Chapter 2
Financial Management and Budgetary Control

2.1 Introduction

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 in monitoring budgetary provisions and are, therefore, complementary to Finance Accounts.

Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether 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.

As per the State Budget Manual (SBM), the Finance Department is responsible for the preparation of the annual budget by obtaining from the various departments material on which to base its estimates. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the Heads of Departments and submitted to the Finance Department by the prescribed dates. The Finance Department then consolidates the estimates and prepares the Detailed Estimates and Grants. The estimates of expenditure should be as accurate as possible. An avoidable excess in an estimate is as much a financial irregularity as an excess in the actual expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and neither larger nor smaller. A saving in an estimate constitutes as much of a financial irregularity as an excess in it.

The SBM was last published in 1995. After fifteen years, in July 2010, the State Government entrusted the work of revision of SBM to a Private Limited Company for completion by 1 November 2011. However, the revised SBM approved by the cabinet was stated to be under printing (September 2012). Further, while the copies were awaited, the SBM was stated to have been uploaded on the website[1] on 27 September 2012.

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

[1] http://www.finance.rajasthan.gov.in

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2011-12 against 55 grants/appropriations was as given in **Table 2.1**:

Table 2.1: Actual Expenditure *vis-à-vis* Original/Supplementary provisions

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Savings (-)/ Excess (+)
Voted	I Revenue	45,055.06	4,678.03	49,733.09	46,334.84	(-) 3,398.25
	II Capital	9,582.10	1,567.61	11,149.71	7,806.88	(-) 3,342.83
	III Loans and Advances	39.58	738.50	778.08	1,109.10	(+) 331.02
Total Voted		**54,676.74**	**6,984.14**	**61,660.88**	**55,250.82**	**(-) 6,410.06**
Charged	IV Revenue	*8,082.71*	*19.43*	*8,102.14*	*7,974.99*	*(-) 127.15*
	V Capital	*0.01*	-	*0.01*	-	*(-) 0.01*
	VI Public Debt-Repayment	*3,474.36*	*16.11*	*3,490.47*	*3,490.42*	*(-) 0.05*
Total Charged		***11,557.08***	***35.54***	***11,592.62***	***11,465.41***	***(-) 127.21***
Appropriation to Contingency Fund		-	-	-	-	-
Grand Total		**66,233.82**	**7,019.68**	**73,253.50**	**66,716.23**[2]	**(-) 6,537.27**

Source: Appropriation Accounts

The overall saving of ₹ 6,537.27 crore was the result of saving of ₹ 6,537.39 crore in 49 grants and 42 appropriations under Revenue Section, 32 grants and four appropriations under Capital Section, offset by excess of ₹ 0.12 crore in two appropriations under Revenue Section and one grant under Capital Section (Given in **Table 2.11**). These savings were 93 *per cent* of the supplementary provisions made during the year, which indicated inaccurate budget estimation and inadequate monitoring of expenditure. The excess in Loans and Advances (₹ 331 crore) was mainly under '6217-03 Integrated Development of Small and Medium Towns' due to conversion of capital expenditure into loan incurred for local bodies and under '6801-800 Other Loans to Electricity Boards[3]' to meet the expenditure on additional power supply.

The saving/excess (Detailed Appropriation Accounts) was intimated (July 2012) to the Controlling Officers requesting them to explain the significant variations. Reminders were issued regularly to each department by the Principal Accountant General (Accounts and Entitlement) to furnish

[2] These are gross expenditure figures without taking into account the recoveries adjusted in accounts as reduction of expenditure (Revenue: ₹ 656.52 crore and Capital: ₹ 687.63 crore, Total: ₹ 1,344.15 crore).

[3] Jaipur Vidyut Vitran Nigam Limited, Jodhpur Vidyut Vitran Nigam Limited and Ajmer Vidyut Vitran Nigam Limited.

reasons for excesses/savings. Out of 1,021 sub-heads, explanations for variation in respect of 376 sub-heads (Saving: 287 sub-heads and Excess: 89 sub-heads) were not received (August 2012).

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 22 cases, savings exceeded ₹ ten crore in each case and also by more than 20 *per cent* of total provision (***Appendix 2.1***).

Against the total saving of ₹ 6,537.27 crore, savings of above ₹ 100 crore in each case amounting to ₹ 5,510.26 crore (84.3 *per cent*) occurred in 19 cases relating to 14 grants and one appropriation as indicated in **Table 2.2.**

Table 2.2: List of Grants/Appropriation with savings of ₹ 100 crore and above

(₹ in crore)

S. No.	No. and Name of the Grant/Appropriation	Original	Supplementary	Total	Actual Expenditure	Savings
Revenue-Voted						
1.	3-Secretariat	506.84	0.34	507.18	150.34	356.84
2.	8-Revenue	575.70	-	575.70	438.39	137.31
3.	9-Forest	565.54	Negligible Amount	565.54	430.84	134.70
4.	15-Pensions and other Retirement Benefits	6,154.27	Negligible Amount	6,154.27	5,930.03	224.24
5.	24-Education, Art and Culture	10,328.23	655.47	10,983.70	10,469.58	514.12
6.	26-Medical and Public Health and Sanitation	2,752.40	425.39	3,177.79	2,984.61	193.18
7.	29-Urban Plan and Regional Development	1,376.82	197.17	1,573.99	1,471.16	102.83
8.	30-Tribal Area Development	2,028.88	276.59	2,305.47	2,110.99	194.48
9.	34-Relief from Natural Calamities	1,272.82	300.41	1,573.23	1,029.37	543.86
10.	51-Special Component Plan for Welfare of Scheduled Castes	1,520.78	384.72	1,905.50	1,702.62	202.88
Capital-Voted						
11.	3-Secretariat	600.00	-	600.00	-	600.00
12.	19-Public Works	252.39	51.90	304.29	94.48	109.81
13.	21-Roads and Bridges	671.31	575.79	1,247.10	1,087.98	159.12
14.	27-Drinking Water Scheme	1,473.75	-	1,473.75	880.57	593.18
15.	29-Urban Plan and Regional Development	987.34	Negligible Amount	987.34	632.80	354.54
16.	30-Tribal Area Development	1,086.90	0.38	1,087.28	691.84	395.44
17.	46-Irrigation	751.52	Negligible Amount	751.52	580.26	171.26
18.	51-Special Component Plan for Welfare of Scheduled Castes	1,251.01	0.52	1,251.53	849.72	401.81
Revenue-Charged						
19.	Interest Payments	*8,012.48*	Negligible Amount	*8,012.48*	*7,891.82*	*120.66*
Total		**42,168.98**	**2,868.68**	**45,037.66**	**39,527.40**	**5,510.26**

Source: Appropriation Accounts

Reasons for savings occurred under the above Grants are discussed below:

- ***Grant number 3-"Secretariat"***

The savings (₹ 356.84 crore) occurred mainly under head "3451-Secretariat-Economic Services-Other expenditure-Through the Planning Department-State level New Schemes" in which the entire provision of ₹ 300 crore was surrendered/re-appropriated at the end of the year due to non-designing of structure and forming of new projects.

- ***Grant number 8-"Revenue"***

The savings (₹ 137.31 crore) under "2029-Land Revenue-Land Records-District expenditure (₹ 50.98 crore) were mainly due to posts remaining vacant in various cadres. This was against the provisions contained in Para 53(7)(i) and (ii) of SBM. Besides, savings in Modernisation of Land Settlement Department (₹ 68.63 crore) were mainly due to absence of policy decisions and necessary sanctions at State level resulting in non-starting of survey work under National Land Record Modernisation Programme (NLRMP).

- ***Grant number 9-"Forest"***

The savings (₹ 134.70 crore) under "2406-Forestry and Wild Life-Environmental Forestry and Wild Life-Wild Life Preservation-Tiger Project, Ranthambhore (₹ 84.58 crore) and Tiger Project, Sariska (₹ 16.81 crore)" was attributed mainly to non-receipt of funds from Government of India (GoI) for relocation of the families in sanctuary areas.

- ***Grant number 15-"Pesions and other Retirement Benefits"***

Savings (₹ 224.24 crore) under the grant occurred mainly in "2071-Pensions and other Retirement Benefits-Superannuation and Retirement Allowances-Pensions to State employees" due to non-submission of final expenditure report in time by the Treasury Offices.

- ***Grant number 24-"Education, Art and Culture"***

The savings (₹ 514.12 crore) occurred under "2202-General Education-Elementary Education-Assistance to Block Panchayats/ Intermediate level Panchayats" (₹ 319.03 crore) mainly due to posts remaining vacant. This was against the provisions contained in Para 53(7)(i) and (ii) of SBM. Besides, savings (₹ 293.87 crore) under "Secondary Education-Government Secondary Schools" was mainly due to posts remaining vacant and non-receipt of funds from the GoI.

- ***Grant number 26-"Medical and Public Health and Sanitation"***

The savings (₹ 193.18 crore) under "2210-Medical and Public Health-Urban Health Services (Allopathy)-Hospital and Dispensaries (₹ 42.21 crore)" and under "Rural Health Services-Allopathy (₹ 51.38 crore)" were due to posts remaining vacant. Besides, savings of ₹ 37.29 crore under "2211-Family

Welfare" were due to posts remaining vacant and less receipt of conventional contraceptives from GoI. Savings due to posts remaining vacant was against the provisions contained in Para 53(7)(i) and (ii) of SBM.

- ***Grant number 29-"Urban Plan and Regional Development"***

Savings (₹ 102.83 crore) under the grant occurred mainly in "2217-Urban Development-Urban Infrastructure Development Scheme of Small and Medium Towns", where the entire budget provision was not utilised and surrendered/re-appropriated at the end of the year, reasons for which have not been intimated by the Government (August 2012).

- ***Grant number 30-"Tribal Area Development"***

Savings (₹ 194.48 crore) occurred under "2202-General Education-Elementary Education-Assistance to Block Panchayats/Intermediate Level Panchayats (₹ 46.55 crore) mainly due to posts remaining vacant. This was against the provisions contained in Para 53(7)(i) and (ii) of SBM. Besides, savings of ₹ 18.82 crore under "2505-Rural Employment-National Rural Employment Guarantee Scheme" were due to less receipt of funds from GoI. Reasons for savings of ₹ 21.28 crore under "2217-Urban Development-General-Urban Infrastructure Development Scheme of Small and Medium Towns" and ₹ 26.08 crore under "2515-Other Rural Development Programmes-National Nutrition Assistance Programme under Mid-day Meal Assistance Yojana for the students of Elementary Schools of Gram Panchayats" were not intimated by the Government (August 2012).

- ***Grant number 34-"Relief from Natural Calamities"***

Savings (₹ 543.86 crore) occurred mainly under "2245-Relief on account of Natural Calamities" due to less relief works in drought affected areas (₹ 361.25 crore) and in flood affected areas (₹ 178.62 crore). However, reasons for final savings were not intimated by the Government (August 2012).

- ***Grant number 51-"Special Component Plan for Welfare of Scheduled Castes"***

Savings (₹ 202.88 crore) occurred under "2029-Land Revenue-Modernisation of Land Settlement Department" where entire provision of ₹ 17.11 crore was surrendered due to non-starting of survey work under NLRMP. Reasons for savings in "2202-General Education-Secondary Education-*Rashtriya Madhyamik Shiksha Abhiyan*" (₹ 47.13 crore), "2217-Urban Development-Urban Infrastructure Development Scheme of Small and Medium Towns" (₹ 29.21 crore) and "2515-Other Rural Development Programmes-National Nutrition Assistance Programme under Mid-day Meal Assistance Yojana for the students of Elementary Schools of Gram Panchayats" (₹ 31.56 crore) were not intimated by the Government (August 2012). Savings in "2225-Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes-Scholarship and Stipend" (₹ 19.36 crore) and "2505-Rural Employment-National Rural

Employment Guarantee Scheme" (₹ 30 crore) were mainly due to less receipt of funds from GoI.

- ***Grant number 3-"Secretariat" (Capital)***

The savings (₹ 600 crore) occurred mainly under head "5475-Capital outlay on Other General Economic Services-Other expenditure-Schemes recommended by State Planning Board-Planning Department" where entire provision was surrendered due to non-designing of structure and forming of new projects.

- ***Grant number 19-"Public Works" (Capital)***

Savings (₹ 109.81 crore) occurred mainly under head "4059-Capital outlay on Public Works-General-Construction" due to slow progress/less execution of works.

- ***Grant number 21-"Roads and Bridges" (Capital)***

The savings were ₹ 159.12 crore against total provision of ₹ 1,247.10 crore (including supplementary grant of ₹ 575.79 crore). Augmentation of funds (₹ 105.97 crore) through supplementary grant was under head "5054-Capital Outlay on Roads and Bridges-State Highways-Road Works-Roads financed by State Road Development Fund-construction Works" wherein entire fund was re-appropriated to other heads. Reasons for savings were not intimated by the Government (August 2012).

- ***Grant number 27-"Drinking Water Scheme" (Capital)***

The savings (₹ 593.18 crore) occurred mainly in "4215-Capital Outlay on Water Supply and Sanitation". The savings under Rural Water Supply (₹ 253.06 crore) and Suspense-Stock (₹ 265.88 crore) were mainly due to slow progress of works. Reasons for final savings were not intimated by the Government (August 2012).

- ***Grant number 29-"Urban Plan and Regional Development"(Capital)***

Savings (₹ 354.54 crore) occurred mainly in "4217-Capital Outlay on Urban Development-Integrated Development of Small and Medium Towns-Development work through Local Self Government Department (₹ 197.36 crore) and other expenditure of various Urban Bodies for Urban Roads and Drainage (₹ 63.43 crore). Reasons for savings were not intimated by the Government (August 2012).

- ***Grant number 30-"Tribal Area Development" (Capital)***

The savings (₹ 395.44 crore) were mainly under head "4215-Capital outlay on Water Supply and Sanitation-Water Suppl y-Rural Water Supply Schemes and Urban Water Supply Schemes in Tribal Area Sub-plan" (₹ 90.85 crore) due to slow progress/non-execution of works, under "4801-Capital outlay on Power Projects-General-Tribal Area Sub-plan" (₹ 118.70 crore) due to less investment in power companies. Besides, reasons for savings of ₹ 35.25 crore under head "4217-Capital outlay on Urban Development-Integrated Development of Small and Medium Towns-Jawahar Lal Nehru National

Urban Renewal Mission in Tribal Area Sub-plan" and savings of ₹ 97.22 crore under head "5054-Capital outlay on Roads and Bridges-State Highways in Tribal Area Sub-plan" were not intimated by the Government (August 2012).

- ***Grant number 46-"Irrigation" (Capital)***

Savings (₹ 171.26 crore) under the grant occurred mainly in "4700-Capital outlay on Major Irrigation" in Indira Gandhi Nahar Project-Commercial (₹ 30.35 crore) due to pay and allowances of work charged employees charged on concerned work heads. Besides savings in Narbada Project-Commercial (₹ 96.04 crore) and Rajasthan Water Sector Restructuring Project (₹ 28.82 crore) were due to less execution of works.

- ***Grant number 51-"Special Component Plan for Welfare of Scheduled Castes"(Capital)***

The savings (₹ 401.81 crore) occurred mainly under "4215-Capital outlay on Water Supply and Sanitation-Water Supply in Scheduled Castes areas" (₹ 100.59 crore), under "4217-Capital outlay on Urban Development-Integrated Development of Small and Medium Towns-Special Component Plan for Scheduled Castes-Development Work under Jawahar Lal Nehru National Urban Renewal Mission" (₹ 48.39 crore) and under "5054-Capital outlay on Roads and Bridges-State Highways-Special Component Plan for Scheduled Castes" (₹ 62.72 crore), reasons for which were not intimated by the Government (August 2012). Savings under "4801-Capital outlay on Power Projects-General-Special Component Plan for Scheduled Castes" (₹ 162.17 crore) were attributed to less investment in power companies.

- ***Interest Payment (Revenue-Charged)***

Savings (₹ 120.66 crore) occurred under "2049-Interest Payments-Interest on Internal Debt-Interest on Market Loans-Interest on Current Loans-New Loan" mainly due to non-raising of various new loans planned.

2.3.2 Persistent savings

In 11 cases, there were persistent savings of more than ₹ one crore in each case and also by more than 10 *per cent* of the total grant (**Table 2.3**) during the last three years.

Table 2.3: List of Grants indicating persistent savings during 2009-12

(₹in crore)

No. and Name of the Grant	Amount of savings		
	2009-10	2010-11	2011-12
Revenue-Voted			
03-Secretariat	19.09	42.32	356.84
09-Forest	84.32	66.03	134.70
Capital-Voted			
09-Forest	59.30	49.44	20.23
19-Public Works	47.82	22.33	109.81
23-Labour and Employment	1.28	3.83	2.57
27-Drinking Water Scheme	1,071.44	705.25	593.18
29-Urban Plan and Regional Development	186.83	269.07	354.54
33-Social Security and Welfare	10.93	7.95	21.83
35-Miscellaneous Community and Economic Services	708.14	498.10	17.22
37-Agriculture	92.15	36.38	34.41
46-Irrigation	185.79	181.67	171.26

Source: Appropriation Accounts

In Grant No. 03, the persistent savings ranged between ₹ 19.09 crore and ₹ 356.84 crore of the total budget during 2009-12. The main reasons of savings were posts remaining vacant and non-payments of arrears of salary as per recommendations of Sixth Pay Commission during 2009-10 and posts remaining vacant and non-receipt of appropriate proposals by State Planning Board for recommendation of the schemes during 2010-12.

In Grant No. 09, the persistent savings ranged between ₹ 66.03 crore and ₹ 134.70 crore of the total budget during 2009-12 in Revenue Section and was mainly due to posts remaining vacant and non-receipt of funds from Government of India. Besides, the persistent savings ranging between ₹ 20.23 crore and ₹ 59.30 crore in Capital Section during 2009-12 was due to reduction in plan ceiling under different projects for Forest/CAMPA and Development of *Kevladev* National Park.

In Grant No. 19, the persistent savings ranged between ₹ 22.33 crore and ₹ 109.81 crore of the total budget during 2009-12. The main reasons for saving were slow progress of works under various construction projects of Public Works Department.

In Grant No. 23, the persistent savings ranged between ₹ 1.28 crore and ₹ 3.83 crore of the total budget during 2009-12. The main reasons for savings was reduction in plan ceiling under Training and less receipt of funds from the GoI under High level Industrial Training Institute during 2009-10 and non-receipt of sufficient tenders, less receipt of material from the firms, some of the materials supplied by the firm were rejected due to technical reasons and non-fulfillment of terms and conditions of World Bank by the Suppliers under Vocational Training Improve ment Project during 2010-12.

In Grant No. 27, the persistent savings ranged between ₹ 593.18 crore and ₹ 1,071.44 crore of the total budget during 2009-12. The main reasons for saving were slow progress of works under various water supply schemes. Reasons for final savings in 2011-12 were not intimated by the Government (August 2012)

In Grant No. 29, the persistent savings ranged between ₹ 186.83 crore and ₹ 354.54 crore of the total budget during 2009-12. The main reasons for saving were reduction in plan ceiling and less receipt of funds from Government of India in 2009-10 and 2010-11 and due to non-release of grants to Rajasthan Urban Development Fund, less receipt of funds from the Government of India and delay in payment of bills of Bisalpur Project in 2011-12.

In Grant No. 33, the persistent savings ranged between ₹ 7.95 crore and ₹ 21.83 crore of the total budget during 2009-12. The savings were mainly due to reduction in plan ceiling, less receipt of funds from GoI and less execution of works in 2009-10. Besides, savings in 2010-12 were mainly due to non-availability of land, reduction in plan ceiling, non-starting of works and less execution of construction works by Public Works Department.

In Grant No. 35, the persistent savings ranged between ₹ 17.22 crore and ₹ 708.14 crore of the total budget during 2009-12. The savings were mainly due to deposit of unutilised amount of "Rajasthan State Investment Fund"

from "Reserve Fund to Capital head", non-investment of ₹ 492.32 crore in "Rajasthan State Investment Fund" and non-receipt of funds from GoI for National e-Governance Plan during 2009-10, 2010-11 and 2011-12 respectively.

In Grant No. 37, the persistent savings ranged between ₹ 34.41 crore and ₹ 92.15 crore of the total budget during 2009-12. The main reasons for savings were reduction in plan ceiling in 2009-11 and less receipt of funds from GoI in 2011-12.

In Grant No. 46, the persistent savings ranged between ₹ 171.26 crore and ₹ 185.79 crore of the total budget during 2009-12. The savings were due to less execution of works under Indira Gandhi Nahar Project (Commercial), Narbada Project (Commercial), Rajasthan Water Sector Restructuring Project and Restoration of Minor Irrigation Schemes owing to reduction in annual plan outlay in 2009-10, due to less execution of works under *Narbada* Project (Commercial)-Accelerated Irrigation Benefit Programme, Rajasthan Water Sector Restructuring Project, *Gardada* Project (Commercial) and Restoration of Minor Irrigation Schemes (JICA) in 2010-11 and less execution of works in 2011-12.

2.3.2.1 A detailed review of persistent savings under Grants No. 9, 26, 32, 37 and 46 was undertaken. Major audit findings are discussed below:

Grant No. 09-Forest

Forest Department

During 2009-12, in four sub-heads, there were persistent savings ranging between ₹ 0.15 crore and ₹ 85.12 crore being one to 100 *per cent* of the total provision as detailed in **Table 2.4**.

Table 2.4: List of Major heads indicating persistent savings during 2009-12:

(₹ in crore)

Sl. No.	Head of Accounts	Year	Total Provision (Original + Suppl.)	Expen-diture	Saving	Percentage of savings
		Non-Plan				
1.	2406-Forestry and Wild Life 01-Forestry 001-Direction and Administration 02-Subordinate and expert staff	2009-10	255.63	252.00	3.63	1.4
		2010-11	271.42	257.82	13.60	5.0
		2011-12	301.55	284.20	17.35	5.8
		CSS				
2.	2406-Forestry and Wild Life 01-Forestry 101-Forest Conservation, Development and Regeneration 11-Integrated Forest Security Scheme (1:3)	2009-10	1.88	1.20	0.68	36.2
		2010-11	2.25	0.91	1.34	60.0
		2011-12	2.25	1.77	0.48	21.3
		CSS				
3.	2406-Forestry and Wild Life 02-Environmental Forestry and Wild Life 110-Wild Life Preservation 01-Tiger Project, Ranthambhore	2009-10	106.42	41.87	64.55	60.7
		2010-11	68.28	43.06	25.22	36.9
		2011-12	104.78	19.66	85.12	81.2

Sl. No.	Head of Accounts	Year	Total Provision (Original + Suppl.)	Expen-diture	Saving	Percentage of savings
		Plan				
4.	2406-Forestry and Wild Life 02-Environmental Forestry and Wild Life 110-Wild Life Preservation 03-Maintenance of Forest Areas	2009-10	0.37	0.22	0.15	40.5
		2010-11	0.40	-	0.40	100.0
		2011-12	0.40	-	0.40	100.0
		CSS				
		2009-10	4.61	4.01	0.60	13.0
		2010-11	5.00	2.57	2.43	48.6
		2011-12	4.40	2.54	1.86	42.3

Source: Appropriation Accounts

Scrutiny of the records of the Forest Department revealed that the savings were mainly due to posts remaining vacant under various cadres, incomplete pay fixation, less payment of arrears to work charge employees, termination of services of contracted forest guards, non-shifting of villages from forest areas for which acceptance of villagers was necessary and non-receipt of second instalment of assistance from GoI. Hundred *per cent* of budget provision under sub-head "2406-02-110-03-Maintenance of Forest Areas (Plan)" remained unutilised, as Government of India did not release its share resulting in non-release of matching share by State Government.

Grant No. 26- Medical and Public Health and Sanitation

Medical and Health Department

During 2009-12, in thirteen sub-heads, there were persistent savings ranging between ₹ 0.10 crore and ₹ 94 crore being two *per cent* to 78 *per cent* of the Budget provision as detailed in **Table 2.5**.

Table 2.5: List of Major heads indicating persistent savings during 2009-12:

(₹ in crore)

S. No.	Head of Account	Year	Total Provision (Original + Suppl.)	Expenditure	Savings	Percentage of savings
1.	2210-Medical and Public Health 01-Urban Health Services-Allopathy 110-Hospital and Dispensaries 01-Teaching Hospitals 08-Sawai Man Singh Hospital, Jaipur (Non-plan)	2009-10	68.72	62.82	5.90	8.6
		2010-11	86.46	67.84	18.62	21.5
		2011-12	81.13	74.35	6.78	8.4
2.	2210-Medical and Public Health 01-Urban Health Services-Allopathy 110-Hospital and Dispensaries 01-Teaching Hospitals 10-Zanana Hospital, Jaipur (Non-plan)	2009-10	12.84	11.58	1.26	9.8
		2010-11	12.38	11.98	0.40	3.2
		2011-12	14.07	12.78	1.29	9.2
3.	2210-Medical and Public Health 01-Urban Health Services-Allopathy 110-Hospital and Dispensaries 01-Teaching Hospitals 11-TB Hospital, Jaipur (Non-plan)	2009-10	6.08	5.57	0.51	8.4
		2010-11	6.27	5.84	0.43	6.9
		2011-12	7.15	6.37	0.78	10.9

S. No.	Head of Account	Year	Total Provision (Original + Suppl.)	Expenditure	Savings	Percentage of savings
4.	2210-Medical and Public Health 01-Urban Health Services-Allopathy 110-Hospital and Dispensaries 01-Teaching Hospitals 31-Maharao Bhim Singh Hospital, Kota (Non-plan)	2009-10	16.39	15.74	0.65	4.0
		2010-11	17.15	16.16	0.99	5.8
		2011-12	18.98	17.45	1.53	8.1
5.	2210-Medical and Public Health 01-Urban Health Services-Allopathy 110-Hospital and Dispensaries 02-Mobile Hospital 01-Mobile Surgical Unit, Jaipur (Non-plan and Plan)	2009-10	5.46	4.91	0.55	10.1
		2010-11	5.35	4.90	0.45	8.4
		2011-12	6.62	5.12	1.50	22.7
6.	2210-Medical and Public Health 01-Urban Health Services-Allopathy 110-Hospital and Dispensaries 03-Other Hospitals and Dispensaries 01-General Hospital (Non-plan)	2009-10	231.48	218.00	13.48	5.8
		2010-11	307.41	228.82	78.59	25.6
		2011-12	271.30	251.27	20.03	7.4
7.	2210-Medical and Public Health 02-Urban Health Services-Other system of medicine 101-Ayurveda 01- Direction and Administration (Non-plan)	2009-10	11.59	10.77	0.82	7.1
		2010-11	11.80	10.32	1.48	12.5
		2011-12	12.75	9.89	2.86	22.4
8.	2210-Medical and Public Health 02-Urban Health Services-Other system of medicine 101-Ayurveda 03-Education 01-Ayurved College, Udaipur (Non-plan)	2009-10	6.55	5.52	1.03	15.7
		2010-11	5.72	5.45	0.27	4.7
		2011-12	6.34	4.87	1.47	23.2
9.	2210-Medical and Public Health 03-Rural Health Services-Allopathy 103Primary Health Centres 01-Primary Health Centre (Non-plan)	2009-10	279.48	243.16	36.32	13.0
		2010-11	345.77	252.24	93.53	27.0
		2011-12	31.45	9.00	22.45	71.4
10.	2210-Medical and Public Health 04-Rural Health Services-other systems of medicine 101-Ayurveda 01-Hospital and Dispensaries (Non-plan)	2009-10	244.83	227.78	17.05	7.0
		2010-11	322.17	250.06	72.11	22.4
		2011-12	290.47	267.72	22.75	7.8
11.	2210-Medical and Public Health 05-Medical Education, Training and Research 105-Allopathy 01-Education 02-Medical College, Bikaner (Plan)	2009-10	2.58	1.22	1.36	52.7
		2010-11	3.13	3.03	0.10	3.2
		2011-12	10.23	7.43	2.80	27.4
12	2211-Family Welfare 003-Training 02-Training of Auxiliary Nurses, Midwife Dai and Female Health Supervisors (CSS)	2009-10	10.83	10.53	0.30	2.8
		2010-11	12.25	11.58	0.67	5.5
		2011-12	13.79	12.79	1.00	7.3
13	4210-Capital outlay on Medical and Public Health 03-Medical Education, Training and Research 105-Allopathy 07-Other expenditure 05-Medical College, Jodhpur (Plan)	2009-10	2.92	2.29	0.63	21.6
		2010-11	3.38	2.91	0.47	13.9
		2011-12	13.76	3.08	10.68	77.6

Source: Appropriation Account

The reasons given by the department were posts lying vacant, less payment of ACP arrears and non-payment of electricity bills, water bills and telephone charges bills.

The reply was not acceptable because department should have kept in view the trend of savings under respective heads and estimates should have been prepared as per provision of Para 53(7) of SBM according to which budget estimation is required to be formulated on the basis of working strength.

Grant No. 32- Civil Supplies

Food and Civil Supplies Department

In three sub-heads, there were persistent savings ranging between ₹ 0.16 crore and ₹ 4.82 crore being one *per cent* to 32 *per cent* of the total provision as detailed in **Table 2.6**.

Table 2.6: List of Heads indicating persistent savings during 2009-12

(₹ in crore)

Sl. No.	Head of Accounts	Year	Total Provision (Original + Suppl.)	Expen-diture	Saving	Percentage of savings
1.	3456-Civil Supplies 001-Direction and Administration 01-Through the Food Commissioner 01-Headquaters Staff (Non-plan)	2009-10	3.50	3.00	0.50	14.3
		2010-11	3.41	2.89	0.52	15.2
		2011-12	3.50	3 .34	0.16	4.6
2.	3456-Civil Supplies 001-Direction and Administration 01-Through the Food Commissioner 02-District staff (Non-plan)	2009-10	20.36	15.54	4.82	23.7
		2010-11	19.38	15.04	4.34	22.4
		2011-12	17.43	17.25	0.18	1.0
3.	3456-Civil Supplies 102-Civil Supplies Scheme 01-Food Storage Scheme 04-Annapurna Yojana (Plan)	2009-10	7.00	5.21	1.79	25.6
		2010-11	6.90	5.77	1.13	16.4
		2011-12	4.94	3.39	1.55	31.4

Source: Appropriation Account

The department stated (June 2012) that savings occurred due to non-submission of bills by the wholesale dealers, posts lying vacant and non-availing of the benefits of the *Annapurna Yojana* by the selected persons.

The reply was not acceptable because department should have kept in view the trend of savings under respective heads and estimates had been prepared in respect of vacant posts as per provisions of Para 53(7) of State Budget Manual according to which budget estimation is required to be formulated on the basis of working strength.

Grant No. 37-Agriculture

Agriculture Department

In four sub-heads, there were persistent savings ranging between ₹ one crore and ₹ 10 crore being two *per cent* to 100 *per cent* of the total provision (Plan) as detailed in **Table 2.7.**

Table 2.7: List of Heads indicating persistent savings during 2009-12

(₹ in crore)

S. No.	Head of Accounts	Year	Total Provision (Original + Suppl.)	Expenditure	Savings	Percentage of savings
1.	2401-Crop Husbandry 119-Horticulture and Vegetable Crops 25-National Horticulture Mission (15% State Share: 85% Central Share)	2009-10	8.50	-	8.50	100.0
		2010-11	9.15	5.00	4.15	45.4
		2011-12	10.67	6.38	4.29	40.2
2.	2401-Crop Husbandry 800-Other expenditure 27-National Agriculture Development Project (SCA) 02-Through Horticulture Department	2009-10	37.49	28.67	8.82	23.5
		2010-11	47.30	38.24	9.06	19.2
		2011-12	122.95	119.60	3.35	2.7
3.	2401-Crop Husbandry 800-Other expenditure 27-National Agriculture Development Project (SCA) 03-Through Animal Husbandry Department	2009-10	10.62	2.73	7.89	74.3
		2010-11	12.50	8.46	4.04	32.3
		2011-12	15.01	9.14	5.87	39.1
4.	2401-Crop Husbandry 800-Other expenditure 27-National Agriculture Development Project (SCA) 05-Through Fisheries Department	2009-10	3.62	0.90	2.72	75.1
		2010-11	3.00	0.78	2.22	74.0
		2011-12	2.00	0.87	1.13	56.5

Source: Appropriation Accounts

The reasons given by the department were less receipt of funds from GoI, non-taking of interest in the horticulture mission by the farmers, non-appointment of Drawing and Disbursing Officer in the Department and posts lying vacant. The reply is not acceptable because the Department did not revise its demands in subsequent years.

Grant No. 46-Irrigation

Water Resources Department

In six sub-heads, there were persistent savings ranging between ₹ one crore and ₹ 85 crore being 11 to 94 *per cent* of the total provision as detailed in **Table 2.8.**

Table 2.8: List of Major heads indicating persistent savings during 2009-12

(₹ in crore)

Sl. No.	Head of Account	Year	Total provision (Original + Suppl.)	Expenditure	Saving	Percentage of savings
	Non-Plan					
1.	2701-Medium Irrigation 80-General 001-Direction and Administration 01-Through the Chief Engineer, Water Resource Department, Rajasthan 02-Superintendence	2009-10	9.12	8.08	1.04	11.4
		2010-11	9.21	8.14	1.07	11.6
		2011-12	10.38	8.62	1.76	17.0
2.	2701-Medium Irrigation 80-General 001-Direction and Administration 01-Through the Chief Engineer, Water Resource Department, Rajasthan 03-Execution	2009-10	63.34	56.90	6.44	10.2
		2010-11	65.74	57.17	8.57	13.0
		2011-12	70.55	61.31	9.24	13.1
3.	2701-Medium Irrigation 80-General 197-Assistance to Block Panchayats/Intermediate Level Panchayats 01-Grants to Panchayats Samitis 01-Establishment expenditure	2009-10	3.97	2.61	1.36	34.3
		2010-11	2.60	0.38	2.22	85.4
		2011-12	2.60	1.56	1.04	40.0
	Plan					
4.	4700-Capital outlay on Major Irrigation 24-Narbada Project (Commercial) 001-Direction and Administration 02-Construction Works 01-Construction works in Rajasthan	2009-10	9.53	6.31	3.22	33.8
		2010-11	11.42	5.09	6.33	55.4
		2011-12	12.51	0.76	11.75	93.9
5.	4700-Capital outlay on Major Irrigation 24-Narbada Project (Commercial) 001-Direction and Administration 03-Accelerated Irrigation Benefit Programme 01-Construction works in Rajasthan	2009-10	155.85	127.62	28.23	18.1
		2010-11	178.35	94.32	84.03	47.1
		2011-12	156.75	73.30	83.45	53.2
6.	4700-Capital outlay on Major Irrigation 80-General 800-Other expenditure 02-Rajasthan Water Sector Restructuring Project (RWSRP) 02-Execution (through the Chief Engineer, Irrigation)	2009-10	140.07	100.11	39.96	28.5
		2010-11	135.69	89.69	46.00	33.9
		2011-12	89.78	65.07	24.71	27.5

Source: Appropriation Accounts

The department attributed (September 2012) the savings to posts lying vacant and less execution of works under Narmada Canal Project and Rajasthan Water Sector Restructuring Project etc. This confirms that the Department did not prepare estimates on the basis of working strength as per provisions of Para 53(7) of State Budget Manual and in other cases it did not plan the expenditure as per the sanctioned estimates.

2.3.3 *Excess expenditure*

In 12 cases, the programme delivery Departments exceeded the expenditure limits set by the Legislature through grants (₹ 64.65 crore). Such excesses are irregular and they require retrospective Legislative sanction through appropriate vote. In these 12 cases, excess expenditure was more than ₹ one crore and also by more than 10 *per cent* of the total provisions in each case (***Appendix 2.2)***. However, in three cases the overall excess expenditure (₹ one crore and above in each case) has been observed consistently for the last three years **(Table 2.9).**

Table 2.9: List of Major heads indicating persistent excess expenditure during 2009-12

(₹ in crore)

S. No.	Number and name of the Grant	Head of Account	Amount of excess		
			2009-10	2010-11	2011-12
1.	27-Drinking Water Scheme	4215-01-101-01-02 Other Urban Water Supply Schemes	18.44	2.06	1.64
2.	46-Irrigation	2700-01-799-02 Bhakra Beas Management Board	1.69	1.63	1.71
3.	46-Irrigation	4702-800-06-04 Execution	1.19	1.02	4.21

Source: Appropriation Accounts

Inadequate provision of funds and consequent excess expenditure indicates weak budgeting and expenditure controls. The reasons for excess in 2009-12 were not intimated by the Government (August 2012).

2.3.4 *Excess over provisions relating to previous years (2008-11) requiring regularisation*

As per Article 205 of the Constitution of India, it is mandatory for 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 completion of the discussion of Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹ 499.55 crore for the years 2008-11 was yet to be regularised (31 August 2012)**.** The year-wise amount of excess expenditure awaiting regularisation for grants/appropriations is summarized in **Table 2.10.** Grant/ Appropriation-wise details of excess expenditure requiring regularisation are given in ***Appendix 2.3*****.**

Table 2.10: Excess over provisions relating to previous years requiring regularisation

(₹ in crore)

Year	Number of Appropriations and Grants	Amount of excess over provision	Status of Regularisation
2008-09	16	444.03	Not regularised by the State Legislature.
2009-10	5	35.72	
2010-11	6	19.80	
Total	**27**	**499.55**	

Source: Appropriation Accounts

2.3.5 Excess over provisions during 2011-12 requiring regularisation

Table 2.11 depicts the summary of total excess in one grant and two appropriations amounting to ₹ 0.12 crore over authorisation from the Consolidated Fund of State during 2011-12 and requires regularisation under Article 205 of the Constitution.

Table 2.11: Excess over provisions requiring regularisation during 2011-12

(₹ in crore)

S. No.	Number and name of grant/appropriation		Total grant/ appropriation	Expenditure	Excess
Voted Grants – Capital					
1.	48	Power	3,041.19	3,041.20	0.01
Total Voted			**3,041.19**	**3,041.20**	**0.01**
Charged Grants - Revenue					
2.	12	Other Taxes	*0.02*	*0.13*	*0.11*
3.	36	Co-operation	*0.01*	*0.01*	-[4]
Total Charged			***0.03***	***0.14***	***0.11***
Grand Total			**3,041.22**	**3,041.34**	**0.12**

Source: Appropriation Accounts

2.3.6 Unnecessary/excessive supplementary provision

Para 183 of SBM stipulates that if during the currency of a financial year, the amount provided for any purpose is found to be inadequate or a need arises for an expenditure on some object or service for which no provision has been made, a supplementary provision can be sanctioned by the Legislature. Supplementary provision aggregating to ₹ 413.14 crore obtained in 10 cases, amounting to ₹ one crore 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 2.4.*** Important cases where supplementary provisions proved unnecessary are summarised below:

In Grant No. 34-Relief from Natural Calamities, provision of ₹ 300.41 crore was obtained in March 2012 through second supplementary for transfer of outstanding second installment of ₹ 300.33 crore on account of State Disaster Response Fund for the year 2010-11 was unnecessary as the actual expenditure was even less than the original provision.

In Grant No. 19-Public Works, supplementary provisions of ₹ 3.52 crore obtained for construction of Jails under the recommendations of XIII Finance Commission proved unnecessary as the entire provision was surrendered on 31 March 2012; reasons for which have not been intimated (August 2012) by the Government. Besides, supplementary provisions of ₹ 8.85 crore obtained by the Department for construction of building of State Excise proved unnecessary in view of anticipated savings of ₹ 15.38 crore due to less execution of works. Supplementary provision of ₹ 10.90 crore obtained for construction of Judicial building under the recommendations of XIII Finance Commission proved excessive in view of total saving of ₹ 9.38 crore due to late receipt of sanction for construction work.

[4] Only ₹ 57.

Thus, supplementary provisions were made without assessing the actual requirements under the sub-heads.

2.3.7 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive, unnecessary or insufficient resulting in excess of ₹ 94.84 crore in 104 sub-heads and savings of ₹ 446.57 crore in 313 sub-heads. The re-appropriation and final excess/saving was more than ₹ one crore in 52 sub-heads as detailed in ***Appendix 2.5***. Out of these cases, there was insufficient re-appropriation in 21 heads of account, unnecessary re-appropriation in 17 heads of account and excessive re-appropriation in 14 heads of account. It indicates that the estimates were not properly assessed, as even after the withdrawal/augmentation of funds through re-appropriation there were final savings/excesses in the grants

2.3.8 Unexplained re-appropriations

According to Para 194 of SBM, reasons for the additional expenditure and the savings should be explained in the re-appropriation statement and vague expressions such as 'based on actual requirements', 'based on trend of expenditure', etc., should be avoided. However, a scrutiny of re-appropriation orders issued by the Finance Department revealed that out of 2151 sub-heads, the explanations have been received in respect of 821 sub-heads for additional provision/withdrawal of provision, in which 72 sub-heads explanations were of general nature like 'actual requirement', 'based on latest assessment' and 'restriction of expenditure'. ***Besides, in 1330 sub-heads no specific explanation was given. This also goes against the principle of transparency stipulated in Section 4 of Fiscal Responsibility and Budget Management Act.***

2.3.9 Anticipated savings not surrendered

As per para 138 of SBM, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated.

During 2011-12, out of total saving of ₹ 6,537.39 crore an amount of ₹ 6,078.92 crore (93 *per cent*) was surrendered on the last working day of financial year indicating lack of realistic financial planning and weak financial control which resulted in deprivation of funds for other development purposes.

Out of total savings of ₹ 4,357.92 crore under 20 grants (savings of ₹ one crore and above) amount aggregating to ₹ 512.64 crore (11.8 *per cent* of total savings) were not surrendered, details are given in ***Appendix 2.6.***

Besides, in 39 cases, (surrender of funds in excess of ₹ 20 crore in each case), ₹ 5,911.32 crore were surrendered on the last working day of March 2012 (***Appendix 2.7*).** Departments did not furnish (August 2012) any

reasons/explanations regarding surrender of savings in excess on the last working day of financial year.

2.3.10 Lump-sum provision

As stipulated in Para 53(6) of SBM, the spending departments are required to furnish full details of expenditure which should be shown in the estimates and no lump-sum provision should be made in the estimates. During 2011-12, in 79 cases (77 grants and two appropriations) a lump-sum provision of ₹ 1,742.31 crore was made in the estimates in violation of this stipulation. However, ₹ 1,573.72 crore (90.3 *per cent*) of this provision remained unutilised at the close of the financial year, which were surrendered at the fag end of the year, details are given in ***Appendix 2.8*** and balance amount was re-appropriated**.** Government had not stated (August 2012) any reasons for making lump-sum budget provisions under these cases.

2.3.11 Surrender in excess of actual savings

In seven grants and one appropriation, the amount surrendered (₹ one crore or more in each grant) was in excess of actual savings indicating lack of inadequate budgetary control in these departments. As against savings of ₹ 434.74 crore, the amount surrendered was ₹ 492.11 crore resulting in excess surrender of ₹ 57.37 crore (***Appendix 2.9*****).** Departments did not furnish any reasons/explanations regarding surrender in excess of actual savings (August 2012).

2.3.12 Rush of expenditure

According to Para 139 of SBM, rush of expenditure in the closing month of the financial year should be avoided. During 2011-12, 17 *per cent* of total expenditure was incurred in the month of March. However, in respect of 61 sub-heads listed in ***Appendix 2.10***, expenditure (exceeding ₹ ten crore and also more than 50 *per cent* of the total expenditure in each case) of ₹ 3,557.20 crore was incurred in last quarter of the financial year, which was 76 *per cent* of total expenditure. Of this ₹ 3,403.73 crore (73 *per cent*) was spent in March 2012. Thus, a substantial amount incurred by the department at the fag end of the year is indication of poor financial control over the expenditure.

2.4 Transfer of funds to avoid lapse of Budget

The Chief Minister, Rajasthan (CM) announced (30 March 2012) payment of bonus of ₹ 100 per quintal on purchase of wheat from farmers in 2012-13 over and above the minimum support price. For this, State Government was to make available funds of ₹ 150 crore. During review it was noticed that Principal Secretary, Food and Civil Supplies Department ordered (31 March 2012) to transfer ₹ seven crore appearing as saving in *Antyodya Yojana*, BPL *Annapurna Yojana*, Food Stamp *Yojana* etc. to the Major head "3456-190-01-12-Grant-in-aid" and transferred the same to the Personal Deposit Account of Civil Supply Corporation Limited by contra debiting this head.

On being pointed out (July 2012) the Department admitted the facts (July 2012) and stated that as the bonus was to be paid from 01 April 2012, transfer of funds have been sanctioned by the Finance Department.

The fact is that the Department transferred funds in PD Account to avoid lapse of budget. Besides, transfer of funds on 31 March 2012 with a view to meet out the requirement of 2012-13 was not justified.

2.5 Outcome of review of selected grants

A review of receipts and expenditure of Grant No. 23-Labour and Employment and Grant No. 47-Tourism for the period 2009-12 was undertaken. Major irregularities noticed are summarised below:

Grant No. 23-Labour and Employment

Labour and Employment Department

Non-transfer of funds

The State Government made a token budget provision of ₹ 0.01 lakh under budget head "2230-01-103-07-Rajasthan Building and other Construction Workers Welfare Board" for 2010-11 and 2011-12 each. The State Government transferred ₹ 0.50 crore and ₹ 10 crore in the PD account of the Board in June 2010 and July 2011 respectively. Audit observed that as per Rules 4 and 5 of the Building and Other Construction Workers Welfare Cess Rules, 1998, the cess collected by the State Government, Public Sector Undertakings, Local Authority or Cess Collector, was required to be transferred to the Board within 30 days of its collection. However, it was noticed that though labour cess of ₹ 239 crore was collected during 2010-12 by the State Government, it did not transfer ₹ 229 crore to the Board, resultantly, the receipts of the State Government under head '0230-800' was inflated to this extent.

Receipts

During 2011-12, the actual receipt was ₹ 5.92 crore against original budget estimates of ₹ two crore under head "0230-104 Fees realised under Factory's Act". The Department intimated (July 2012) that the steep increase in receipts was due to revision of fees (100 *per cent*) by the State Government w.e.f. January 2011 and 297 registrations of new factories in 2011-12 for license.

The fact is that the Department did not revise its provision under receipts after revision of rates in January 2011.

The matter was referred to the State Government (August 2012). A reply was awaited (September 2012).

Grant No. 47- Tourism

Tourism Department

Expenditure

• The status of original budget estimates approved by the Budget Finalisation Committee (BFC), supplementary provision, final allotment and actual expenditure thereagainst for the year 2009-12 is given in **Table 2.12.**

Table 2.12: Summarised position of actual expenditure *vis-a-vis* original/supplementary provision during 2009-12

(₹ in crore)

Head of Account	Year	Original	Supplementary	Total	Expenditure	Saving
Revenue	2009-10	23.44	-	23.44	21.60	1.84
	2010-11	21.15	6.20	27.35	27.26	0.09
	2011-12	19.59	1.12	20.71	20.20	0.51
	Total	**64.18**	**7.32**	**71.50**	**69.06**	**2.44**
Capital	2009-10	18.46	-	18.46	12.21	6.25
	2010-11	22.65	6.56	29.21	28.35	0.86
	2011-12	18.80	11.04	29.84	20.56	9.28
	Total	**59.91**	**17.60**	**77.51**	**61.12**	**16.39**

Source: Appropriation Accounts

The actual capital expenditure during 2009-10 was only ₹12.21 crore against the provision of ₹ 18.46 crore. In 2011-12, the supplementary provision of ₹ 11.04 crore obtained was utilised to the extent of ₹ 1.76 crore (16 *per cent*) only indicating that the estimation was inadequate.

Delay in implementation of announcement made during the Budget

• During 2011-12, provision of ₹ five crore was made under capital head '5452-80-800-06 (Plan)' through supplementary grant for construction of tourism building. However, ₹ 4.78 crore (95.6 *per cent*) was surrendered on 31 March 2012 and ₹ 0.22 crore re-appropriated due to non-selection of construction site. The State Government stated (September 2012) that proposal for handing over of identified land to the department had been submitted to the Governor Secretariat but no decision was taken (March 2012). This indicated that the provision was made in the budget without ensuring availability/taking over of the land.

• Pursuant to the announcement (March 2010) by CM during his budget speech, 2010-11 for setting up of Rajasthan Fair Arrangement Authority (Authority), provision of ₹ one crore was made for grant-in-aid to the Authority under budget head '3452-80-800-07 (Plan)'. This amount was not utilised due to belated constitution of the Authority (April 2011) and funds were re-appropriated. The State Government has accepted (September 2012) the facts.

The Ministry of Tourism, Government of India (GoI) sanctioned (August/November 2010) Central Assistance of ₹ 2.75 crore for beautification

of Jaipur city for commonwealth Games-2010 and ₹ 3.22 crore for the Project *Hathi Gaon*-Phase-II, Amber. GoI released ₹ 2.20 crore and ₹ 2.57 crore for beautification of Jaipur and *Hathi Gaon Project* respectively. The GoR transferred ₹ two crore into the Personal Deposit (PD) Account of Jaipur Development Authority (JDA) in November 2010 and ₹ two crore in the PD Account of Amber Development Management Authority (ADMA) in February 2011 and January 2012 (₹ one crore each). Audit noticed that ₹ 1.34 crore was incurred by JDA upto May 2012 and the work was in progress (June 2012). ADMA spent ₹ 1.30 crore as of June 2012. ₹ 1.93 crore were lying unutilised in PD Accounts of JDA (₹ 0.66 crore), ADMA (₹ 0.70 crore) and with State Government (₹ 0.57 crore) since November 2010.

The State Government stated (September 2012) that the works of ₹ 2.20 crore have since been got done by the implementing agency in respect of Commonwealth Games-2010. Further, in respect of *Hathi Gaon* Phase-II the State Government has accepted the delay and informed (October 2012) that project would be completed by 31 March 2013. Thus, due to non-utilisation of Central assistance, State Government was deprived of the balance assistance of ₹ 1.19 crore from GoI indicating defective planning.

- Of ₹ 3.92 crore released (December 2010) by GoI for conservation and restoration of Shiv Temple Bandevra, Ramgarh, District Baran, the Department issued (May 2011) administrative and financial sanction of ₹ 0.50 crore only to the Department of Archaeology and Museum, for executing the work. Thus, ₹ 3.92 crore was lying blocked with the State Government since December 2010.

The State Government accepted (September 2012) non-utilisation of released funds and stated that a committee of experts and technical consultants has been constituted under chairmanship of retired Director (Monuments) of Archeological Survey of India for selection of sites.

Receipts

The position of Budget Estimates, Revised Estimates and actual receipts thereagainst under the revenue head '1452-Tourism' during 2009-12 is as under:

(₹ in crore)

Head of Account	Year	Budget Estimates	Revised Estimates	Actual Receipt
1452-Tourism	2009-10	0.20	0.20	2.09
800-Other Receipts	2010-11	0.20	0.60	0.94
01-Other Receipts	2011-12	0.40	0.60	0.71
1452-Tourism	2009-10	15.00	10.00	-
800-Other Receipts	2010-11	15.00	15.00	-
02-Receipts regarding CSS	2011-12	15.00	15.00	-

While there are no receipts under the head "1452-800-02" during 2009-12, the Department had been unnecessarily making a provision every year. The State Government has accepted (September 2012) the facts.

2.6 Outcome of Inspection of Treasuries

There are 265 treasuries/sub-treasuries in the State, which are under purview of inspection by Office of the Principal Accountant General (A&E), Rajasthan, Jaipur. Major irregularities noticed by the Office of the Principal Accountant General (A&E), Rajasthan while conducting inspection of treasuries/sub-treasuries during the period 2011-12 are as follows:

- ***Non-disposal of confiscated items of gold and silver***

As per note 2 below Rule 122 of Rajasthan Treasury Rules, 1999, Jaipur (City) Treasury has been declared by GoR as Reserve Treasury for depositing gold, silver, diamond and coins etc. which has become the property of State Government after their confiscation.

It was observed that detailed instructions for disposal and accounting of such items has not been laid down by the Director, Treasury and Accounts, Rajasthan despite approval given by the State Finance Department. Consequently, confiscated gold and silver jewellery of 23.642659 Kilogram and 758.43338 Kilogram respectively were lying un-disposed and idle since last 23 years.

- ***Incomplete maintenance of Pension Cheque Register on computers***

Director, Treasury and Accounts, Raja sthan instructed (April 1998) all the Treasury Officers to maintain a pension check register for checking pension payments made through Public Sector Banks for ascertaining excess/short pension payments. It was observed that 31 treasuries/sub-treasuries did not maintain the required pension check register with complete details.

- ***Incomplete maintenance of Broadsheets of Long Term Loans***

As per the instructions issued (May 1988) by the State Finance Department, all columns of Broadsheets for long term loans and advances viz. House Building Advances and Conveyance advances should be filed in properly.

However, it was observed that 14 treasuries did not maintain the broad sheets of long term loans and advances with complete details as number and date of sanctions issued, number and amount of monthly instalments, treasury voucher number and date were not noted therein, balance not brought forward and broadsheets were not closed at the month end.

- ***Keeping of valuables in the Security Rooms having no guards***

As per the instructions (July 2003) issued by the State Finance Department and Rule 6 of Rajasthan Treasury Rules 1999, wherever there were no arrangements of guard in Sub-treasuries, the District Collectors will not issue sanctions for keeping the Sealed Packets/valuables therein. During inspection it was noticed that in 14 sub-treasuries, various authorities kept sealed packets in security rooms having no guards.

- ***Non-disposal of outdated/damaged stamps***

Rule 319 of Rajasthan Treasury Rules 1999, provides sending a report of outdated/damaged stamps to Inspector General Stamps and Registration Ajmer and disposals of outdated stamps should be done under his permission. During inspection it was noticed that 10 treasuries/sub-treasuries did not take action for disposal of such outdated/damaged stamps of ₹ 20.12 lakh.

- ***Non-obtaining of security bond paper from Cashiers***

Rule 313 of General Financial and Accounting Rules envisages that Collectors/Treasury Officers should ensure that adequate security bond is obtained from working cashier. It was noticed that in 28 treasuries/sub-treasuries the work regarding cash was being performed by the cashier without obtaining security bond from him.

2.7 Expenditure on New Services without approval of the Legislature

The expression "New Service" occurs in Article 115(1)(a) and 205(1)(a) of Constitution of India. Item No. 21 of Para 16 of SBM defines New Service as a new policy decision (not brought to the Legislature's notice earlier) including a new activity or form of investment. Further, large expenditure exceeding ₹ five lakh or 20 *per cent* of the existing budget provision under sub-head or, where there is no sub-head under a Minor head, whichever is more, arising out of extension of an existing activity shall also be treated as New Service. Expenditure on 'New Service' shall be met from the Contingency Fund during the course of the financial year.

In 10 grants (37 cases) an expenditure of ₹ 88.80 crore was incurred during 2011-12 on New Services i. e. the expenditure was more than 20 *per cent* of the budget provision and exceeded ₹ five lakh in each case (***Appendix 2.11***). In all these cases expenditure on New Services was not met from the Contingency Fund and was incurred without the approval of Legislature.

2.8 Conclusion and Recommendations

During 2011-12, there was an overall saving of ₹ 6,537.27 crore against the total grants and appropriations of ₹ 73, 253.50 crore. The overall savings were the net result of saving of ₹ 6,537.39 crore offset by excess of ₹ 0.12 crore, which requires regularisation under Article 205 of the Constitution of India. Large savings indicated deficient budget estimates. The departments surrendered ₹ 6,079 crore (93 *per cent*) and the entire surrender was made on the last working day of the financial year leaving no scope for utilising these funds for other development purposes. In seven cases, ₹ 57.37 crore was surrendered in excess of savings. In 79 cases a lump-sum provision of ₹ 1,742.31 crore was made in the estimates in violation of provision of SBM. Of this, ₹ 1,573.72 crore (90 *per cent*) remained unutilised.

Rush of expenditure at the end of the year is another chronic feature noticed in the overall financial management, which indicates lack of budgetary control. In 37 cases the expenditure of ₹ 88.80 crore was incurred on New Services without the approval of the Legislature during 2011-12.

Review of some grants also revealed that (i) there were persistent savings ranging between ₹ 0.10 crore and ₹ 94 crore in Forest, Medical and Health, Food and Civil Supplies, Agriculture and Water Resources Departments, (ii) though the Tourism Department had been making provision every year in the estimates, there were no receipts during 2009-12. The provision of ₹ five crore was made by Tourism Department in budget estimates without ensuring the availability of land; an amount of ₹ 1.93 crore meant for utilisation on two projects was lying unutilised in PD Accounts of JDA, ADMA and with State Government since November 2010. An amount of ₹ 3.92 crore was lying blocked with the State Government since December 2010 and (iii) in Labour and Employment Department the State Government has not transferred (March 2012) labour cess of ₹ 229 crore to the Rajasthan Building and other Construction Workers Welfare Boar d, Jaipur collected during 2010-12. Inspection of treasuries indicated deficiencies in their functioning.

Recommendations:

- Efforts should be made by all the departments to submit realistic budget estimates keeping in view the trends of expenditure and actual requirement of both plan and non-plan funds, in order to avoid large scale savings/excess, re-appropriations and surrenders at the end of the year.
- Savings are to be worked out before hand and surrendered before the close of the financial year for its effective utilisation in other areas/schemes.
- The department should follow more reliable mechanism in budgeting to avoid persistent savings or excess.
- The Government may closely monitor the expenditure against the allocations in all departments and avoid excess expenditure over the grants.
- Expenditure against allocations should be spaced out and closely monitored in order to achieve the desired goals; else budgeting will remain an exercise on paper.
- Expenditure on New Service should be met from Contingency Fund and bear approval of the Legislature.
- Functioning of Treasuries should be monitored to avoid their deficient functioning.