2.1 Introduction

**2.1.1** The 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. The Appropriation Accounts, thus, facilitate management of finances and monitoring of budgetary provision 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 the expenditure actually incurred under various grants is within the authorization 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 2015-16 against 31 grants/appropriations is given in **Table 2.1**.

**Table-2.1: Summarized position of Original/ Supplementary Provisions *vis-à-vis* Actual Expenditure during the year 2015-16**

(₹ in crore)									
	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)	Amount surrendered	Amount surrendered on 31 March	Percentage of Saving Surrendered by 31 March
Voted	I Revenue	2,22,38.82	29,57.95	2,51,96.77	2,00,19.08	(-) 51,77.69	9,44.57	9,44.57	100
	II Capital	40,03.84	18,28.67	58,32.51	66,15.62	(+) 7,83.11	2,05.84	2,05.84	100
	III Loans and Advances	1,72.67	0.20	1,72.87	83.14	(-) 89.73	0.00	0.00	0.00
<b>Total Voted</b>		<b>2,64,15.33</b>	<b>47,86.82</b>	<b>3,12,02.15</b>	<b>2,67,17.84</b>	<b>(-)44,84.31</b>	<b>11,50.41</b>	<b>11,50.41</b>	<b>100</b>
Charged	IV Revenue	34,99.51	1.24	35,00.75	30,68.35	(-) 4,32.40	1.48	1.48	100
	V Capital	1.01	0.00	1.01	1.00	(-) 0.01	0.00	0.00	0.00
	VI Public Debt- Repayment	27,76.79	0.00	27,76.79	21,96.81	(-) 5,79.98	0.00	0.00	0.00
<b>Total Charged</b>		<b>62,77.31</b>	<b>1.24</b>	<b>62,78.55</b>	<b>52,66.16</b>	<b>(-) 10,12.39</b>	<b>1.48</b>	<b>1.48</b>	<b>100</b>
Appropriation to Contingency Fund (if any)		-	-	-	-	-	-	-	-
<b>Grand Total</b>		<b>3,26,92.64</b>	<b>47,88.06</b>	<b>3,74,80.70</b>	<b>3,19,84.00</b>	<b>(-) 54,96.70</b>	<b>11,51.89</b>	<b>11,51.89</b>	<b>100</b>

Source: Appropriation Accounts.

As shown in **Table-2.1**, there was a saving of ₹ 54,96.70 crore which was the result of saving of ₹ 78,30.94 crore in grants and Appropriations under Revenue Section (31 cases), and Capital Section (22 cases) offset by an excess of ₹ 23, 34.24 crore in four grants under Capital (Voted) and one Appropriation under Revenue (Charged) Section.

Departments and Sections against which significant savings (more than ₹ 1,00.00 crore) were noticed during the year 2015-16 are given in **Table 2.2**.

**Table-2.2: Details of significant savings (more than ₹ 1,00.00 crore) noticed during 2015-16**

(₹ in crore)

Sl.No.	Number & Name of Grant	Section	Amount	Total Amount
1.	06-Revenue & General Administration	Revenue –Voted	6,69.86	6,69.86
2.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	Revenue –Voted	7,86.13	17,80.87
		Revenue –Charged	4,14.76	
		Capital-Charged	5,79.98	
3.	11-Education, Sports, Youth Welfare & Culture	Revenue –Voted	8,11.98	11,82.78
		Capital-Voted	3,70.80	
4.	12-Medical, Health & Family Welfare	Revenue –Voted	5,14.02	5,14.02
5.	13-Water Supply, Housing & Urban Development	Revenue –Voted	2,99.99	4,57.07
		Capital-Voted	1,57.08	
6.	15-Welfare	Revenue –Voted	3,96.89	3,96.89
7.	17-Agriculture Works & Research	Revenue –Voted	2,15.51	2,15.51
8.	19-Rural Development	Revenue –Voted	1,26.96	1,26.96
9.	20-Irrigation & Flood	Capital-Voted	3,97.59	3,97.59
10.	21-Energy	Capital-Voted	1,02.42	1,02.42
11.	22-Public Works	Revenue –Voted	1,19.55	1,19.55
12.	25-Food	Revenue –Voted	1,29.08	1,29.08
13.	30-Welfare of Scheduled Castes	Revenue –Voted	4,90.39	6,25.16
		Capital-Voted	1,34.77	
14.	31-Welfare of Scheduled Tribes	Revenue –Voted	1,17.85	1,17.85
			<b>Total</b>	<b>68,35.61</b>

Source: Appropriation Accounts.

Similarly, grants against which significant excess expenditure over the allotments was noticed under Capital-Voted Section during the year 2015-16, were Food (₹ 22,03.83 crore), Public Works (₹ 1,16.04 crore) and Agriculture Works and Research (₹ 9.37 crore).

The savings/excess (Detailed Appropriation Accounts) were intimated (July 2016) to the Controlling Officers requesting them to furnish reasons for the substantial savings/excess. Their replies were yet to be received (September 2016).

## 2.3 Financial Accountability and Budget Management

### 2.3.1 Excess Expenditure

As per paragraph 121 of Chapter XIII of the Uttarakhand Budget Manual (UBM), incurring of unauthorised excess expenditure is most objectionable and must be avoided. In four cases, expenditure aggregating ₹ 36,76.22 crore exceeded the approved provision by ₹ 23,34.24 crore which was more than ₹ one crore in each case or by more than 20 per cent of the total provision. Details are given in **Appendix-2.1**. Of these, excess expenditure has been observed consistently in **Grant No. 25-Food** during the last five years as detailed in **Table 2.3**.

**Table-2.3: List of Grant indicating persistent excess expenditure during 2011-16**

(₹ in crore)

Sl. No.	No. and Name of grant	Amount of excess expenditure				
		2011-12	2012-13	2013-14	2014-15	2015-16
<b>Capital-Voted</b>						
1	25-Food	12,83.25	18,10.59	17,75.56	17,38.25	22,03.83

Source: Appropriation Accounts.

The persistent excess expenditure indicates that either the budgetary control in the department was ineffective or budget estimates were not prepared on realistic basis.

### 2.3.2 Expenditure without provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 5.00 crore was incurred in one case 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 2015-16**

(₹ in crore)

Sl.No.	No. and Name of Grants	Amount of expenditure without provision
1.	29-Horticulture Development (Capital-Voted)	5.00

Source: Appropriation Accounts.

Reasons for expenditure incurred without provision in 2015-16 were not intimated by the Government (September 2016).

### 2.3.3 Excess over provision relating to previous years requiring regularization

Paragraph 121 of Chapter XIII of the UBM envisages that if after the close of the year, it is revealed, through the Appropriation Accounts, that any expenditure was incurred under any Grant or Charged Appropriation in excess of the total final appropriation for that year under that Grant or Charged Appropriation, the excess expenditure should be regularised, on the basis of the recommendation of the Committee on Public Accounts, by presenting to the Legislative Assembly, demands for excess grants as required under Articles 205 (1) (b) of the Constitution. However, excess expenditure amounting to ₹ 1,29,89.20 crore pertaining to previous years from 2005 to 2015 was yet to be regularized by the State Legislature. The year-wise amount of excess expenditure pending regularization is summarized in **Table 2.5**.

**Table-2.5: Excess expenditure over the provisions relating to previous years requiring regularization**

(₹ in crore)

Year	Number of Grant / Appropriation	Details of Grant / Appropriation	Amount of excess over provision	Status of Regularization	
2005-06	7	7,8,17,20,22,25&29	6,63.50	Status not intimated by the State Government	
2006-07	6	7,17,20,22,25& 29	9,35.92		
2007-08	6	7,17,20, 22,25 & 29	7,33.79		
2008-09	6	7,17,20,22,25&29	11,46.41		
2009-10	7	7,17,18,21,22,25&29	10,07.49		
2010-11	9	10,12,15,17,20,21,22,25 & 29	12,95.40		
2011-12	5	7,17,22,25&29	16,11.40		
2012-13	7	12,14,17,21,22,25 & 29	18,35.34		
2013-14	3	22,25 & 29	18,37.15		
2014-15	4	17,22, 25& 29	19,22.80		
<b>Total</b>			<b>1,29,89.20</b>		

Source: Appropriation Accounts.

### 2.3.4 Excess over provisions during 2015-16 requiring regularization

**Table 2.6** contains the summary of total excess expenditure registered under four grants and one appropriation amounting to ₹ 23,34.24 crore over authorization from the Consolidated Fund of the State (CFS) during the year 2015-16.

Table-2.6: Excess over provision requiring regularization during 2015-16

(₹ in crore)

Sl. No.	Number and title of Grant		Total Grant	Expenditure	Excess
<b>Revenue –Charged</b>					
1.	11	Education, Sports, Youth Welfare & Culture	0.0000	0.0010	0.0010
<b>Capital –Voted</b>					
1.	17	Agriculture Works & Research	38.0803	47.4476	9.3673
2.	22	Public Works	12,87.7002	14,03.7412	1,16.0410
3.	25	Food	16.2001	22,20.0299	22,03.8298
4.	29	Horticulture Development	0.0000	4.9999	4.9999
<b>Total</b>			<b>13,41.9806</b>	<b>36,76.2196</b>	<b>23,34.2390</b>

Source: Appropriation Accounts.

Reasons for the excess had not been intimated by the State Government/ Department as of September 2016. The excess expenditure over the provision under the grants incurred during the year 2015-16, should be got regularized by the State Legislature.

### 2.3.5 Inadequate supplementary provision

Supplementary provision of ₹ 4,07.95 crore sought in respect of three cases proved insufficient by more than ₹ 1.00 crore in each case thereby leaving an aggregate uncovered excess expenditure of ₹ 23,29.24 crore (*Appendix-2.2*).

### 2.3.6 Rush of expenditure

Paragraph 183 of chapter XVII of UBM stipulates that rush of expenditure in the closing month of the financial year should be avoided. For a sound financial management, uniform pace of expenditure should be maintained. Contrary to this, expenditure exceeding 25 per cent or 50 per cent of the total expenditure for the year 2015-16 was incurred in March 2016 and in last quarter (January 2016 to March 2016) in respect of 46 major heads as listed in *Appendix-2.3*.

Scrutiny showed that 50.63 per cent of the total expenditure of ₹ 93,72.61 crore spent against 45 major heads during the year 2015-16, was incurred in the last quarter of the financial year.

### 2.3.7 Excess provisions resulting in savings

#### 2.3.7.1 Unnecessary/Excessive supplementary provision

Supplementary provision aggregating ₹ 25,98.82 crore obtained in 33 cases, amounting to ₹ 10 lakh or more in each case during the year proved unnecessary as the expenditure registered under the grants was within the original provision as detailed in *Appendix-2.4*.

#### 2.3.7.2 Excessive/ Unnecessary re-appropriation of funds

Re-appropriation is the transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive/ insufficient and resulted in savings of ₹ 10 lakh and above in thirty cases under six grants as detailed in *Appendix-2.5*.

Reasons for the savings were not furnished by the Government as of September 2016.

### 2.3.7.3 Substantial surrenders

Substantial surrenders (the cases where more than 30 per cent of total provision was surrendered) were made in respect of 138 sub-heads, in ten grants, on account of savings in various items due to non-receipt of central share, actual expenditure being less than projected requirement of funds, savings in establishment expenses, and non-requirement of fund. Out of the total provision amounting to ₹ 12,42.27 crore in these 138 sub-heads, ₹ 6,42.15 crore (51.69 per cent) were surrendered which included cent per cent surrender in seventy two schemes (₹ 43.80 crore) as detailed in **Appendix-2.6**.

### 2.3.7.4 Surrender in excess of actual saving

In two cases, the amount surrendered was in excess of actual saving indicating lack of budgetary controls in the Department. As against saving of ₹ 3.22 crore in these cases, the amount surrendered was ₹ 3.40 crore resulting in injudicious excess surrender of ₹ 0.18 crore. Details are given in **Appendix 2.7**.

### 2.3.7.5 Anticipated savings not surrendered

Paragraph 124 of Section I of Chapter XIII of the UBM stipulates that every Controlling Officer must furnish the final statement of excesses and savings in Form B.M. 2 (Part-II) which should reach the Finance Department, through the Administrative Department concerned, not later than 25th January. At the close of the year 2015-16, there were, however, 16 grants in which savings of ₹ 5.00 crore and above occurred but no part of it had been surrendered by the concerned departments. The amount involved in these cases was ₹ 29,90.70 crore (38.19 per cent of the total savings<sup>1</sup>) as given in **Appendix-2.8**.

Similarly, out of savings of ₹ 78,24.19 crore (individual cases where savings were more than ₹ 1.00 crore occurred), amount aggregating ₹ 11,47.39 crore was only surrendered resulting in non-surrender of remaining ₹ 66,76.80 crore (85.34 per cent of the savings of ₹ 78,24.19 crore), details of which are given in **Appendix-2.9**. Besides, in eight cases, (surrender of funds in excess of ₹ 10 crore), ₹ 10,88.54 crore were surrendered (**Appendix-2.10**) on the last day of March 2016, thereby defeating the intended purpose of surrenders as these funds could not be utilized for other purposes.

### 2.3.7.6 Appropriation vis-à-vis expenditure

The outcome of the appropriation audit shows that in 56 cases, savings exceeded ₹ 1.00 crore in each case, and more than 20 per cent of total provision in 34 cases (**Appendix-2.11**). Against the total savings of ₹ 78,30.94 crore, savings of ₹ 74,31.53 crore (94.90 per cent)<sup>2</sup> occurred in 28 cases relating to 20 grants and one Appropriation as given in **Table 2.7**.

<sup>1</sup> Total savings of ₹ 78,30.94 crore.

<sup>2</sup> Exceeding ₹ 50 crore in each case.

Table 2.7: List of Grants and Appropriations with savings of ₹ 50 crore and above

(₹ in crore)					
Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
<b>Revenue –Voted</b>					
1.	06	Revenue & General Administration	23,64.88	6,69.86	28.33
2.	07	Finance ,Tax, Planning Secretariat & Miscellaneous Services	52,70.37	7,86.13	14.92
3.	10	Police & Jail	12,41.71	60.74	4.89
4.	11	Education, Sports ,Youth Welfare & Culture	55,85.60	8,11.98	14.54
5.	12	Medical Health & Family Welfare	17,77.51	5,14.02	28.92
6.	13	Water Supply ,Housing & Urban Development	9,30.33	2,99.99	32.25
7.	15	Welfare	14,89.13	3,96.89	26.65
8.	16	Labour & Employment	2,11.88	86.03	40.60
9.	17	Agriculture Works & Research	7,38.84	2,15.51	29.17
10.	19	Rural Development	9,07.10	1,26.96	14
11.	22	Public Works	6,57.12	1,19.55	18.19
12.	25	Food	3,32.03	1,29.08	38.88
13.	27	Forest	5,16.37	80.72	15.63
14.	29	Horticulture Development	2,18.98	61.45	28.06
15.	30	Welfare of Scheduled Castes	12,70.86	4,90.39	38.59
16.	31	Welfare of Scheduled Tribes	3,12.92	1,17.85	37.66
<b>Total</b>			<b>2,38,25.63</b>	<b>49,67.15</b>	<b>20.85</b>
<b>Revenue –Charged</b>					
1.	07	Finance ,Tax Planning ,Secretariat & Miscellaneous Services	34,37.14	4,14.76	12.07
<b>Total</b>			<b>34,37.14</b>	<b>4,14.76</b>	<b>12.07</b>
<b>Capital-Voted</b>					
1.	11	Education, Sports ,Youth Welfare & Culture	6,08.92	3,70.80	60.89
2.	13	Water Supply , Housing & Urban Development	5,36.18	1,57.08	29.30
3.	19	Rural Development	7,86.11	51.80	6.59
4.	20	Irrigation & Flood	11,32.02	3,97.59	35.12
5.	21	Energy	2,13.90	1,02.42	47.88
6.	24	Transport	70.96	59.21	83.44
7.	26	Tourism	1,57.03	63.10	40.18
8.	27	Forest	1,71.37	71.35	41.64
9.	30	Welfare of Scheduled Castes	3,12.69	1,34.77	43.10
10.	31	Welfare of Scheduled Tribes	1,17.20	61.52	52.49
<b>Total</b>			<b>41,06.38</b>	<b>14,69.64</b>	<b>35.79</b>
<b>Capital-Charged</b>					
1.	07	Finance, Tax, Planning, Secretariat and Miscellaneous Services	27,76.79	5,79.98	20.89
<b>Total</b>			<b>27,76.79</b>	<b>5,79.98</b>	<b>20.89</b>
<b>Grand Total</b>			<b>3,41,45.94</b>	<b>74,31.53</b>	<b>21.76</b>

Source: Appropriation Accounts.

The reasons for the savings though called for, were yet to be received (September 2016).

### 2.3.7.7 Persistent Savings

During the last five years, there were persistent savings of more than ₹ 1.00 crore in 42 cases as detailed in **Table 2.8**.

Table-2.8: List of Grants indicating persistent savings during last five years (2011-2016)

		(₹ in crore)				
Sl. No.	No. and Name of grant	Amount of Saving				
		2011-12	2012-13	2013-14	2014-15	2015-16
<b>Revenue-Voted</b>						
1.	04-Judicial Administration	28.05	50.90	36.52	35.73	29.67
2.	06-Revenue & General Administration	43.94	64.40	14,66.73	10,37.70	6,69.86
3.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	5,80.10	5,49.18	1,16.17	4,80.27	7,86.13
4.	08-Excise	2.23	1.02	2.02	1.44	1.91
5.	10-Police & Jail	50.52	32.17	23.71	1,00.55	60.74
6.	11-Education,Sports, Youth Welfare & Culture	2,83.38	5,67.60	6,35.48	7,41.48	8,11.98
7.	12-Medical, Health & Family Welfare	1,53.99	1,33.41	1,16.11	3,97.34	5,14.02
8.	13-Water Supply, Housing & Urban Development	2,35.76	1,53.22	3,08.25	1,75.86	2,99.99
9.	14-Information	2.11	1.84	1.16	1.01	2.19
10.	15-Welfare	1,97.45	1,91.96	1,78.11	3,42.56	3,96.89

11.	16-Labour & Employment	12.39	36.45	28.70	58.20	86.03
12.	17-Agriculture Works & Research	44.73	1,31.83	1,86.93	91.09	2,15.51
13.	18-Co-operative	10.30	6.03	8.53	7.93	6.60
14.	19-Rural Development	92.71	1,33.00	1,79.22	6,51.46	1,26.96
15.	22-Public Works	35.43	56.85	95.65	2,05.45	1,19.55
16.	23-Industries	14.47	11.32	20.89	14.02	34.66
17.	24-Transport	1.37	5.90	3.22	5.27	5.60
18.	25- Food	1,23.52	2,30.84	2,26.55	2,24.72	1,29.08
19.	26-Tourism	30.66	30.05	13.43	42.46	4.17
20.	27-Forest	19.80	27.10	31.00	1,19.93	80.72
21.	28-Animal Husbandry	4.48	9.04	24.93	33.92	24.21
22.	29-Horticulture Development	14.94	7.19	40.87	41.31	61.45
23.	30-Welfare of Scheduled Castes	1,93.63	1,14.39	2,10.01	2,69.50	4,90.39
24.	31-Welfare of Scheduled Tribes	45.35	36.68	58.99	95.59	1,17.85
<b>Revenue-Charged</b>						
1.	04-Judicial Administration	13.87	5.87	5.52	7.59	8.77
2.	07- Finance, Tax, Planning, Secretariat & Miscellaneous Services	2,17.95	41.44	6,46.03	6,57.44	4,14.76
3.	09-Public Service Commission	1.46	1.93	240.00	1.59	1.64
4.	22-Public Works	1.40	1.02	1.75	4.71	5.09
<b>Capital-Voted</b>						
1.	04-Judicial Administration	29.40	3.76	7.94	19.54	29.06
2.	06-Revenue & General Administration	24.60	9.12	13.78	4.85	4.42
3.	07- Finance, Tax, Planning, Secretariat & Miscellaneous Services	72.43	20.60	40.81	23.09	15.31
4.	10-Police & Jail	44.60	43.76	46.89	7.55	2.91
5.	11-Education, Sports, Youth Welfare & Culture	1,66.31	1,22.03	1,84.55	1,89.88	3,70.80
6.	12-Medical, Health & Family Welfare	39.01	2,30.97	1,88.14	24.27	33.80
7.	15-Welfare	22.03	3.54	6.75	74.29	39.12
8.	19-Rural Development	66.05	1,32.55	62.82	2,19.63	51.80
9.	23-Industries	13.35	23.69	28.21	25.81	16.29
10.	24-Transport	12.55	43.95	95.18	30.00	59.21
11.	26-Tourism	19.20	55.32	47.68	1,79.95	63.10
12.	27-Forest	8.64	16.32	18.82	8.37	71.35
13.	30-Welfare of Scheduled Castes	1,76.49	2,03.71	3,00.94	2,99.68	1,34.77
14.	31-Welfare of Scheduled Tribes	54.70	54.28	81.60	42.37	61.52

Source: Appropriation Accounts.

Reasons for savings in 2015-16 were not intimated by the Government (September 2016). Despite being mentioned in the Report on State Finances of the Comptroller & Auditor General of India for the year 2015-16 of the State, a substantial number of cases were noticed where savings persisted during the year which is indicative of over assessment of requirement of funds. This needs to be reviewed.

### 2.3.8 Drawal of funds to avoid lapse of Budget

Government is authorized to open Personal Deposit Accounts in order to deposit money by transferring funds from the Consolidated Fund for discharging liabilities of the Government.

According to the provisions contained in General Financial and Accounts Rules (Rule 8), funds shall be withdrawn only if required for immediate payment and shall not be removed from the Government Account for investment or deposit elsewhere without the consent of the Finance Department. Besides, the practice of withdrawing funds with a view to avoiding lapse of Budget grant and placing such moneys as deposits in the Public Account or with Bank is forbidden.

From the information compiled by the Office of the Accountant General (Accounts and Entitlement), Uttarakhand, it was seen that an amount of ₹ 16,59.60 crore was drawn by the State Government departments during the month of March 2016 and

deposited in the deposit heads namely, “8338-Deposits of Local Funds; 8443-Civil Deposits and 8448-Deposits of Local Funds”, to avoid lapse of the budget grant. The Administrators are required to close Civil Deposit Head 8443– Personal Deposit Account 106 (PDA) on the last working day of the financial year and transfer the unspent balances back to the Consolidated Fund. Out of ₹ 16,59.60 crore lying under deposit heads, an amount of ₹ 2,29.24 crore was lying in PDA (MH 8443-106) at the end of 2015-16 in contravention of the rule. The status of PDA during 2015-16 is as under in **Table 2.9**.

**Table 2.9: Status of PD Accounts (MH 8443-106) during 2015-16**

(₹ in crore)

Opening Balance		Addition during the year		Closed during the year		Closing Balance	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
34	2,65.16	29	1,97.72	38	2,33.64	25	2,29.24

Source: Finance Account.

The **Table No.2.9** above indicates that overall number of PD accounts and amount involved have come down over the previous year.

Further scrutiny of accounts of the Chief Treasury Officer, Dehradun showed that there was a decrease in number and increase in amount of deposit accounts at the end of 2015-16. Of these accounts, one account was found inoperative since 2010-11, under which funds to the tune of ₹ 0.54 crore were parked. The status of deposit accounts from 2013-14 to 2015-16 is detailed in **Table 2.10**.

**Table 2.10: Status of the deposit accounts**

(₹ in crore)

Deposit Heads	2013-14		2014-15		2015-16	
	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
8338-Deposit of Local Fund	06	68.36	06	76.39	05	82.28
8443-Civil Deposit	23	1,78.07	11	1,06.30	06	1,30.74
8448-Deposit of Local Funds	24	39.22	20	61.55	17	33.08
<b>Total fund Parked/transferred</b>	<b>53</b>	<b>2,85.65</b>	<b>37</b>	<b>2,44.24</b>	<b>28</b>	<b>2,46.10</b>

Source: Records of Chief Treasury Officer, Dehradun.

During scrutiny of these accounts, it was seen that ₹ 79.87 crore, ₹ 2.00 crore and ₹ 18.22 crore were transferred into the deposit head at the end of the years 2013-14, 2014-15 and 2015-16 respectively to avoid budgetary lapses between 26 to 31 March of respective years (**Appendix- 2.12**).

Detailed scrutiny of the Personal Ledger Account (PLA) of the District Magistrate (DM), Dehradun showed that ₹ 18.22 crore were transferred from various Heads of Accounts and through Cash Deposit to avoid budgetary lapses in the last three days of the financial year 2015-16 as shown in **Table 2.11**.

**Table 2.11: Amount of fund transferred at the end of 2015-16 into DM, Dehradun PLA**

(₹ in crore)

Date of fund transfer	From where transferred (Head of Account)	Where transferred (HOA-Deposit Heads)	Amount transferred to deposit heads
28 March 2016	Cash Deposit (Nideshak, Alpsankhyak Kalyan)	8443-00-106-00	1.60
31 March 2016	2225-01-800-15	8443-00-106-00	0.14
	2235-02-101-02	8443-00-106-00	0.28
	4408-01-800-01	8443-00-106-00	7.77
	2215-02-105-01	8443-00-106-00	6.31
	2215-00-102-91	8443-00-106-00	0.01
	2215-02-105-01	8443-00-106-00	2.11
<b>Total fund transferred</b>			<b>18.22</b>

Source: Chief Treasury Officer, Dehradun.

On being enquired about transferring the fund of ₹ 18.22 crore in the last three days of 2015-16, the administrator of PDA intimated that the details of funds transferred and reason of transferring the fund to PDA will be intimated after getting information from concerned departments.

It was further observed that in the PLA of DM Dehradun, an un-spent closing balance of ₹ 87.49 crore and ₹ 1,19.50 crore was kept blocked in contravention of the rule as on 31 March 2015 and 31 March 2016, respectively due to non-closure of PDA.

Thus, the unspent closing balance and the correspondence made with different department indicated that the administrator had not taken effective steps to close such accounts on the last working day of the financial year.

## 2.4 Outcome of Review of Selected Grants

A review of receipts and expenditure under Grant No. 11-Education, Sports, Youth Welfare and Culture and Grant No. 12- Medical, Health and Family Welfare for the period 2013-14 to 2015-16 revealed the following position:

### Grant No. 11- Education, Sports, Youth Welfare and Culture

#### A. Revenue Expenditure

The overall revenue expenditure showed increase of 14.24 per cent and 4.95 per cent over the previous years, as summarized in the **Table 2.12**.

**Table -2.12: Summarized position of actual expenditure vis-à-vis original provision during 2013-16**  
(₹ in crore)

Head of Account	Year	Original provision	Supplementary provision	Total	Actual Expenditure	Saving	in per cent	
							Saving	Growth in exp.
2202, 2203, 2204 & 2205- Education, Sports, Youth Welfare and Culture	2013-14	45,32.73	84.14	46,16.87	39,81.39	6,35.48	13.76	-
	2014-15	49,45.50	3,44.34	52,89.84	45,48.37	7,41.47	14.02	14.24
	2015-16	52,36.20	3,49.40	55,85.60	47,73.62	8,11.98	14.54	4.95

Source: Appropriation Accounts.

The savings against total budget provision during 2013-14 to 2015-16 exhibited persistent trend which was indicative of over assessment of requirement of funds under various heads by the department without adequately scrutinizing the same and properly monitoring the flow of expenditure.

Test check of certain heads revealed significant trends of major variations (more than ₹ 50.00 lakh in any year) in expenditure over previous years, as shown below in **Table 2.13**.

**Table 2.13: Trends of major variations in expenditure over previous years in grant**

Sl. No.	Head	Expenditure (₹ In lakh)			Variation (In lakh)		Variation (in per cent)	
		2013-14	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
1.	2204-00-104-08-20	86.34	84.75	2,00.00	(-)1.59	1,15.25	(-)1.84	135.99
2.	2204-00-104-10-20	63.23	1,74.06	1,27.99	1,10.83	(-)46.07	175.28	(-) 26.47
3.	2204-00-104-13-20	2,50.00	3,67.13	3,21.00	1,17.13	(-)46.13	46.85	(-) 12.57
4.	2204-00-104-21-20	18.91	82.60	26.88	63.69	(-)55.72	336.81	(-) 67.46
5.	4202-03-102-106	3,60.00	7,70.68	1,00.00	4,10.68	(-) 6,70.68	114.08	(-) 87.02
6.	4202-03-102-04	3.27	9,85.02	0.00	9,81.75	(-)9,85.02	30022.93	100

7.	4202-03-102-05	80.00	8,50.00	2,09.82	7,70.00	(-)6,40.18	962.50	(-)75.32
8.	4202-03-102-13-24	1,77.38	5,00.00	2,00.00	3,22.62	(-)3,00.00	181.88	(-)60
9.	4202-03-102-14-24	0.00	5,00.00	1,00.00	5,00.00	(-)4,00.00	--	(-)80
10.	4202-03-102-19-24	20,00.00	25,00.00	0.00	5,00.00	(-)25,00.00	25.00	100
11.	2205-00-102-13	0.00	72.1	1.22	72.10	(-)70.88	--	(-)98.31
12.	2205-00-103-03	10.52	1,06.75	19.21	96.23	(-)87.54	914.73	(-)82
13.	4202-04-106-03	1,00.00	5.87	80.00	(-)94.13	(+)74.13	(-)94.13	(+)1262.86
14.	4202-04-106-06	0.00	3,74.13	1,00.00	3,74.13	(-)2,74.13	--	(-)73.27
15.	4202-04-106-01	0.00	3,50.00	1,00.00	3,50.00	(-)2,50.00	--	(-)71.43

Source: Departmental figure.

**B. Capital Expenditure**

The overall capital expenditure showed increase of 40.80 per cent during 2014-15 and decrease in 2015-16 by 41.50 per cent over the previous years, as summarized below in **Table 2.14**.

**Table -2.14: Summarized position of actual expenditure vis-à-vis original provision during 2013-16**

(₹ in crore)

Head of Account	year	Original Provision	Supplementary Provision	Total	Actual Exp.	Saving	In per cent	
							Saving	Growth in exp.
4202	2013-14	3,03.32	1,70.31	4,73.63	2,89.08	1,84.55	38.97	-
	2014-15	3,63.33	2,33.57	5,96.90	4,07.03	1,89.87	31.81	(+)40.80
	2015-16	4,39.32	1,69.60	6,08.92	2,38.12	3,70.80	60.89	(-)41.50

Source: Appropriation Accounts.

Scrutiny revealed that unnecessary supplementary provisions of ₹ 1,70.31 crore and ₹ 1,69.60 crore were made during 2013-14 and 2015-16 respectively, as the actual expenditure was lower than the original allotment by 4.70 per cent and 45.80 per cent during these years.

**C. Non – Utilization of entire Provision**

Test check of sub-heads revealed that the departments did not utilize the entire provision and surrendered ₹ 3,81,11.35 lakh during 2013-14 to 2015-16 at the end of the year in 48 cases. Out of these 48 cases, 23 cases of ₹ 1.00 crore and above are given in **Table 2.15**.

**Table -2.15: Summarized position of Non-Utilization of entire Provision during 2013-16.**

(₹ in lakh)

Sl. No.	Year	Head of Account	Original	Supplementary	Total
1.	2013-14	2202-02-800-06	58,22.33	0.00	58,22.33
2.		4202-01-202-01-03	17,00.00	0.00	17,00.00
3.		4202-01-202-04	21,00.00	0.00	21,00.00
4.		4202-01-202-17	2,00.00	0.00	2,00.00
5.		4202-01-202-19	1,50.00	0.00	1,50.00
6.		4202-01-202-27	8,16.01	0.00	8,16.01
7.		2202-01-800-06	1,03.35	0.00	1,03.35
8.		4202-01-201-06	20,96.00	0.00	20,96.00
9.	2014-15	2202-02-109-14	3,54.09	0.00	3,54.09
10.		2202-02-800-01	55,22.34	0.00	55,22.34
11.		2202-02-800-11	1,50.00	0.00	1,50.00
12.		4202-01-202-01-03	3,01.18	0.00	3,01.18
13.		4202-01-202-01-07	31,85.79	0.00	31,85.79
14.		2202-01-101-06	5,00.00	0.00	5,00.00
15.		4202-01-201-06	12,37.14	0.00	12,37.14

16.	2015-16	2202-02-800-11	1,50.00	0.00	1,50.00
17.		2202-02-800-18	5,00.00	0.00	5,00.00
18.		4202-01-202-01-03	19,72.00	0.00	19,72.00
19.		4202-01-202-01-07	49,90.01	0.00	49,90.01
20.		4202-01-202-01-28	0.00	4,00.00	4,00.00
21.		4202-03-102-04	1,54.27	0.00	1,54.27
22.		4202-03-102-19-24	30,00.00	0.00	30,00.00
23.		4202-04-800-04	20,00.00	0.00	20,00.00
<b>Total</b>			<b>3,70,04.51</b>	<b>4,00.00</b>	<b>3,74,04.51</b>

Source: Departmental figure.

#### D. Receipts

The overall position of revenue receipts under 0202 Major Head of the selected grant during 2013-14 to 2015-16 is summarized in **Table 2.16**.

Table -2.16: Position of revenue receipts under 0202 Major Head of the grant

(₹ in crore)

Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ short fall	Per cent Variation to R.E
2013-14	22.67	32.67	39.91	(+)7.24	22.16
2014-15	38.74	38.74	43.61	(+)4.87	12.57
2015-16	42.75	42.75	41.82	(-) 0.93	(-) 2.17

Source: Budget and Finance Accounts.

Test check of certain heads revealed lower estimates in the subsequent years despite significant receipts in previous years as given in **Table 2.17**.

Table -2.17: Summarized position of Receipts during 2013-14 to 2015-16.

(₹ in crore)

Sr. no.	Head of Account	Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ Shortfall	Per cent Variation to R.E
1.	0202-01-101	2013-14	0.00	10.00	39.74	(+) 29.74	2,97.40
		2014-15	25.00	25.00	42.63	(+)17.63	70.52
		2015-16	28.00	28.00	41.82	(+)13.82	49.36
2.	0202-03-101	2013-14	0.18	0.18	0.00	(-)0.18	(-)1,00.00
		2014-15	0.20	0.20	0.00	(-)0.20	(-)1,00.00
		2015-16	0.20	0.20	0.00	(-)0.20	(-)1,00.00
3.	0202-04-800	2013-14	0.15	0.15	0.09	(-)0.06	(-)40.00
		2014-15	0.20	0.20	0.97	(+)0.77	3,85.00
		2015-16	0.10	0.10	0.00	(-)0.10	(-)1,00.00

Source: Budget and Finance Accounts.

There were significant variations in respect of actual receipts and Revised Estimates which indicated deficiency in estimation. It was also noticed that in respect of Head of Account (0202-04-800), return of unutilized amount of ₹ 0.76 crore and ₹ 0.30 crore during 2014-15 and 2015-16 respectively, given to executing agencies under Capital Head in the previous years, have been taken as revenue receipt instead of taking it as reduction in Capital Expenditure in contravention of the Financial Rules. This irregularity increased the Revenue Receipts and consequently decreased the Revenue Deficit of the State Government during the concerned years. This also depicts the incorrect picture of Capital Expenditure during the year and Progressive Capital Expenditure of the Department.

**Grant No. 12- Medical, Health and Family Welfare**

**A. Revenue Expenditure**

The overall revenue expenditure showed increase of 40.56 per cent and 5.35 per cent over the previous years, as summarized in **Table 2.18**.

**Table -2.18: Summary of actual expenditure vis-à-vis original provision during 2013-16.**

Head of Account	Year	Original	Supp.	Total	Actual Exp.	Saving	Saving (in %)	(₹ in crore)
								Growth in expenditure (in %)
2210- Medical & Public Health 2211- Family Welfare	2013-14	9,41.22	28.14	9,69.36	8,53.26	1,16.10	11.98	-
	2014-15	11,93.02	4,03.63	15,96.65	11,99.31	3,97.34	24.89	40.56
	2015-16	16,39.31	1,38.20	17,77.51	12,63.50	5,14.01	28.92	5.35

Source: Appropriation Accounts.

There were persistent savings against the total budget provision during 2013-14 to 2015-16 which was indicative of over assessment of requirement of funds under various heads by the department without adequately scrutinizing the same and properly monitoring the flow of expenditure.

Test check of certain head revealed significant trend of major variations (more than ₹ 1.00 crore in any year) in expenditure over previous years as shown below in **Table 2.19**.

**Table 2.19: Trend of major variations in expenditure over previous years in grant**

Sl. No.	Head	Expenditure (₹ in lakh)			Variations (₹ in lakh)		Variations (in per cent)	
		2013-14	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
1.	2210-01-110-15	26,00.00	35,00.00	34,18.00	9,00.00	(-)82.00	34.61	(-)2.34
2.	2210-03-104-03	3,15.23	5,33.51	1,65.01	2,18.28	(-)3,68.50	69.24	(-)69.07
3.	2210-03-110-09	4,36.89	7,48.95	3,95.49	3,12.06	(-)3,53.46	71.42	(-)47.19
4.	2211-00-101-01-02	77,74.53	87,11.25	85,01.99	9,36.72	(-)2,09.26	12.04	(-)2.40
5.	4210-01-110-17	2,85.00	31.68	48.91	(-)2,53.32	(+) 17.23	(-)88.88	54.38
6.	4210-01-110-18	3,25.00	2,20.59	17.75	(-)1,04.41	(-)2,02.84	(-)32.12	(-)91.95
7.	4210-01-110-24	4,50.00	16,16.67	7,00.00	11,66.67	(-)9,16.67	2,59.26	(-)56.70
8.	4210-02-104-03-02	3,99.05	4,83.26	1,49.97	84.21	(-)3,33.29	21.10	(-)68.96
9.	4210-02-110-07	1,00.00	2,13.10	1,00.00	1,13.10	(-)1,13.10	113.10	(-)53.07

Source: Departmental figure.

**B. Capital Expenditure**

The overall Capital Expenditure showed an increase of 76.30 per cent during 2014-15 and a decrease in 2015-16 by 45.28 per cent over the previous year, as summarized in **Table 2.20**.

**Table -2.20: Position of Capital Expenditure under 4210 & 4211 Major Head of the grant**

Head of Account	Year	Original	Supplementary	Total	Actual Expenditure	Saving	in per cent	
							Saving	Growth in expenditure.
4210 & 4211	2013-14	3,14.69	16.47	3,31.16	1,43.02	1,88.14	56.81	-
	2014-15	2,29.90	46.51	2,76.41	2,52.14	24.27	8.78	76.30
	2015-16	30.32	1,41.44	1,71.76	1,37.96	33.80	19.68	(-)45.28

Source: Appropriation accounts.

It is evident from the above that there were persistent savings ranging between ₹ 24.27 crore (8.78 per cent) to ₹ 1,88.14 crore (56.81 per cent) during 2013-14 to

2015-16. During 2013-14, there was unnecessary supplementary provision of ₹ 16.47 crore as original allotment (₹ 3,14.69 crore) was more than actual expenditure (₹ 1,43.02 crore).

### C. Non-Utilization of the entire Provision

Test check of certain sub-heads revealed that the departments did not utilize the entire provision in 38 cases during 2013-14 to 2015-16 and surrendered ₹ 29,90.87 lakh at the end of the year. Out of these 38 cases, nine cases of ₹ 1.00 crore and above are given in **Table 2.21**.

**Table -2.21: Summarized position of Non-Utilization of entire Provision during 2013-16**

Sl. No	Year	Head of Account	Original	Supplementary	Total (₹ in Lakh)
1.	2013-14	4210-01-110-21	1,00.00	0.00	1,00.00
2.	2014-15	2210-01-110-97-9701	0.00	1,00.00	1,00.00
3.		2210-06-101-01-0106	2,00.00	0.00	2,00.00
4.		2210-06-800-01-0106	2,10.00	0.00	2,10.00
5.	2015-16	2210-01-110-97-9701	10,00.00	0.00	10,00.00
6.		2210-06-101-01-106	2,00.00	0.00	2,00.00
7.		4210-01-110-23	3,00.00	0.00	3,00.00
8.		4210-01-110-25	1,00.00	0.00	1,00.00
9.		4210-01-110-28	1,00.00	0.00	1,00.00

Source: Departmental figure.

### D. Receipts

The overall position of revenue receipts under 0210 and 0211 Major head of the grant during 2013-14 to 2015-16 is summarized in **Table 2.22**.

**Table -2.22: Position of Receipts, Major Head 0210 & 0211**

Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ Shortfall	(₹ in crore)
					Variation to Revised Estimate (in Per cent)
2013-14	22.22	22.22	44.05	(+)21.83	98.24
2014-15	24.56	24.56	37.79	(+)13.23	53.87
2015-16	38.00	1,08.00	76.88	(-)31.12	28.81

Source: Budget and Finance Accounts.

Test check of certain heads revealed lower estimate in the subsequent years despite significant receipts in previous years as given in **Table 2.23**.

**Table -2.23: Position of Receipts, Major head-0210 & 0211**

Sl. No.	Head of Account	Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ Shortfall	(₹ in crore)
							Variation to Revised Estimate (in Per cent)
1.	0210-01-800	2013-14	16.10	16.10	43.98	(+)27.88	173.17
		2014-15	17.10	17.10	37.78	(+)20.68	120.94
		2015-16	26.11	96.11	76.86	(-)19.25	(-)20.03
2.	0211-800	2013-14	0.12	0.12	0.01	(-)0.11	(-)91.67
		2014-15	0.04	0.04	0.02	(-)0.02	(-)50.00
		2015-16	0.04	0.04	0.02	(-)0.02	(-)50.00

Source: Budget and Finance Accounts.

Thus, there were significant variations in respect of actual receipts and Revised Estimates which indicated deficiency in estimation.

## 2.5 Outcome of Inspection of Treasuries

There were 86 units *i.e.* 18 treasuries and 66 sub-treasuries, one Cyber Treasury at Dehradun and one Pay & Accounts Office at New Delhi, in the State during 2015-16.

Major irregularities noticed during inspection of 51<sup>3</sup> units during 2015-16 are contained in **Table 2.24**.

**Table 2.24: Outcome of inspection of Treasuries**

Sl. No.	Category	Amount (₹ in crore)
1.	Unadjusted AC Bills	3.60
2.	Unauthorized booking/adjustment in major head 1601-Assistance Grant from Central Government	71.42
3.	Uncontrolled withdrawal from PLA Accounts	26.37
4.	Non deduction of TDS from pensioners during 2015-16	0.20
5.	Non depositing of lapsed deposit into Government Account	3.91

*Source: Annual Review 2015-16 of Treasuries by Accountant General (A&E), Uttarakhand.*

There is a need to tighten the controls at the level of the treasuries to prevent recurrence of the above mentioned irregularities.

## **2.6 Advances from Contingency Fund**

The Contingency Fund of the State, in the nature of an imprest, has been established vide the Uttarakhand Contingency Fund Act, 2001 (Act No.2 of 2001) in terms of provisions of Articles 267 (2) and 283 (2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorization by the Legislature, would be undesirable. The Fund stood at ₹ 7,50 crore at the end of 2015-16. Any drawal of advances from the Fund needs to be recouped from the Consolidated Fund of the State within the same financial year. However, as on 31 March 2016, advances to the tune of ₹ 3,85.46 crore drawn from the Contingency Fund during the year 2015-16, remained to be recouped from the Service Heads to the Contingency Fund after authorization of the Legislature as required as per Section 5 of the Uttarakhand Contingency Fund Act, 2001 (Act No. 2 of 2001). As on August 2016, the un-recouped balance had reduced to ₹ 72.15 crore (*Appendix-2.13*).

Further scrutiny showed that the Government had also not yet recouped the advance drawn from the Contingency Fund to the tune of ₹ 10.41 crore pertaining the period of 2013-14 to 2014-15 up to August 2016. The year wise non-recoupment of Contingency fund under the Grants and Major Heads is shown in the *Appendix-2.14*.

Also, the Government resorted to advances from the Contingency Fund during the year 2015-16 for meeting the capital expenditure (₹ 35.04 crore) which was foreseeable and thus in contravention of the rules governing operation of the Fund.

### **2.7. (A) Pendency in submission of Detailed Countersigned Contingent (DC) Bills against Abstract Contingent (AC) Bills**

As per the Financial Rules, every Drawing Officer has to certify in each abstract contingent bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective controlling officers for countersignatures and transmission to the Accountant General (Accounts and Entitlement). Detailed bills aggregating ₹ 3.61 crore, drawn on 44 AC bills were pending as at the end of March 2016. Year wise details are given in **Table 2.25**.

<sup>3</sup> 18 Treasuries and 33 Sub Treasuries.

**Table-2.25: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills (as on March 2016)**

Year	Outstanding DC Bills	
	Number	Amount
Up to 2013-14	22	1.31
2014-15	12	1.49
2015-16	10	0.81
<b>Total</b>	<b>44</b>	<b>3.61</b>

Source: Information as compiled from Accountant General (A&E), Uttarakhand.

Out of the total outstanding DC bills amounting to ₹ 3.61 crore, the major portion of twelve outstanding DC bills of ₹ 1.49 crore pertained to the Panchayati Raj Department.

Position of Department/office wise pending DC bills for the years up to 2015-16, has been given in **Appendix- 2.15**.

Non -submission of DC bills for long periods after drawal of AC bills is fraught with the risks of misappropriation and, therefore, needs to be monitored closely.

### 2.7. (B) Un-reconciled Expenditure

To enable the Controlling Officers of the Departments to exercise effective control over expenditure to keep it within the budgetary allocation and to ensure accuracy of their accounts, Para 109 of the Uttarakhand Budget Manual 2012 stipulates 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 (Accounts & Entitlements). Even though non-reconciliation of departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2015-16 also.

During the year 2015-16, such reconciliation has been completed fully by 34 CCOs out of 62 CCOs (54.84 per cent) for an amount of ₹ 2,12,82.19 crore (77.95 per cent) of total expenditure of ₹ 2,73,03.82 crore.

The cases where amounts exceeding ₹ 10 crore involving a total of ₹ 49,90.11 crore remained un-reconciled in respect of 10 Controlling Officers during the year 2015-16, constituted 18.28 per cent of the total expenditure of ₹ 2,73,03.82 crore. Details are given in **Table 2.26**.

**Table-2.26: List of Controlling Officers where amounts exceeding ₹ 10 crore in each case remained fully un-reconciled during 2015-16**

Sl. No.	Controlling Officers	Amount not reconciled
1.	Secretary, Estate Department, Government of Uttarakhand	12,54.37
2.	Secretary, Housing and Urban Development Secretariat, GoU, Dehradun	5,60.83
3.	Principal Secretary, Social Welfare, Government of Uttarakhand	10,57.80
4.	Secretary, Sachivalya General Administration GOUK, Dehradun	3,26.01
5.	Chief Engineer, Irrigation Department, Yamuna Colony, Dehradun	2,82.86
6.	Chief Revenue Commissioner, Ring Road, Ladpur, Dehradun	2,76.89
7.	Secretary, Information and Technology, GoU, Dehradun	1,16.49
8.	Commissioner, Relief, Revenue Department, Government of Uttarakhand	10,86.73
9.	Secretary, Public Service Commission, Gurukul Kangari, Haridwar	17.33
10.	Director, Fisheries, Raipur, Dehradun	10.80
	<b>Total</b>	<b>49,90.11</b>

Source: Information compiled from Accountant General (A&E), Uttarakhand.

The Chief Controlling Officers of the abovementioned departments were asked to furnish the reasons for failing to undertake reconciliation as prescribed by the Accountant General (Accounts & Entitlement). However, no response was received till date (September 2016).

The Government must ensure reconciliation of accounts by the Controlling Officers concerned to obviate the possibilities of fraud and misuse of funds.

## **2.8 Deficiencies in Budgeting Process**

The following deficiencies were noticed in the budgeting process of the State Government in the financial year 2015-16.

- i. In the Budget Document Vol.- IV under some Major Heads, for instance, Minor Head 900-Deduct Recoveries under Major Heads 0029, 0039 and Minor Head 901-Deduct Recoveries under Sub-Major Head 01-Judicial Stamp under Major Head 0030 have been shown below Sector-A Tax-Revenue, while the list of Major & Minor Heads of Account (Volume-I) provides that the deduct recoveries shall be shown under the sub head under appropriate Minor Head below every Major, Sub-Major Head coming under the Sector-A Tax-Revenue.
- ii. As per the Budget document Vol.-V Part I, in Grant No.-7 under Major Head 3454, Minor Head 001 Direction and Administration has been shown below Sub-Major Head 02 Survey instead of 01 Census as provided in the List of Major and Minor Heads of Accounts.
- iii. As per the Budget document Vol.-V Part II, Grant No.-14 Sub-Major Head 60- Others is shown under the Major Head 4059. However, as per the List of Major and Minor Heads of Accounts, there is the provision of other buildings under the Sub Major Head 60.
- iv. In the Major Head 2059, under Grant Number 22 of the Budget document Vol.-V Part III, Minor head 102 under Sub-Major Head 80 has been shown as “Repair and Maintenance”, whereas as per the List of Major and Minor Heads of Accounts it should have been Minor Head 053 under Sub-Major Head 80.
- v. Under the Major Head 2245-only one Sub-Major Head 05-has been shown, under which there is the provision of Minor Head 800 whereas the list of Major and Minor Heads of Accounts provides for two more Sub-Major Heads 01-Drought and 02-Flood and Cyclone.
- vi. As per the Budget document Vol.-V Part II, Grant No.-15 in the Major Head 4235, ‘Welfare of Handicapped’ has been shown against Minor Head 104 under Sub-Major Head 02 instead of ‘Welfare of Aged, Infirm and Destitute’ provided in the List of Major and Minor Heads of Accounts.
- vii. As per the Budget document Vol.-V Part II in Major Head 2401 under Grant Number 17, Minor Heads 800 “other scheme” was shown, whereas these should have been shown as ‘other expenditure’ as per the List of Major and Minor Heads of Accounts.

- viii. Several aided schemes of Central Government have not been shown in the Major Head-1601 under the detailed estimates of the receipt of Revenue and Capital Accounts.
- ix. Minor Heads 101- “Special Component Plan for Scheduled Castes” in the Major Head 2211 under Grant Number 30 has been shown according to the Budget document Vol.-V Part IV whereas Minor Head 101 “Rural Family Welfare Services” has been mentioned in the List of Major and Minor Heads of Accounts.
- x. In Major Head 2052, Minor Heads 800 other Expenditure was shown, whereas there are provisions of ‘091-Attached Offices’ and ‘092-Other offices’ sub heads as per the List of Major and Minor Heads of Accounts.

Similar shortcomings were also mentioned in the Audit Report (2014-15). However, cognizance of the same has not been taken by the Government.

## 2.9 Conclusion and Recommendations

During 2015-16, there was an overall savings of ₹ 54,96.70 crore against the total grants and appropriations of ₹ 3,74,80.70 crore. There was an excess of ₹ 23,34.24 crore in four grants and one Appropriation which requires regularization under Article 205 of the Constitution of India. Large savings indicated deficient budget estimates. Supplementary provision of ₹ 25,98.82 crore obtained in 33 cases proved unnecessary. Re-appropriation of funds in thirty cases was made injudiciously resulting either in savings or excesses over provisions. The departments surrendered ₹ 11,51.89 crore on the last working day of the financial year leaving no scope for utilizing these funds for other development purposes. In two cases, ₹ 0.18 crore was surrendered in excess of actual savings.

*The State Government may consider that savings should be assessed and surrendered well before the close of the financial year so that they can be effectively utilized in other areas/ schemes.*

Excess expenditure amounting to ₹ 1,29,89.20 crore pertaining to the years 2005-06 to 2014-15 was yet to be regularized by the State Legislature.

*The State Government may ensure timely submission of explanations for excess expenditure.*

An amount of ₹ 16,59.60 crore drawn by the State Government during the month of March 2016 was deposited in the deposit heads to avoid lapse of budget grants. One deposit account having ₹ 0.54 crore was found inoperative since last five years in Dehradun Treasury.

A significant amount of ₹ 3,85.46 crore sanctioned under Contingency Fund in 22 cases remained un-recouped up to March 2016. Out of this, ₹ 72.15 crore has remained un-recouped at the end of August 2016.

***The State Government may consider ensuring that advances from the Contingency Fund are resorted to only to meet the expenditure that is contingent in nature and also those funds drawn from the fund are recouped timely.***

The Controlling Officers did not submit (March 2016) the Detailed Contingent Bills in respect of ₹ 3.61 crore drawn on Abstract Contingent Bills up to March 2016.

***The State Government may consider that a rigorous monitoring mechanism should be put in place to adjust the advances drawn against Abstract Contingent bills within the stipulated period.***

Inspection of treasuries also indicated deficiencies in their functioning. Twenty eight Controlling Officers did not reconcile their expenditure with the Accountant General (Accounts & Entitlement), Uttarakhand. Deficiencies in classification of heads of accounts were noticed in the budgeting process of the State Government for the financial year 2015-16.

***The State Government may consider reiterating directions to the Controlling Officers for timely/ periodically reconciliation of their expenditure figures with the Accountant General (Accounts & Entitlement).***