



CHAPTER II
ALLOCATIVE PRIORITIES AND
APPROPRIATION

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Appropriation and Control over Expenditure

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.

Appropriation Accounts at a Glance – 2006-07

The summarised position of original and supplementary grants/appropriations and expenditure thereagainst is given below:

Total Number of Grants/ Appropriations : 63 (58 Grants; 5 Appropriations)

Total Provision and Actual Expenditure

Table 2.1

(Rupees in crore)

Provision	Amount	Expenditure	Amount
Original	2,681.61		
Supplementary	153.39		2,331.93
Total Gross provision	2,835.00	Total Gross expenditure	2,331.93
Deduct – Estimated recoveries in reduction of expenditure	2.05	Deduct – Actual recoveries in reduction of expenditure	11.82
Total Net Provision	2,832.95	Total Net Expenditure	2,320.11

Voted and Charged Provision and Expenditure

Table 2.2

(Rupees in crore)

	Provision		Expenditure	
	Voted	Charged	Voted	Charged
Revenue	2,027.51	228.62	1,701.32	218.00
Capital ¹	460.39	118.48	325.73	86.88
Total: Gross	2,487.90	347.10	2,027.05	304.88
Deduct – Recoveries in reduction of expenditure	2.05	...	11.82	...
Total : Net	2,485.85	347.10	2,015.23	304.88

¹ Includes Loans and Advances and Public Debt.

2.1 Summary of Appropriation Accounts

The summarised position of actual expenditure, excess and savings during 2006-07 against the Grants/Appropriations was as follows:

Table 2.3

(Rupees in crore)

	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual expenditure	Saving (-) Excess (+)
Voted	I. Revenue	1,889.79	137.72	2,027.51	1,701.32	(-) 326.19
	II. Capital	401.07	14.35	415.42	319.77	(-) 95.65
	III. Loans and Advances	44.90	0.07	44.97	5.96	(-) 39.01
Total Voted		2,335.76	152.14	2,487.90	2,027.05	(-) 460.85
Charged	IV. Revenue	227.97	0.65	228.62	218.00	(-) 10.62
	V. Capital	...	0.60	0.60	0.60	...
	VI. Public Debt	117.88	...	117.88	86.28	(-) 31.60
Total Charged		345.85	1.25	347.10	304.88	(-) 42.22
Appropriation to Contingency Fund (if any)	
Grand Total		2,681.61	153.39	2,835.00	2,331.93	(-) 503.07⁽²⁾

2.2 Excess over provision relating to previous years requiring regularisation

According to 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.680.10 crore for the years 1971-72 to 2005-06 is yet to be regularised. The details are in **Appendix 2.1**.

2.3 Results of Appropriation Audit

2.3.1 The overall saving of Rs.503.07 crore was the result of saving of Rs.568.48 crore in 54 Grants and eight cases of Appropriations offset by excess of Rs.65.41 crore in six Grants and two cases of Appropriations.

2.3.2 Supplementary provision made during the year constituted 5.72 per cent of the original provision as against 7.52 per cent in the previous year.

⁽²⁾ Difference of Rs.0.01 crore with the Appropriation Accounts – 2006-07 is due to rounding.

2.4 Fulfilment of Allocative Priorities

2.4.1 Appropriation by Allocative Priorities

Out of overall savings of Rs.503.07 crore, major savings of Rs.459.09 crore (91 per cent) occurred in 11 cases³ of Grants and one Appropriation as mentioned below:

Table 2.4

Sl. No.	Number and name of Grant/Appropriation	Grant			Actual expenditure	Saving
		Original	Supplementary	Total		
1.	11 – Other Taxes and Duties on Commodities, etc. (Revenue – Voted)					
		152.66	12.15	164.81	91.69	73.12
2.	11 – Other Taxes and Duties on Commodities, etc. (Capital – Voted)					
		38.31	...	38.31	1.28	37.03
3.	13 – Secretariat General Services, etc. (Revenue – Voted)					
		48.48	...	48.48	34.29	14.19
4.	19 – Secretariat General Services, etc. (Capital – Voted)					
		35.74	6.59	42.33	21.47	20.86
5.	21 – Miscellaneous General Services, etc. (Revenue – Voted)					
		389.23	11.64	400.87	325.81	75.06
6.	29 – Urban Development, Capital outlay on Housing, etc. (Revenue – Voted)					
		23.37	5.50	28.87	14.08	14.79
7.	29 – Urban Development, Capital outlay on Housing, etc. (Capital – Voted)					
		14.64	...	14.64	0.16	14.48
8.	34 – Welfare of Scheduled Castes/Scheduled Tribes, etc. (Revenue – Voted)					
		107.94	3.91	111.85	55.17	56.68
9.	40 – North Eastern Areas, etc. (Revenue – Voted)					
		43.40	1.04	44.44	7.33	37.11
10.	50 – Forestry and Wildlife, etc. (Revenue – Voted)					
		55.90	7.42	63.32	37.97	25.35
11.	56 – Roads and Bridges, etc. (Capital – Voted)					
		155.41	...	155.41	104.44	50.97
12.	Appropriation – Internal Debt of the State Government (Capital – Charged)					
		95.20	...	95.20	55.75	39.45
	Total					459.09

Areas in which major savings occurred in these 12 cases of Grants/Appropriation are given in **Appendix 2.2**.

2.4.2 Unnecessary/Excessive/Insufficient Supplementary Provision

2.4.2.1 Supplementary provision of Rs.50.30 crore made in 16 cases during the year proved unnecessary in view of aggregate saving of Rs.331.65 crore as detailed in **Appendix 2.3**.

2.4.2.2 In 12 cases, against additional requirement of Rs.80.68 crore, supplementary grants of Rs.100.51 crore were obtained resulting in saving in each case exceeding Rs.10 lakh, aggregating Rs.19.82 crore. Details of these cases are given in **Appendix 2.4**.

³ Four cases relate to two same Grants (No. 11 & 29) but two under Revenue and the other two under Capital.

2.4.2.3 In two cases, supplementary provision of Rs.1.33 crore proved insufficient leaving an uncovered excess expenditure of Rs.21.76 crore as per details given in **Appendix 2.5**

2.4.2.4 In 29 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 2.6**.

2.4.3 *Persistent savings*

In 11 cases, there were persistent savings in excess of Rs.10 lakh in each case and 20 *per cent* or more of the provision. Details are given in **Appendix 2.7**.

2.4.4 *Excess requiring regularisation*

The excess of Rs.65.41 crore under six Grants and two cases of Appropriations requires regularisation under Article 205 of the Constitution. Details of these are given in **Appendix 2.8**.

2.4.5 *Excessive/unnecessary/injudicious 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 excessive/unnecessary/injudicious re-appropriation of funds resulted in excess/savings by over Rs.10 lakh are given in **Appendix 2.9**.

2.4.6 *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 noticed that expenditure of Rs.15.77 crore was incurred in 10 cases (expenditure exceeding Rs.10 lakh in each case), as detailed in **Appendix 2.10** without provision having been made in the original estimates/supplementary demands and without any re-appropriation orders.

2.4.7 *Anticipated savings not surrendered*

According to the rules framed by the Government, the spending departments are required to surrender funds to the Finance Department as and when savings are anticipated. At the close of the year 2006-07 there were 44 Grants/Appropriations (47 cases) in which large savings had not been surrendered by the departments. The amount involved was Rs.188.61 crore. Details are given in **Appendix 2.11**. The amount of available savings of Rs.1 crore and above in each case not surrendered aggregated Rs.180.31 crore in 15 cases.

2.4.8 Non-receipt of explanations for savings/excesses

For the year 2006-07, explanations for final savings/excesses were not received in respect of 99 major heads of account out of 107.

2.4.9 Unreconciled expenditure

Financial Rules require that the Departmental Controlling Officers should reconcile periodically the departmental figures of expenditure with those booked by the Accountant General. 45 heads of account (26 Controlling Officers) involving Rs.995.16 crore pertaining to 2006-07 remained unreconciled.

2.4.10 Rush of expenditure

Financial rules require that Government expenditure be evenly phased out throughout the year as far as possible. Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill-planned expenditure. The expenditure during the 4th quarter and in the month of March compared to the total expenditure during 2006-07 ranged between 25 and 85 *per cent* and 9 and 59 *per cent* respectively in respect of nine illustrative major heads of account as indicated in **Appendix 2.12**.

2.5 Control over Expenditure

According to the Meghalaya Treasury Rules, 1985, the Controlling Officers are to submit Detailed Countersigned Contingent (DCC) bills against the drawal of Abstract Contingent (AC) bills to the Accountant General (AG) within a month from the date of receipt of such bills in his office.

It was noticed that DCC bills for Rs.6.57 crore against 84 AC bills drawn between November 1992 and March 2007 by 40 Drawing and Disbursing Officers were not submitted to the AG and thus remained unregularised (June 2007). The details are given in **Appendix 2.13**.

Withdrawal of money on AC bills is exhibited in the accounts as expenditure for the purpose for which the funds were provided by the Legislature. Due to non-submission of DCC bills, the actual expenditure against the amount withdrawn on AC bills and the purpose for which the amounts were appropriated remained unassessed. The large scale non-adjustment of withdrawals on AC bills indicated serious deficiency in control over expenditure and is fraught with the risk of misappropriation of Government money.