

CHAPTER - II
APPROPRIATION AUDIT AND CONTROL OVER
EXPENDITURE

APPROPRIATION ACCOUNTS – 2001-2002 AT A GLANCE

Total No. of Grants : 82

Total No. of appropriations : 03

Total provision and actual expenditure

Provision	Amount (Rs. in crore)	Expenditure	Amount (Rs. in crore)
Original	3302.80		
Supplementary	294.91		
Total Gross Provision	3597.71	Total Gross expenditure	3474.11
Deduct – Estimated recoveries as reduction of expenditure	84.96	Deduct – Actual recoveries as reduction of expenditure	33.59
Total net provision	3512.75	Total net expenditure	3440.52

Voted and Charged provision and expenditure

	Provision (Rupees in crore)		Expenditure (Rupees in crore)	
	Voted	Charged	Voted	Charged
Revenue	2034.09	285.46	1866.02	263.13
Capital	1116.22	161.94	875.16	469.79
Total Gross	3150.31	447.40	2741.18	732.93
Deduct – Recoveries in reduction of expenditure	84.96	-	33.59	-
Total : Net	3065.35	447.40	2707.59	732.93

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 Introduction

2.1.1 In accordance with the provisions of Article 204 of the Constitution of India, soon after the grants under Article 203 are approved by the State Legislature, an Appropriation Bill is introduced to provide for appropriation out of the Consolidated Fund of the State. The Appropriation Bill passed by the State Legislature contains authority to appropriate certain sums from the Consolidated Fund of the State for the specified services. Subsequently, supplementary or additional grants can also be sanctioned by subsequent Appropriation Acts in terms of Article 205 of the Constitution of India.

2.1.2 The Appropriation Act includes the expenditure which has been voted by the Legislature on various grants in terms of Article 204 and 205 of the Constitution of India and also the expenditure which is required to be charged on the Consolidated Fund of the State. The Appropriation Accounts are prepared every year indicating the details of amounts on various specified services actually spent by Government vis-a-vis those authorized by the Appropriation Act.

2.1.3 The objective of appropriation audit is to ascertain whether the expenditure actually incurred under various grants is within the authorization given under the Appropriation Act and the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2001-2002 against grants/appropriations was as follows:

	Nature of expenditure	Original grant/appropriation	Supplementary grant/appropriation	Total	Actual Expenditure	Saving (-) Excess (+)
(Rupees in crores)						
Voted	I. Revenue	1813.47	220.62	2034.09	1866.02	(-)168.07
	II. Capital	359.90	71.87	431.77	190.88	(-)240.89
	III. Loans and Advances	2.75	1.70	4.45	4.28	(-) 0.17
Total Voted		2176.12	294.19	2470.31	2061.18	(-) 409.13
<i>Charged</i>	<i>IV Revenue</i>	<i>2.09</i>	<i>0.27</i>	<i>2.36</i>	<i>2.17</i>	<i>(-) 0.19</i>
	<i>V. Capital</i>	<i>0.46</i>	<i>0.45</i>	<i>0.91</i>	<i>0.87</i>	<i>(-) 0.04</i>
	<i>VI. Public Debt</i>	<i>444.13</i>	<i>-</i>	<i>444.13</i>	<i>729.89</i>	<i>(+)285.76</i>
Total charged		446.68	0.72	447.40	732.93	(+)285.53
Appropriation to contingency funds		680.00	-	680.00	680.00	-
Grand Total		3302.80	294.91	3597.71	3474.11	(-) 123.60

Note:

- These were gross figures without taking into account the recoveries adjusted in account as reduction of expenditure under revenue heads Rs.28.12 crore and Capital heads Rs.5.47 crore.
- The total expenditure was understated to the extent of unrecouped amount of Rs.14.24 crore drawn from Goa Contingency Fund.

2.3 Results of Appropriation Audit

Excess over provision relating to previous years requiring regularization

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.86.21 crore for the year 1987-2001 was yet to be regularized. Of these Rs.42.87 crore pertaining to the years 1987-1996 had already been finally recommended for regularisation by the Public Accounts Committee.

2.4 Comments on Expenditure and Budgetary Control

2.4.1 The overall savings of Rs. 123.60 crore were the result of savings of Rs.431.52 crore in 81 grants and appropriations offset by excess of Rs.307.92 crore in 2 grants and appropriation.

2.4.2 Supplementary provisions constituted 8.93 *per cent* of the original provision as against 13.90 *per cent* in the previous year.

2.4.3 Supplementary provision of Rs.78.12 crore made in 30 cases proved unnecessary in view of aggregate savings of Rs.184.34 crore (Appendix-I).

2.4.4 In 17 cases against additional requirement of Rs.153.50 crore, supplementary grants and appropriation of Rs.205.34 crore were obtained resulting in savings in each case exceeding Rs.25 lakh aggregating Rs.51.84 crore. Details of these cases are given below:-

Sr. No	Grant/Appropriation	Original	Supple-mentary	Total	Expen-diture	Savings
(Rupees in lakh)						
Revenue – Voted						
1.	1 – Legislature Secretariat	391.00	68.50	459.50	409.13	50.37
2.	2 – General Administration and Coordination Dept.	914.81	317.38	1232.19	987.18	245.01
3.	8 – Treasury Accounts Administration (North)	8897.00	3600.00	12497.00	12225.70	271.30
4.	12 – Sales and Entertainment Tax	302.00	136.26	438.26	386.64	51.62
5.	13 – Transport	822.00	262.01	1084.01	855.31	228.70
6.	31 – Panchayats	1232.00	1030.48	2262.48	1945.56	316.92
7.	40 – Goa College of Engineering	409.85	98.02	507.87	450.41	57.46
8.	42 – Sports and Youth Affairs	673.00	420.00	1093.00	1023.87	69.13

9.	55 – Municipal Administration	1107.99	415.41	1523.40	1366.01	157.39
10.	57 – Social Welfare	374.01	1970.00	2344.01	2225.41	118.60
11.	64 – Agriculture	1361.52	103.60	1465.12	1411.54	53.58
12.	73 – State Election Commission	30.00	101.97	131.97	95.36	36.61
13.	76 – Electricity	33896.00	11204.00	45100.00	41892.14	3207.86
Capital – Voted						
14.	19 – Industries and Mines	10.61	300.00	310.61	108.07	202.54
15.	43 – Art and Culture	200.00	245.41	445.41	407.48	37.93
16.	64 - Agriculture	47.50	111.30	158.80	105.81	52.99
17.	78 - Tourism	506.50	150.00	656.50	630.03	26.47
Total		51175.79	20534.34	71710.13	66525.65	5184.48

2.4.5 The excess expenditure of Rs.307.92 crore under 2 grants and 1 appropriation require regularisation under Article 205 of the Constitution of India. Details of these grants are given below:

Sr. No	Number and name of grant/ appropriation	Total grant or appropriation (Rs)	Actual expenditure (Rs)	Excess Expenditure (Rs)
1.	Appropriation – Debt Services (Capital)	1,61,03,00,000	4,68,92,35,841	3,07,89,35,841
Capital - Voted				
2.	44 – Goa College of Arts	6,00,000	6,43,500	43,500
3.	58 – Women and Child Development	1,00,000	2,72,322	1,72,322
Total		1,61,10,00,000	4,69,01,51,663	3,07,91,51,663

2.4.6 In 25 cases expenditure fell short by more than Rs.10 lakh in each case and also by more than 10 per cent of the total provision as indicated below:-

(Rupees in lakh)

Sr. No	Grants/ Appropriation	Original	Supple-mentary	Total	Expen-diture	Savings
Revenue – Voted						
1.	30 – Lotteries	64983.00	-	64983.00	58545.00	6438.00
2.	44 – Goa College of Art	76.00	-	76.00	65.71	10.29
3.	45 – Archives and Archaeology	227.00	-	227.00	117.57	109.43
4.	46 – Museum	59.00	-	59.00	44.72	14.28
5.	51 – Goa Dental College	208.00	-	208.00	176.76	31.24
6.	59 – Factories and Boilers	96.00	10.00	106.00	88.72	17.28

7.	60 – Employment	64.00	-	64.00	50.94	13.06
8.	66 – Fisheries	315.28	-	315.28	281.80	33.48
9.	67 – Ports Administration	285.00	-	285.00	255.46	29.54
10.	71 – Co-operation	292.90	-	292.90	257.40	35.50
11.	72 – Science, Technology and Environment	108.00	-	108.00	77.54	30.46
12.	74 – Water Resources	1704.00	-	1704.00	1487.09	216.91
13.	80 - Legal Meterology	70.00	-	70.00	56.47	13.53
14.	82 - Information Technology	500.00	-	500.00	68.21	431.79
Capital - Voted						
15.	32 - Finance	3100.00	-	3100.00	705.00	2395.00
16.	42 – Sports and Youth Affairs	345.00	-	345.00	191.28	153.72
17.	47 – Goa Medical College and Hospital	399.00	-	399.00	314.19	84.81
18.	48 – Health Services	189.75	-	189.75	22.09	167.66
19.	49 – Institute of Psychiatry and Human Behavior	35.00	-	35.00	9.95	25.05
20.	62 - Law	95.00	-	95.00	49.39	45.61
21.	66 - Fisheries	154.00	-	154.00	41.04	112.96
22.	67 – Ports Administration	104.00	-	104.00	19.11	84.89
23.	68 - Forests	112.50	-	112.50	65.18	47.32
24.	70 – Civil supplies and Price control	5690.00	-	5690.00	383.79	5306.21
25.	72 – Science, Technology and Environment	-	95.00	95.00	79.63	15.37
Total		79212.43	105.00	79317.43	63454.04	15863.39

2.5 Anticipated Savings not surrendered

According to extant rules spending departments should surrender the grants/appropriation or portion thereof to the Finance Department as and when the savings are anticipated. However, at the close of the year there were 3 grants in which savings of Rs.2.46 crore had not been surrendered by the department. In 14 grants the amount of available savings of Rs.one crore and above amounting to Rs.244.72 crore were surrendered to the extent of Rs.152 crore only (Appendix-II and II-A).

2.6 Surrender in excess of savings

In 12 cases amount surrendered was in excess of actual savings indicating inadequate budgetary control. While savings were Rs.69.94 crore, amount surrendered was Rs.70.51 crore (Appendix-II-B).

2.7 Trend of recoveries and credits

2.7.1 Under the system of gross budgeting followed by Goa Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts as reduction of expenditure. The anticipated recoveries and credits are shown separately in the budget estimates.

2.7.2 In 3 grants the actual recoveries adjusted in reduction of expenditure of Rs.14.14 crore exceeded the estimated savings (Rs.10.06 crore) by Rs.4.08 crore and in 6 grants the actual recoveries (Rs.19.45 crore) were less than the estimated recoveries (Rs.74.90 crore) by Rs.55.45 crore. More details are given in Appendix to Appropriation Accounts 2001-2002.

2.8 Amounts held under objection for various reasons

Drawal of money by departments on abstract contingent bills, without adequate details and supporting documents, has been permitted by Government in order to enable the department to make payments of an urgent nature. The facility is, however, subject to the condition that they shall submit to the Director of Accounts within one month detailed contingent bill with the supporting documents, duly countersigned by competent authorities. Rs.249.22 lakh drawn by various departments on abstract contingent bills upto March 2002 were pending adjustment as on 30 September 2002 due to non-receipt of detailed accounts. Of these Rs.6.14 lakh pertained to the period prior to 1 April 1997. Year-wise break up of this amount was as follows:

Year	No. of A.C. bills	Amount (Rupees in lakh)
Up to 1997-1998	11	6.14
1998-1999	5	2.71
1999-2000	7	12.26
2000-2001	6	7.98
2001-2002	61	220.13
Total	90	249.22

As on 30 September 2002, grants-in-aid aggregating Rs.75.20 lakh paid was found outstanding in the objection books of Director of Accounts, Government of Goa due to non receipt of approved pattern of assistance from Government of India. Of these Rs.70 lakh paid to Captain of Ports was outstanding since 1990-91. No action has yet been taken to clear the objection.

As on 30 September 2002, Rs.773.11 lakh was objected to by Director of Accounts, Goa for want of Payees' Receipts. Details are as under:-

Sr. No.	Department/ Office	No. of cases	Amount (Rupees in lakh)	Earliest period
1.	Irrigation Department	49	293.28	1994-95
2.	Collectorate of South Goa	117	473.44	1992-93

In spite of the circular issued by Government of Goa in August 2001, for clearing the objections pertaining to AC bills, payees receipts etc. no action has been taken by these departments to clear the outstanding objections.

2.9 Unreconciled expenditure

2.9.1 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 Director of Accounts. The Public Accounts Committee in its fortyeighth report (1992) had also desired that punitive action be taken against erring Budget Controlling Officers. During 2001-02 out of 82 Budget Controlling Officers, 23 Budget Controlling Officers had not carried out such reconciliation in respect of 64 Drawing and Disbursing Officers (DDOs) under their control, involving expenditure of Rs.2.52 crore. In respect of 24 Budget Controlling Officers, out of 56 DDOs under their control, reconciliation was done partly by 46 DDOs out of which unreconciled amount of 2 DDOs of Electricity Department was Rs.341.09 crore. The expenditure not reconciled was Rs.366.27 crore. The period for which reconciliation was not made ranged between 3 and 10 months.