

CHAPTER - II APPROPRIATION ACCOUNTS -1999-2000 AT A GLANCE

Total Number of grants/appropriations : 65

Total provisions and actual expenditure

(Rupees in crore)

Provision	Amount	Expenditure	Amount
Original	1121.99		
Supplementary	169.15		
Total gross provision	1291.14	Total gross expenditure	1160.12
Recoveries in reduction of expenditure	4.24	Deduct -Actual	
		Recoveries in reduction of expenditure	5.62
Total net provision	1286.90	Total net expenditure	1154.50

Voted and charged provision				
	Provision (Rs. in crore)		Expenditure (Rs. in crore)	
	Voted	Charged	Voted	Charged
Revenue	817.32	86.77	754.57	84.50
Capital	337.10	49.95	265.62	55.43
Total Gross :	1154.42	136.72	1020.19	139.93
Deduct - recoveries in reduction of expenditure	4.24	-	5.62	-
Total : Net	1150.18	136.72	1014.57	139.93

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 Introduction

The Appropriation Accounts are prepared every year indicating the details of amounts on various specified services actually spent by the Government vis-avis those authorised by the Appropriation Act in respect of both charged as well as voted items of the budget.

The objective of appropriation audit is to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with

the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure, excess and savings during 1999-2000 against 65 grants/appropriations was as follows:-

(Rupees in crore)

Nature of expenditure			Original grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure	Saving(-) Excess (+)
Voted	I.	Revenue	690.04	127.28	817.32	754.57	(-) 62.75
	II.	Capital	304.62	29.36	333.98*	262.77	(-)71.21
	III.	Loans	1.99	1.13	3.12	2.85	(-) 0.27
Total voted :			996.65	157.77	1154.42	1029.19	(-)134.23
Charged	IV	Revenue	82.33	4.44	86.77	84.50	(-)2.27
	V.	Capital	43.01	6.94	49.95	55.43	(+) 5.48
	VI.	Public Debt	125.34	11.38	136.72:	139.93	(+)3.21
Total Charged			125.34	11.38	136.72	139.93	(-) 131.02
Appropriation to Contingency Fund (if any)			-	-	-	-	-
Grand Total :			1121.99	169.15	129.14	1160.12	(-) 131.02

These were gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under revenue expenditure Rs.1.73 crore and Capital expenditure Rs.3.89 crore.

2.3 Results of appropriation Audit

2.3.1 Excess over provision relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs.418.95 crore for the following years were yet to be regularised.

Year	No. of Grant/ Appropriation	Grant/Appropriation (s)	Amount of Excess (Rs. in crore)
1986-87 (U.T Period)	13	1 ,7, 1 1 , 1 2, 1 3,15,17 , 30, 32,34 ,39, 40, 42	6.56

1986-87 (State Period)	28	1,2,3,6,7,8,10,11, 13, 14,16,18;19, 20,22,24,27,28,29,31 ,32,33,34,38,39,40,42,43	12.71
1987-88	16	14,18,19,22,23,24,26,30,31,32,33,34,35 40,42 ,and Public Debt	9.06
1988-89	12	1,13,15,17,21,24,30,31,32,34,40 and Public Debt	54.51
1989-90	15	8, 1 0, 1 5,30,3 1 ,32,33,34,38,40,43,45,48, 49 and Public Debt	17.49
1990-91	16	5,8, 13, 1 5, 1 9,23,24,26,30,3 1 ,32,34,40, 44,48 and Public Debt	28.61
1991-92	17	4,8,10,14,15,18,19,23,25,28,30,31,34, 37,42,43 and Public Debt	63.12
1992-93	11	14,15,1 8,28,30,3 1 ,34,40,43,2 1 ,38	27.91
1993-94	12	8, 1 5, 1 9,25,28,30,3 1 ,32,34,38,40,45	30.66
1994-95	18	6,8, 1 1 , 1 5,2 1 ,22,23,26,28,29,3 1 ,32,34, 38,40,42,43,45	64.45
1995-96	24	8,9,11,13,14,15,16,18,20,21,23,24,28, 29,31,32,34,40, 41,51,53,59,60 and Public Debt	38.41
1996-97	12	1,9,11,13,14,21,28,30,31,34,40,51	14.86
1997-98	15	9,10,11,13,15,20,25,30,31,34,41,46,48, 59 & 60	25.34
1998-99	15	1 ,7, 1 3, 1 5, 1 9,20,3 1 ,34,36,4 1 ,50,53 ,54, 64 and Public Debt	25.26
		Total	418.95

2.3.2 Original budget and supplementary provisions

(a) The overall saving of Rs. 131.02 crore was the result of saving of Rs.145.29 crore in 96 grants and appropriations offset by excess of Rs.14.27 crore in 7 cases of grants and appropriations.

(b) Supplementary provision made during the year constituted 15 per cent of the original provision as against 14 per cent in the previous year.

2.3.3 Unnecessary/excessive/inadequate supplementary provision

(a) Supplementary provision of Rs.11.29 crore made in 14 cases during the year proved unnecessary in view of aggregate saving of Rs.41.83 crore as detailed in Appendix - II.

(b) In 31 cases against additional requirement of Rs.63.58 crore, supplementary grants and appropriations of Rs.137.15 crore were obtained resulting in savings in each case exceeding Rs.10 lakh, aggregating Rs.73.57 crore. Details of these cases are given in Appendix - III.

2.3.4 Substantial savings/excesses

(a) The excess of Rs.8.78 crore under 6 grants and Rs.5.49 crore under 1 appropriation require regularisation under Article 205 of the Constitution. Details of these are given in Appendix - IV.

(b) In 5 cases, supplementary provision of Rs. 10.35 crore proved insufficient by more than Rs.10 lakh in each grant, leaving an aggregate uncovered excess expenditure of Rs.13.76 crore as per details given in Appendix - V.

(c) In 24 cases, expenditure fell short by more than Rs.1 crore in each case and also by more than 10 per cent of the total provision as indicated in Appendix - VI. In 7 of the above cases (Sl.No.10, 13 to 17 & 22) 81 to 100 per cent of the total provision totaling Rs.41.76 crore was not utilised.

(d) In 4 cases, expenditure exceeded the approved provisions by Rs.25 lakh or more and also by more than 10 per cent of the total provision. Details of these are given in Appendix - VII. In 1 out of above 4 cases the expenditure exceeded the approved provision by over 80 per cent.

2.3.5 Persistent savings/excess

(a) In 27 cases there were persistent savings in excess of Rs.10 lakh in each case and 10 per cent or more of the provision. Details are given in Appendix - VIII.

(b) Excess (2 to 45 per cent) was persistent in 2 cases as detailed in Appendix - VIII A.

Persistent excess requires investigation by the Government for remedial action.

2.3.6 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. Cases where injudicious re-appropriation of funds that resulted in excess/saving by over Rs.20 lakh are given in Appendix - IX.

2.3.7 New Service/New Instrument of Service

Article 205 of the Constitution provides that expenditure on a "New Services" not contemplated in the Annual Financial Statement (Budget) can be incurred only after its specific authorisation by the Legislature. The Government have issued orders based on recommendations of Public Accounts Committee laying down various criteria for determining items of 'New Service'/'New instrument of Service'.

In 18 cases, expenditure totaling Rs.6.28 crore which should have been treated as 'New Service'/'New Instrument of Service' was met by re-appropriation without obtaining the requisite approval of legislature. Details of these cases are given in Appendix-X. ,

2.3.8 Expenditure without provision

As envisaged in the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds therefor. It was however, noticed that expenditure of Rs.251.22 lakh was incurred in 5 cases as detailed in Appendix - XI without provision having been made either in the original estimates or in the supplementary demands and no re-appropriation orders were issued.

2.3.9 Anticipated savings not surrendered

According to rules framed by Government the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, at the close of the year 1999-2000 there were 33 grants/appropriations in which large savings had not been surrendered even partially by the department. The amount involved was Rs.63.37 crore. In 14 cases, the amount of available savings of Rs.1 crore and above in each case not surrendered aggregated Rs.54.66 crore. This indicates lack of financial control. Details are given in Appendix - XII.

2.3.10 Surrender in excess of actual savings

In 3 cases, the amount surrendered was in excess of actual savings and in one case though there was excess expenditure under Capital head of account in respect of one grant, the amount surrendered inflated this excess expenditure under the grant indicating inadequate budgetary control. As against the total amount of actual savings of Rs.1.42 crore, the amount surrendered was Rs.1.56 crore resulting in excess surrender of Rs.0.14 crore and further, against the excess expenditure of Rs.0.11 crore under Revenue Section of one grant, the amount surrendered was Rs.0.10 crore which resulted in injudicious surrender. Details are given in Appendix - XIII.

The above instances of budgetary irregularities are reported from year to year in Chapter II of the Audit Report. If the precautions are taken by all the departments in the light of the observations made in Chapter II of the Report these could be minimised to a great extent.

2.3.11 Non-receipt of explanations for savings/excesses

For the year 1999-2000, explanations for savings/excesses were either not received or where received were incomplete in respect of 258 heads of Accounts which form 75 per cent of the number of heads.

2.4 Expenditure and budgetary control

2.4.1 Un-reconciled Expenditure

Financial rules requires that the Departmental Controlling Officers should reconcile periodically the departmental figures of expenditure with those booked by the Accountant General. In respect of 3 departments, expenditure of Rs. 101.70 crore (Director of Accounts Rs. 37.20 crore under grant no. 13-Major head 2071, Police - Rs.60.95 crore under grant no. 8 - Major head 2055 & 4055 and Sports and Youth Service - Rs.3.55 crore under grant no. 52 -Major head 2204 & 4202) pertaining to 1999-2000 remained unreconciled till April 2000.

2.4.2 Drawal of funds in advance of requirement

i) Deputy Comptroller, Legal Metrology and Consumer Affairs, Itanagar drew (March 1998) Rs.90.48 lakh for construction of 12 district court buildings at a cost of Rs.7.54 lakh each. The concerned Deputy Commissioners (DCs) of 12 districts were provided with Rs.7.54 lakh each in the form of Bank Drafts (May 1998 to June 1998). Scrutiny of records revealed that court building in respect of Anini was not started because of non-allotment of land from the DC of the respective districts and that of Ziro and Changlang also was not started for non-finalisation of building plan and thus the amount of Rs.22.62 lakh (3 X 7.54 lakh) remained unutilised and locked with DCs of 3 districts for more than one and a half years.

ii) Similarly the Deputy Director of School Education , Upper Subansiri District, Daporijo received Rs.4.47 lakh from Director of School Education in September 1998 for establishment of one non-formal Education Centre in the district, out of which only an amount of Rs.0.45 lakh was spent upto March 2000 and the balance of Rs.4.02 lakh was retained in hand for about 2 years (August 2000).

Rs.31.88 lakh was drawn in advance of requirement and its continued retention resulted in locking up of funds for a period ranging from 1 Vz years to 3 years 10 months

iii) Again, scrutiny of records of Deputy Director of School Education, Lohit District, Tezu revealed that an amount of Rs.5.24 lakh, being pay and allowances, TA and contingency etc. was lying undisbursed from April 1996 till January 2000 i.e. for a period of about 3 years and 10 months.

Thus, the drawal of Rs.31.88 lakh (Rs.22.62 lakh + Rs.4.02 lakh + Rs.5.24 lakh) in advance of actual requirement and its continued retention resulted in locking up of funds for a period ranging from P/2 years to 3 years and 10 months besides loss of Rs.2.79 lakh at the normal bank rate of interest 4.5 per cent per annum.

2.4.3 Misclassification of revenue

Under the list of Major and Minor Head of Accounts of Union and State, all receipts collected under the provisions of

the Indian Motor Vehicle Act and State Motor Vehicle Taxation Act shall be classified under the Major Head of Account viz., 0041.

A cross check of records of the Superintendent of Police, Along and Pasighat revealed (November 1999) that fine of Rs.8.97 lakh was collected (between October 1993 and September 1999) from different owners of motor vehicles for violation of the Provisions of the Motor Vehicles Act, 1988. The said amount of the fine was, however, deposited (between October 1993 and September 1999) into the head of account "0055-Police Receipt" through 253 treasury challans. This resulted in misclassification of motor vehicles revenue of Rs.8.97 lakh and the discrepancy has not yet been reconciled (September 2000).

The matter was reported to Government (November 2000); their reply had not been received (December 2000).