

CHAPTER-II

ALLOCATIVE PRIORITIES AND APPROPRIATION

2.1 Introduction

The Appropriation Accounts prepared annually indicate 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.

Audit of appropriation 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 whether the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure incurred is in conformity with law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2007-2008 against grants and appropriations was as follows:

(Rupees in crore)

	Nature of expenditure	Original grants/ appropriation	Supplementary grants/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I. Revenue	2907.33	333.04	3240.37	2344.46	-895.91
	II. Capital	919.76	89.60	1009.36	878.38	-130.98
	III. Loans & Advances	16.57	13.00	29.57	24.59	-4.98
Total Voted		3843.66	435.64	4279.30	3247.43	-1031.87
Charged	IV. Revenue	520.85	0.76	521.61	471.17	-50.44
	V. Capital	0.10	1.58	1.68	1.52	-0.16
	VI. Public Debt	205.85	0.00	205.85	68.30	-137.55
Total Charged		726.80	2.34	729.14	540.99	-188.15
Grant Total		4570.46	437.98	5008.44	3788.42	-1220.02

Note:- The expenditure includes the recoveries of revenue expenditure amounting to Rs 37.87 crore and capital expenditure amounting to Rs 21.37 crore adjusted as reduction of expenditure.

The overall savings of Rs 1,220.02 crore as mentioned above were net result of savings of Rs 1,220.05 crore in 82 grants and appropriations offset by excess of Rupees three lakh in one appropriation.

2.3 Fulfillment of Allocative Priorities

2.3.1 Appropriation by Allocative Priorities

Out of savings of Rs 1,031.87 crore under voted grants, major savings of Rs 884.17 crore (85 per cent) occurred in five grants as mentioned below:

(Rupees in crore)

Sr. No.	Grant No.	Allocation			Actual Expenditure	Savings
		Original	Supplementary	Total		
1.	TREASURY AND ACCOUNTS ADMINISTRATION NORTH GOA (REVENUE VOTED)					
	8	201.85	--	201.85	153.40	48.45
2.	INDUSTRIES, TRADE AND COMMERCE (REVENUE VOTED)					
	19	19.27	--	19.27	5.84	13.43
3.	PUBLIC WORKS (CAPITAL VOTED)					
	21	266.64	30.49	297.13	221.49	75.64
4.	SMALL SAVINGS AND LOTTERIES (REVENUE VOTED)					
	30	688.65	0.95	689.60	6.12	683.48
5.	MUNICIPAL ADMINISTRATION (REVENUE VOTED)					
	55	105.57	--	105.57	42.40	63.17
Total		1281.98	31.44	1313.42	429.25	884.17

Reasons for savings in the above grants were as follows:

- **Treasury and Accounts Administration – North Goa:** Savings were mainly on account of enhancement in the retirement age of employees and receipt of less number of applications for commutation of pension.
- **Industries, Trade and Commerce:** Savings were mainly on account of non-filling of vacant posts; non-receipt of administrative approval/expenditure sanctions from Government.
- **Public Works Department:** Savings were mainly due to non taking up of the Water Supply & Sanitation Scheme due to technical reasons.
- **Lotteries:** Savings were mainly on account of stoppage of lottery business in August 2002. However, Budget Provision continued in 2007-08 also.
- **Municipal Administration:** The anticipated savings were mainly due to non-receipt of proposal from GSUDA for release of funds under Jawaharlal Nehru National Urban Renewal Mission.

Areas in which major savings occurred in these grants/appropriation are given in *Appendix 2.1*.

In 15 other cases, savings exceeding Rs two crore in each case and also by more than 10 *per cent* of the total provision amounted to Rs 198.32 crore as indicated in *Appendix 2.2*.

2.3.2 Excess requiring regularisation

Excess over provision relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for the State Government to get the excess over a grant or appropriation regularised by the State Legislature. However, excess expenditure amounting to Rs 1,860.98 crore for the years 1998-1999 to 2006-2007 was yet to be regularised. Details are given in *Appendix 2.3*.

Excess over provisions during 2007-08 requiring regularisation

The excess of Rs 2.57 lakh under one grant during the year requires regularisation under Article 205 of the Constitution. Details are given below:

(Amount in Rupees)

Sr. No.	No. and name of Grant/appropriation	Total Grant/appropriation	Actual expenditure	Excess
Capital (Voted)				
1.	43 – Art & Culture	5,80,02,000	5,82,59,094	2,57,094

The reason for excess is awaited.

2.3.3 Original budget and supplementary provisions

Supplementary provisions (Rs 437.98 crore) made during this year constituted 9.58 *per cent* of the original provision (Rs 4,570.46 crore) as against 4.92 *per cent* in the previous year.

2.3.4 Unnecessary/excessive/inadequate supplementary provisions

Supplementary provisions of Rs 6.83 crore made in 19 cases during the year proved unnecessary in view of aggregate savings of Rs 18.32 crore as detailed in *Appendix 2.4*.

In 14 cases, against additional requirement of only Rs 100.83 crore, supplementary provision of Rs 118.69 crore was obtained, resulting in savings in each case exceeding Rs 10.00 lakh, aggregating to Rs 17.86 crore (*Appendix 2.5*).

2.3.5 Anticipated savings not surrendered

According to rules, 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 2007-08, savings of Rs 10 lakh and above in each case aggregating to Rs 3.27 crore in four cases had not been surrendered. In eight cases, even after partial

surrender, savings of Rs 10 lakh and above in each case aggregating Rs 118.67 crore occurred. Details are given in *Appendix 2.6* and *2.7* respectively.

2.3.6 Surrender in excess of actual savings/inspite of excess expenditure over provisions

In one case, the amount surrendered was in excess by Rs 10 lakh and above of actual savings, indicating inadequate budgetary control as detailed below:

(Amount in Rupees)

Sr.No.	No. and name of Grant/appropriation	Total Grant	Expenditure	Savings	Savings surrendered	Excess amount surrendered
Capital (Voted)						
1.	55 – Muncipal Administration	1,18,00,000	1,15,40,901	2,59,099	13,02,000	10,42,901

2.4 Unreconciled Expenditure

The departmental officers are required to reconcile periodically and before the close of the accounts of a year, the departmental figures of expenditure with those recorded in the books of the Director of Accounts. The Public Accounts Committee in its forty-eighth report (1992) had also desired that punitive action be taken against erring Budget Controlling Authorities (BCAs). During 2007-08, out of 85 Budget Controlling Authorities (BCAs), 42 BCAs had not carried out such reconciliation for the entire year in respect of 1,517 units under their control involving Rs 1,292.04 crore and 31 BCAs had not carried out such reconciliation for part of the year in respect of 1,528 units under their control involving Rs 293.34 crore. The unreconciled period in case of the partially reconciled units ranged from one to eight months. The details of the major BCAs, who did not reconcile the expenditure were as follows:

(Rupees in crore)

Sr. No.	Budget Controlling Authority who did not reconcile their figures	Amount not reconciled
1.	Director General of Police	93.35
2.	Chief Engineer, PWD	472.78
3.	Director of Education	303.07
4.	Director of Municipal Administration	43.56
5.	Director of Animal Husbandry & Veterinary Services	16.98
6.	Chief Conservator of Forests	21.21
7.	Secretary, Water Resources	196.76
8.	Director of Information & Technology	45.54
9.	Under Secretary, Finance (Bud)	10.25
10.	Director of Art & Culture	11.16
11.	Dean, Goa Medical College	15.48
12.	Director of Health Services and Human Behaviour	11.18
13.	Director of Agriculture	20.45
14.	Chief Electrical Engineer	171.54
15.	Director of Tourism	16.00
	TOTAL	1449.31

2.5 Advances from the Contingency Fund

The Contingency Fund of the State of Goa was established under the Goa Contingency Fund Act, 1988 in terms of the provision under Article 267 of the Constitution of India. The Fund was established with the objective of meeting expenditure of an unforeseen and emergent character, the postponement of which till its authorization by the Legislature would not be desirable.

The fund was in the nature of an imprest with legislative approval with corpus of Rs 30 crore which was temporarily raised to Rs 200 crore on 24 January 2008 by issue of an Ordinance. During the year advances of Rs 197.53 crore were drawn from the fund by issuing 127 sanctions and the same were recouped. The closing balance of the Fund as on 31 March 2008 was Rs 200 crore.

2.6 Outstanding Advances

2.6.1 Outstanding AC bills

According to the General Financial Rules followed by the Government of Goa, money should not be drawn from treasury in advance and/or in excess of requirement. As per Rules, Detailed Contingent (DC) bills are to be submitted against the Abstract Contingent (AC) bills within one month from the date of drawal. Certain Departments like Health have been given extended time limit of 12 months for submission of DC Bills.

As per information furnished by the Director of Accounts, 243 AC Bills involving an amount of Rs 14.42 crore drawn by various Departments up to March 2008, were pending adjustment as on 30 June 2008.

Year-wise position of these outstanding AC bills was as follows:

Year	No. of AC Bills Pending	Amount (Rupees in crore)
Upto 2003-2004	22	0.32
2004-2005	12	0.26
2005-2006	33	1.26
2006-2007	29	0.61
2007-2008	147	11.97
TOTAL	243	14.42

The Departments against which substantial amounts were outstanding are as follows:

Sr. No.	Department/office	No. of AC bills	Amount (Rupees in crore)	Earliest year to which AC bills pertained
1.	General Administration Department	10	1.05	1994-95
2.	Collector, North Goa	18	0.36	1984-85
3.	Collector, South Goa	15	0.37	2002-03
4.	Chief Electoral Officer	82	2.40	2003-04
5.	Directorate of Sports and Youth Affairs	20	0.55	2005-06
6.	Directorate of Health Services	14	2.83	2001-02
7.	Information and Publicity	5	0.66	1999-00
8.	Goa Medical College	11	4.64	2007-08

2.6.2 Outstanding advances to Government servants

Scrutiny revealed that Rs 3.96 crore advances paid up to March 2008 to Government servants on account of Traveling Allowances, Leave Travel Concessions, etc., were pending adjustment as of June 2008. The Departments against which a large number of such advances were outstanding are:

Sr. No.	Department/office	No. of Cases	Amount (Rupees in crore)	Earliest year to which advance pertained
1.	Directorate of Sports & Youth Affairs	26	1.12	2004-05
2.	Directorate of Health Services	30	0.49	2004-05
3.	Electricity Department	44	0.33	2005-06
4.	Public Works Department	33	0.23	2005-06
5.	Director General of Police	123	0.42	1991-92