

CHAPTER-II
FINANCIAL MANAGEMENT AND
BUDGETARY CONTROL

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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 authorised by the Appropriation Act in respect of both charged and voted items of the budget. Appropriation Accounts, thus, facilitate management of finances and monitoring of budgetary provision 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 provision 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.

Deficiencies in management of budget and expenditure and violation of Budget manual noticed in audit have been discussed in the succeeding paragraphs.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure *vis-à-vis* budgetary provisions during 2015-16 for the total 32 grants/appropriations is given in **Table 2.1**.

Table 2.1: Position of actual expenditure vis-à-vis original/supplementary provisions for the year 2015-16
(₹ in crore)

	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ Appropriation	Total	Actual expenditure	Saving ⁸ (-)/ Excess (+)	Amount Surrendered	Percentage of savings surrendered by 31 March (Col.7/ Col.6)
	1	2	3	4	5	6	7	8
Voted	I Revenue	22,296.08	1,450.86	23,746.94	21,561.76	(-) 2,185.18	2,799.16	128
	II Capital	2,990.92	289.63	3,280.55	2,883.53	(-) 397.02	452.98	114
	III Loans and Advances	397.49	34.17	431.66	463.16	31.50	106.41	--
Total Voted		25,684.49	1,774.66	27,459.15	24,908.45	(-) 2,550.70	3,358.55	
Charged	IV Revenue	2,998.51	161.26	3,159.77	3,198.94	39.17	29.09	--
	V Capital	--	40.56	40.56	41.02	0.46	--	--
	VI Public Debt Repayment	1,502.77	125.79	1,628.56	3,947.73	2,319.17	--	--
Total Charged		4,501.28	327.61	4,828.89	7,187.69	2,358.80	29.09	
Appropriation to Contingency Fund (if any)			--		--	--	--	--
Grand Total		30,185.77	2,102.27	32,288.04	32,096.14	(-) 191.90	3,387.64	

Source: Appropriation Accounts

Original budget provision was ₹ 30,185.77 crore. This was augmented by supplementary grant of ₹ 2,102.27 crore bringing budget provision to

⁸ Shortfall in utilisation of funds

₹ 32,288.04 crore. Out of total provision, ₹ 32,096.14 crore were utilised during the year 2015-16 resulting in saving of ₹ 191.90 crore.

The overall savings/unutilized funds of ₹ 191.90 crore registered under Grants/Appropriations was the result of savings of ₹ 3,040.33 crore (Reference: Summary of Appropriation Accounts) in 29 Grants and seven Appropriations under Revenue Section and 20 Grants and one Appropriation under Capital Section, offset by excess of ₹ 2,848.43 crore (Reference: Summary of Appropriation Accounts) in three Grants and two Appropriations under Revenue Section and four Grants and two Appropriations under Capital Section. Of this, savings ₹ 3,387.64 crore was surrendered.

Grants against which significant savings of more than ₹ 25 crore were noticed during the year were Police and Allied Organisations, Education, Health and Family Welfare, Public Works-Roads, Bridges and Buildings, Agriculture, Animal Husbandry, Planning and Backward Area Sub-Plan, Forest and Wildlife, Social Justice and Empowerment, Rural Development, Food and Civil Supplies, Labour Employment and Training, Finance, Tribal Development and Scheduled Caste Sub Plan (Revenue-Voted), Irrigation, Water Supply and Sanitation, Planning and Backward Area Sub-Plan and Scheduled Caste Sub Plan (Capital-Voted). Similarly, grants/appropriation against which significant excess expenditure over the allotments noticed during the year 2015-16 were Land Revenue and District Administration, Irrigation, Water Supply and Sanitation (Revenue-Voted), Finance (Revenue-Charged), Power Development and Public Works-Roads, Bridges and Buildings (Capital-Voted) and Finance (Capital- Charged).

The reasons for savings/excesses were called for by the Office of the Accountant General (A&E), Himachal Pradesh (July 2016) from the respective controlling officers. The reasons were awaited (September 2016).

2.3 Financial Accountability and Budget Management

2.3.1 Excess Expenditure

As per Article 204 (3) of the Constitution of India, no money shall be withdrawn from Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of this article.

Notwithstanding the above, excess expenditure over budget provision increased by ₹ 1,262.74 crore (79.6 per cent) from ₹ 1,585.69 crore in 2014-15 to ₹ 2,848.43 crore in 2015-16 indicating that budgetary estimates were not reviewed properly. Details of expenditure where aggregate expenditure (₹ 11,529.74 crore) exceeded by ₹ 2,847.29 crore from the approved provisions by more than (₹ one crore or more in each case) 20 per cent of the total provision (four) in eight cases are given in **Appendix 2.1**.

Firm measures need to be put in place to avoid excess expenditure by defaulting departments. There is no cogent reason for the inevitability of excess expenditure when Government gets opportunities to present the Supplementary Demands for Grants during the three sessions of Legislature in a year. The exceeding of Budgetary Grant is the result of bad planning, lack of foresight and ineffective monitoring on the part of budget estimates as well as Supplementary Demands for Grants.

2.3.1.1 Excess over provisions requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussions on the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹ 5,753.78 crore (**Appendix 2.2**) for the years 2010-11 to 2014-15 was yet to be regularized as of September 2016. The excess expenditure of ₹ 2,848.43 crore (**Appendix 2.3**) incurred in seven grants and four appropriations during the year 2015-16 also requires regularisation.

2.3.1.2 Persistent Excess

There was persistent excess expenditure in Grant No. 13-Irrigation, Water Supply and Sanitation under Revenue-Voted during 2010-11 (₹ 586.72 crore), 2011-12 (₹ 350.71 crore), 2012-13 (₹ 285.21 crore), 2013-14 (₹ 255.33 crore), 2014-15 (₹ 474.07 crore) and 2015-16 (₹ 184.97 crore).

The persistent excess expenditure indicated that the budgetary control is not effective and lack of concerted efforts by I&PH Department and previous year trends were also not taken into account while allocating the funds for the year.

2.3.1.3 Expenditure without Provision

As per the Himachal Pradesh Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds.

It was, however, noticed that an expenditure of ₹ 1,430.11 crore was incurred in 27 cases detailed in **Appendix 2.4**, without making any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

Out of total 27 cases, there were 10 cases (₹ one crore or more in each case) where expenditure incurred without provision exceeded by ₹ 1,427 crore. Thus, expenditure in excess of appropriation or without appropriations/approval of the State Legislature is irregular and indicative of lapses in budgetary control mechanism.

2.3.1.4 Unnecessary / Inadequate supplementary provisions resulting in saving/excess expenditure

A supplementary grant or appropriation is an addition to the original authorized grant or appropriation. Para 170 of the Budget Manual specifies that great care should be taken in submitting proposals for supplementary appropriations, as the procedure for obtaining them involves considerable labour.

- In eight cases (₹ one crore or more in each case) supplementary provision of ₹ 318.46 crore proved unnecessary, as the expenditure did not come up to the level of original provision (**Appendix 2.5**).

- In seven cases (₹ one crore or more in each case) supplementary provision of ₹ 500.05 crore proved insufficient leaving an aggregate uncovered excess expenditure of ₹ 2,805.32 crore (**Appendix 2.6**). Of this uncovered excess, ₹ 2,319.17 crore (83 per cent) was incurred under grant number 29- Finance (Capital- Charged) by the Finance Department.

2.3.2 Excessive / unnecessary/insufficient 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 (₹ one crore or more in each case) in 48 sub-heads (**Appendix 2.7**). Of these, excess/savings (₹ 10 crore or more in each case) occurred in 11 sub-heads.

2.3.3 Rush of expenditure

According to the Himachal Pradesh Financial Rules, 2009 rush of expenditure, particularly in the closing month of the financial year should be avoided.

Contrary to this, in respect of 33 sub-heads (**Appendix 2.8**), expenditure exceeding ₹ 10 crore constituting 50 per cent or more of the total expenditure for the year was incurred in the month of March 2016. The details of major heads where more than ₹ 10 crore or 50 per cent of expenditure was incurred either during the last quarter or during the last month of the financial year are given in **Table 2.2**.

Table 2.2: Cases of Rush of Expenditure towards the fag end of the financial year 2015-16
(₹ in crore)

Sr. No.	Major Head (Voted/Charged)	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2016	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	4210-Capital Outlay on Medical and Public Health	85.84	60.26	70	50.02	58
2.	1851-Capital Outlay on Village and Small Industries	46.79	27.35	58	26.76	57
3.	1801-Capital Outlay on Power Projects	147.13	100.71	68	77.55	53
4.	4202-Capital Outlay on Education, Sports, Art and Culture	57.00	37.10	65	30.34	53
5.	2217-Urban Development	233.25	129.57	56	71.24	31
6.	5054-Capital Outlay on Roads and Bridges	195.02	101.92	52	87.71	45
Total		765.03	456.91		343.62	

Source: Information compiled by Accountant General (Accounts & Entitlement) office

2.3.4 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit showed that in 35 cases, savings exceeded by ₹ one crore or more in each case or by more than 20 per cent of the total provision (**Appendix 2.9**) in nine cases. Out of the total saving of ₹ 3,040.33 crore, substantial saving more than ₹ 100 crore in each case of ₹ 2,383.39 crore (78 per cent) relating to seven grants alone indicated in **Table 2.3**.

Table 2.3: List of grants with savings of more than ₹ 100 crore

(₹ in crore)

Sr. No.	Number and name of the Grant	Total provision	Actual Expenditure	Savings (percentage)	Schemes with substantial savings
Revenue-Voted					
1.	08-Education	4,710.22	3,634.00	1,076.22(23)	Middle School: 396.10; Secondary School: 167.38; Colleges: 117.91
2.	09- Health and Family Welfare	1,507.32	1,140.51	366.81(24)	Urban Health: 59.75; Rural Health : 89.49; Prevention and control of Diseases: 13.54; Provision under National Rural Health Mission: 148.16
3.	20-Rural Development	1,185.07	976.33	208.74(18)	IWMP: 65.72; Indira Awas Yojna: 41.10; Rajiv Gandhi Panchayat Sashktikaran Abhiyan: 33.73
4.	29-Finance	4,113.40	3,884.46	228.94(6)	Payment from 01-11-1966: 134.25; Contribution towards pension under Swavlamban scheme: 10.00
5.	31-Tribal Development	838.01	714.62	123.39(15)	Urban Development: 8.10; NRHM: 8.67; Social Security and welfare: 7.25; Infrastructure facilities: 6.62; Development of Desert Area: 5.56; Helicopter facility to Tribal Area: 5.75
Capital-Voted					
6.	13-Irrigation, Water Supply and Sanitation	561.17	290.59	270.58(48)	National Rural Drinking Water Programme: 81.88; Expenditure on Establishment: 46.56; Maintenance provision for adjustment of recovery: 36.43; Water Supply and Sanitation (Execution): 33.60; Lift Irrigation Scheme under AIBP: 31.98
7.	32-Scheduled Caste Sub-Plan	688.53	579.82	108.71(16)	National Health Mission: 12.67; Sarva Siksha Abhiyan: 11.67; Social Welfare (ICDS): 10.31; Rashtriya Krishi Vikas Yojna (Agriculture): 9.46; Backward Region Grant Fund: 8.46
Total		13,603.72	11,220.33	2,383.39	

Source: Appropriation Accounts

(Figures in parenthesis indicate percentage)

Such large savings in these grants reflect weak budgetary control. Reasons for substantial savings (shortfall in utilization) were not furnished (September 2016) by the State Government.

2.3.4.1 Persistent savings

In seven cases, during the last five years there were persistent savings (₹ one crore or more in each case) as per the details given in Table 2.4

Table 2.4: List of grants with persistent savings during 2011-16

(₹ in crore)

Sr. No.	Grant number and name	Amount of Savings				
		2011-12	2012-13	2013-14	2014-15	2015-16
Revenue-Voted						
1.	03-Administration of Justice	15.96	14.78	16.71	4.52	12.53
2.	08-Education	205.11	119.99	342.46	385.37	1,076.22
3.	15-Planning and Backward Area Sub-Plan	9.43	6.89	13.44	11.61	31.40
4.	20-Rural Development	75.07	72.69	60.04	109.86	208.74
Capital-Voted						
5.	29-Finance	1.67	5.07	4.52	5.49	5.20
6.	31-Tribal Development	12.55	8.54	45.42	7.17	17.38
7.	32-Scheduled Caste Sub-Plan	2.39	61.22	83.63	9.27	108.71

Source: Appropriation Accounts

The persistent savings indicated that the budgetary controls in the departments were not effective and previous years' trends were not taken into account while allocating the funds for the year.

2.3.4.2 Substantial surrenders

Substantial surrenders (the cases where 50 per cent or more of the total provision was surrendered) were made in respect of 144 sub-heads (**Appendices 2.10 and 2.11**) on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision of ₹ 1,480.55 crore, amount of ₹ 1,125.83 crore (76 per cent) were surrendered, which included cent per cent surrender in 83 schemes (₹ 385.80 crore) (**Appendix 2.11**). Of the 83 schemes, substantial surrenders were made mainly under ‘Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (Centrally Sponsored Scheme) (₹ 33.73 crore)’ under Grant No. 20-Rural Development, ‘Nadaun Area Medium Irrigation Project (Centrally Sponsored Scheme) (₹ 23.01 crore)’, ‘Lift Irrigation Scheme in various districts under AIBP (₹ 31.98 crore)’ under Grant No. 13-Irrigation, Water Supply and Sanitation, ‘Channelisation of Swan from Daulatpur to Gagret bridge and its Tributaries (IV) Flood Management Programme (₹ 20.28 crore)’ under Grant No. 32-Scheduled Caste Sub-Plan and ‘Rastriya Krishi Vikas Yojana (₹16.45 crore)’ under Grant No. 14-Animal Husbandry, Dairy Development and Fisheries.

Further, in 42 cases, there was surrender (₹ 10 crore or more in each case) involving ₹ 3,135.63 crore on 31 March 2016 (**Appendix 2.12**). Surrender of funds on the last working day of March 2016 indicated inadequate financial control leading to non-utilisation of funds for other developmental purposes in the needy areas.

2.3.4.3 Anticipated savings not surrendered

According to Himachal Pradesh Budget Manual (Paragraph 11.2 of Chapter 11), all the savings as and when anticipated, must be surrendered to the Finance Department latest by 15 January by the spending Department. It was, however, noticed that in the following grants, out of total savings of ₹ 1,212.49 crore, only ₹ 1,123.59 crore was surrendered as detailed in **Table 2.5**.

Table 2.5: Cases of saving of ₹ one crore and above not surrendered
(₹ in crore)

Sr. No.	Number and name of Grant	Saving	Surrender	Saving which were not surrendered
Revenue-Voted				
1.	09-Health and Family Welfare	366.81	353.90	12.91
2.	19-Social justice and Empowerment	47.43	46.68	0.75
3.	21-Co-operation	8.45	8.21	0.24
4.	29-Finance	228.94	176.06	52.88
5.	31-Tribal Development	123.38	116.24	7.14
6.	32-Scheduled Castes Sub-Plan	31.81	27.81	4.00
Capital-Voted				
7.	10-Public Works-Roads, Bridges and Buildings	3.80	--	3.80
8.	13-Irrigation, Water Supply and Sanitation	270.58	269.51	1.07
9.	29-Finance	5.20	4.98	0.22
10.	31-Tribal Development	17.38	14.48	2.90
11.	32-Scheduled Caste Sub-Plan	108.71	105.72	2.99
Total		1,212.49	1,123.59	88.90

As evident from **Table 2.5**, despite large amount of savings, sufficient surrenders were not made mainly under grant numbers 29-Finance: ₹ 52.88 crore (Revenue-

Voted) and 09-Health and Family Welfare: ₹ 12.91 crore (Revenue-Voted). Further, no surrenders were made against sufficient savings under grant numbers 10-Public Works-Roads, Bridges and Buildings (Capital-Voted) and 32-Scheduled Caste Sub-Plan (Capital-Voted).

2.4 Operation of Personal Deposit Accounts

Personal Deposit Accounts (PDAs) are created by debit to the Consolidated Fund and the same should be closed at the end of the financial year by minus debit of the balance to the relevant service heads in the Consolidated Fund. Information obtained from the office of the Accountant General (A&E), Himachal Pradesh showed that there were 113 PDAs in operation in 15 District Treasuries. However, no PDA was closed and opened during 2015-16. The position of balances of ₹ 231.42 crore lying in these 113 accounts as on 31 March 2016 (**Appendix 2.13**) is given as under:

- 80 PDAs having balance of ₹ 231.31 crore were in operation during the year.
- Three PDAs involving an amount of ₹ 0.11 crore remained inoperative since 2010-11.
- 30 PDAs were in operation with Nil balances.

The practice of retaining funds in the PD Account after the close of the financial year is fraught with the risk of misuse of funds, needs to be avoided and unspent balances lying in PDAs after investigation transferred back to the Consolidated Fund.

2.5 Outcome of Review of Selected Grants

A review of budgetary procedure and control over expenditure in respect of two test-checked grants i.e. Grant Number 09-Health and Family Welfare and Grant No. 20-Rural Development were conducted (August 2016) and important points noticed during the review are detailed below:

2.5.1 Budget and expenditure

The overall position of funds allotted and expenditure incurred under the grants during 2015-16 is given in **Table 2.6**.

Table 2.6: Position of funds allocated and expenditure incurred during 2015-16
(₹ in crore)

Grant Number	Head	Total Grant	Expenditure incurred	Excess (+)/ Savings (-)
09-Health and Family Welfare	Revenue Section	1,507.31	1,140.50	(-) 366.81
	Capital Section	101.33	95.32	(-) 6.01
	Total	1,608.64	1,235.82	(-) 372.82
20-Rural Development	Revenue Section	1,185.66	976.92	(-) 208.74
	Capital Section	5.46	5.46	--
	Total	1,191.12	982.38	(-) 208.74

Source: Appropriation Accounts

From **Table 2.6** it would be seen that under Grant No. 09, against the budget provision of ₹ 1,608.64 crore (Revenue section: ₹ 1,507.31 crore and Capital section: ₹ 101.33 crore), an expenditure of ₹ 1,235.82 crore (Revenue section:

₹ 1,140.50 crore and Capital section: ₹ 95.32 crore) was incurred resulting in savings of ₹ 372.82 crore (23 per cent). Similarly, under Grant No. 20 against the provision of ₹ 1,185.66 crore (Revenue section) an expenditure of ₹ 976.92 crore was incurred leaving unutilised amount of ₹ 208.74 crore which indicated that budget estimates were not prepared on realistic basis.

2.5.2 Un-realistic budget provisions

Audit scrutiny of the records showed that under Grant Nos. 9 and 20, the departments either made unrealistic budget provisions or did not disburse/surrender the amount in time during 2015-16 resulting in savings (₹ 10 lakh or more in each case) of ₹ 36.76 crore in 17 cases/subheads (Grant No. 9: 15 and Grant No. 20: 02) (**Appendix 2.14**).

It was also seen that under Grant No. 20 in sub-head 2505-02-101-03 the provision of ₹ 20 crore has not been utilised (withdrawal through re-appropriation: ₹ 0.51 crore and savings: ₹ 19.49 crore).

2.5.3 Withdrawal of huge budget provision through re-appropriation

Under Grant-9, in eight minor heads/schemes re-appropriation of ₹ 20.20 crore (₹ 10 lakh or more in each case) and under Grant No. 20 in two minor heads/schemes re-appropriation of ₹ 22.81 crore (₹ 10 lakh or more in each case) aggregating huge budgeted provision of ₹ 43.01 crore was withdrawn through re-appropriation in March 2016 which diluted the process of budget making and control over expenditure (**Appendix 2.14**).

2.5.4 Excess over the budget provisions due to un-realistic re-appropriation

Against the provision of ₹ 149.84 crore (₹ 10 lakh or more in each case) under three minor heads/schemes of Grant No. 09 (**Appendix 2.14**), re-appropriation of ₹ 13.37 crore proved un-realistic as there was an excess expenditure of ₹ 4.36 crore during 2015-16. Excess expenditure of ₹ 4.36 crore over the provision requires regularisation.

2.5.5 Inadequate original/supplementary provision

Against the requirement/actual expenditure of ₹ 2.94 crore under Grant No. 09, 2059-Maintenance and Repairs, original provision of negligible amount of ₹ one thousand only was made by the Department. No concrete reasons for unrealistic estimation were furnished by the Department.

2.5.6 Surrender of funds

Under Revenue Section of Grant-09-Health, an expenditure of ₹ 1,140.50 crore was incurred against the provision of ₹ 1,507.31 crore during 2015-16 resulting in savings of ₹ 366.81 crore (**Table 2.6**). Similarly under Grant No. 20-Rural Development an expenditure of ₹ 976.92 crore was incurred against the provision of ₹ 1,185.66 crore leaving an unutilised amount of ₹ 208.74 crore. However, the department surrendered (March 2016) ₹ 359.90 crore and ₹ 208.52 crore which were less by ₹ 6.91 crore and ₹ 0.22 crore respectively.

Thus, less surrender of ₹ 6.91 crore and ₹ 0.22 crore indicated deficient financial management and also leading to non-utilisation of funds that could be used on other developmental works/schemes.

2.5.7 Delay in submission of budgetary returns

As per Himachal Pradesh Budget Manual, the Head of Department is required to submit budget estimates and the statement of excesses and surrenders to the Finance Department by 1st October and 15th January or well before the close of the financial year respectively. It was, however, noticed that the Health Department had submitted the budget estimates on 12th January 2015 causing delay of 104 days. Similarly it was also noticed that Health and Rural Development departments had submitted the statement of excesses and surrenders for 2015-16 on 05th May 2016 and 03rd May 2016 causing thereby a delay of 106 days and 104 days respectively. This showed that the prescribed time schedule of submission of budget estimates and statements of excesses and surrenders was not followed by the above departments.

Assistant Controller (F&A) stated (September 2016) that the reasons for delay was time taken in receipt of expenditure statement from various field units. The reply shows lack of internal control in the departments.

2.6 Outcome of Inspection of Treasuries

2.6.1 Excess payment of Pensionary benefits

During inspection (during 2015-16) of District Treasuries/Treasuries/Sub-treasuries by the office of the Accountant General (A&E) for the year 2014-15, the test-check of pension payment records showed that 10 District Treasury Officers and one Treasury Officer had made overpayment to the extent of ₹ 22.03 lakh to 22 pensioners and family pensioners as per detail given in **Table 2.7**. The excess payment had occurred due to non-reduction/early restoration of commuted portion of pension of the concerned pensioners and payment of enhanced family pension after prescribed period.

Table 2.7: Excess payment of pensionary benefits (on account of Commutation/Family Pension) during 2014-15 (Inspection Reports issued in 2015-16)

Sr. No.	Name of District Treasury (DT)/ Treasury	Nature of overpayment	Number of cases	Payment		
				Through Bank	Through Treasury(Th T)	Treasury-wise Total (₹ in lakh)
1.	DT, Bilaspur	Commutation	2	--	Th T	0.39
2.	DT, Chamba	Family Pension	1	--	Th T	1.66
3.	DT, Kinnaur at Reckong Peo	Commutation	1	--	Th T	0.05
4.	DT, Kullu	Family Pension	2	--	Th T	0.77
5.	DT, Keylong	Commutation	2	--	Th T	2.34
6.	Treasury Kaza	Commutation	2	--	Th T	0.16
7.	DT, Mandi	Family Pension	5	--	Th T	1.76
8.	DT, Shimla (O)	Family Pension	1	--	Th T	4.89
9.	DT, Sirmour at Nahani	Family Pension	2	--	Th T	6.62
		Family Pension	2		Th T	0.37
10.	DT, Solan	Family Pension	1	--	Th T	2.65
11.	DT, Una	Commutation	1	--	Th T	0.37
Total			22	--		22.03

Source: Annual review report on the working of Treasuries in Himachal Pradesh for the year 2015-16 prepared by Accountant General (A&E)

2.7 Conclusion

The overall saving of ₹ 191.90 crore registered under grants/appropriations during the year 2015-16 was the net result of substantial savings of ₹ 3,040.33 crore (under important grants like Education and Rural Development) offset by excess of ₹ 2,848.43 crore. An excess expenditure of ₹ 7,904.32 crore relating to the period 2010-11 to 2015-16 required regularisation under Article 205 of the State Legislature.

Supplementary provision of ₹ 818.51 crore in 15 sub-heads proved unnecessary/inadequate as either expenditure did not come up to the level of original provision or leaving an aggregate uncovered excess expenditure and re-appropriation of funds in 48 sub-heads (₹ one crore or more in each case) was made injudiciously which resulted in excess/savings. In 42 cases (₹ 10 crore or more in each case) ₹ 3,135.63 crore were surrendered at the end of the financial year. In 83 cases/sub-heads, 100 *per cent* grant amounting to ₹ 385.80 crore was surrendered.

In six cases, the expenditure incurred during the last 4th quarter of the year ranged between 52 and 70 *per cent* and the expenditure incurred during the month of March 2016 alone under these heads of accounts constituted 31 to 58 *per cent* of the total expenditure.

2.8 Recommendations

- (i) *Controlling/Disbursing Officers may keep a close and constant watch over the progress of expenditure against the sanctioned allotment in order to ensure utilisation of allotted funds as per requirement. They may also specifically strengthen monthly expenditure control and monitoring mechanism.*
- (ii) *Efforts should be made by all departments to submit realistic budget estimates keeping in view the trends of expenditure in order to avoid large scale savings/excesses, re-appropriations and surrenders at the end of the year so that they can be effectively utilised in other areas/schemes.*
- (iii) *The State Government should devise suitable mechanism to avoid rush of expenditure in last quarter/month of the financial year.*