

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 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 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 during 2002-2003 against grants/appropriation was as follows:

(Rupees in crore)

	Nature of expenditure	Original grants/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-) Excess (+)
Voted	I. Revenue	2098.94	99.37	2198.31	1734.64	(-) 463.67
	II. Capital	407.68	57.83	465.51	227.52	(-) 237.99
	III. Loans & Advances	4.81	7.34	12.15	12.20	(+) 0.05
Total Voted		2511.43	164.54	2675.97	1974.36	(-) 701.61
Charged	IV. Revenue	2.37	0.23	2.60	2.30	(-) 0.30
	V. Capital	4.20	0.70	4.90	4.07	(-) 0.83
	VI. Public Debt	488.02	45.04	533.06	1183.56	(+)650.50
Total Charged		494.59	45.97	540.56	1189.93	(+)649.37
Grand Total		3006.02	210.51	3216.53	3164.29	(-) 52.24

Note: - The expenditure includes the recoveries adjusted as reduction of expenditure under revenue expenditure Rs.28.74 and capital expenditure Rs.5.20 crore.

The overall savings of Rs.52.24 crore as mentioned above was the net result of savings of Rs.727.57 crore in 82 Grants and appropriations offset by excess of Rs.675.33 crore in one case of grant and appropriation each.

2.3 Fulfillment of Allocative Priorities

2.3.1 Appropriation by Allocative Priorities

(a) Out of saving of Rs.701.61 crore under voted grants major savings of Rs.574.48 crore (82 per cent) occurred in seven grants as mentioned below:

(Rupees in crore)

Sr.No.	Grant No.	Allocation			Actual Expenditure	Saving
		Original	Supplementary	Total		
1.	PUBLIC WORKS DEPARTMENT (REVENUE VOTED)					
	21	154.79	28.71	183.50	160.20	23.30
2.	PUBLIC WORKS DEPARTMENT (CAPITAL VOTED)					
	21	157.37	0.50	157.87	97.48	60.39
3.	LOTTERIES (REVENUE VOTED)					
	30	686.13	-	686.13	357.57	328.56
4.	FINANCE (CAPITAL VOTED)					
	32	23.00	-	23.00	5.00	18.00
5.	CIVIL SUPPLIES & PRICE CONTROL (CAPITAL VOTED)					
	70	56.90	-	56.90	(-) 4.38	61.28
6.	WATER RESOURCES (CAPITAL VOTED)					
	74	83.54	4.01	87.55	29.42	58.13
7.	DEBT SERVICE (REVENUE CHARGED)					
	Appropriation Debt Service	316.48	0.20	316.68	291.86	24.82
Total		1478.21	33.42	1511.63	937.15	574.48

Reasons for savings in the above grants were as follows:

1.Public Works Department

Revenue: Curtailment of expenditure on minor works, maintenance works etc. restriction on purchase material within stock limit, slow progress of works etc.

2. Capital: Non-execution of works in full due to change of scope of works, slow progress of roads of tourist importance, non-execution of mining roads.

3. Lotteries : Saving was mainly on account of stoppage of lottery business.

4. Finance : Saving was mainly on account of non-contribution of funds in Goa State Infrastructure Development Corporation as a measure of economy.

5. Civil Supplies and Price Control : Savings was mainly on account of non-lifting of food grains under Public distribution system and Government policy to distribute sugar to only Below Poverty Line card holders.

6. Water Resources : Saving was mainly on account of non-contribution to Goa Tillari Irrigation Development Corporation.

7. Debt Services: Saving was due to non-receipt of loans as anticipated.

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

(b) In 23 cases, savings exceeding Rs.1 crore in each case and also by more than 10 per cent of the total provision amounted to Rs.76.01 crore as indicated in *Appendix X*.

2.3.2 Excess requiring regularisation

(i) 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.351.15 crore for the years 1996-97 to 2001-02 was yet to be regularized. Details are given in *Appendix XI*.

(ii) Excess over provisions during 2002-03 requiring regularisation

The excess of Rs.675.33 crore under one grant and one appropriation during the year requires regularization under Article 205 of the Constitution. Details are given below.

Sr. No.	No. and name of Grant/appropriation	Total Grant/ appropriation	Actual expenditure	Excess
<i>Amount in Rupees</i>				
Capital (Charged)				
1.	Appropriation – Debt Services	216,37,78,000	891,70,35,966	675,32,57,966
Capital (Voted)				
2.	50 – Goa College of Pharmacy	3,00,000	3,11,025	11,025
	TOTAL	216,40,78,000	891,73,46,991	675,32,68,991

Reasons for the excesses had not been furnished by the Government as of July 2003.

2.3.3 Original budget and supplementary provisions

Supplementary provisions (Rs.210.51 crore) made during this year constituted 7 per cent of the original provision (Rs.3006.02 crore) as against 8.93 per cent in the previous year. Total supplementary grants (other than Public Debt) obtained during the year were Rs.165.47 crore while the ultimate saving other than Public Debt amounted to Rs.702.74 crore.

2.3.4 Unnecessary/excessive/inadequate supplementary provisions

(i) Supplementary provisions of Rs.19.45 crore made in 45 cases during the year proved unnecessary in view of aggregate saving of Rs.197.43 crore as detailed in *Appendix XII A*.

(ii) In 13 cases, against additional requirement of only Rs.11.59 crore, supplementary provision of Rs.55.75 crore was obtained, resulting in savings in each case exceeding Rs.25 lakh, aggregating Rs.44.16 crore (*Appendix XII B*).

(iii) In one case (Appropriation debt services charged) Supplementary Provision of Rs.216.38 crore proved insufficient leaving an uncovered expenditure of Rs.675.33 crore.

2.3.5 Surrender in excess of actual savings

In 11 cases, the amount surrendered was in excess of actual saving indicating inadequate budgetary control. As against savings of Rs.360.02 crore, the amount surrendered was Rs.422.80 crore resulting in excess surrender of Rs.62.78 crore (*Appendix XIII*).

2.3.6 Anticipated savings not surrendered

(a) 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 2002-03, savings of more than Rs.5.04 crore in six cases had not been surrendered. In 12 cases, even after partial surrender, savings of Rs.10 lakhs and above in each case aggregating Rs.35.43 crore were not surrendered. Details are given in *Appendix XIV-A* and *XIV-B* respectively.

2.3.7 Expenditure on New Service

According to Article 205 of the Constitution no expenditure should be incurred on a service not contemplated in the Budget except after getting vote of the Legislature or by an advance from the Contingency Fund. The Public Accounts Committee, Goa in the forty seventh report recommended the monetary limit of Rs.5 lakh for treating an item of non-recurring expenditure as a 'New Service/New Instrument of Services'.

During 2002-03, the Director of Education, Panaji spent Rs.6.14 crore on Cyberage Student Scheme (CSS) though no provision was made in the budget for 2002-03. The amount was diverted from the plan provision made under 'Computer Literacy Programme (CLP)'. The action of the Government resulted in by-passing the legislative control.

The Director of Education stated (December 2003) that total provision of Rs.9.92 crore was made for the CSS and CLP during 2002-03 and the expenditure on both the schemes (CLP and CSS) was met from the common budget head i.e. "Computer Literacy Programme". The reply was not tenable as the CSS and CLP were two different schemes and budget provision made also did not indicate clubbing of CSS in the budget provision made for CLP. Therefore, the expenditure was a "New service".

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 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 2002-03, out of 82 Budget Controlling Officers, 22 Budget Controlling Officers had not carried out such reconciliation in respect of 55 Drawing and Disbursing

Officers (DDOs) under their control, involving expenditure of Rs.85.74 crore. Four major Budget Controlling Officers, who did not reconcile the expenditure to the extent of Rs.46.11 crore were as follows:-

Sr.No.	Budget Controlling Authority who did not reconcile their figures	Amounts not reconciled (Rupees in crore)
1.	Chief Engineer, Water Resources	16.75
2.	Directorate of Higher Education	11.68
3.	Conservator of Forest	9.03
4.	Commissioner of Sales Tax	8.65
TOTAL		46.11

2.5 Outstanding Advances

2.5.1 Outstanding AC bills

According to Financial Rules, money should not be drawn from treasury in advance and/or in excess of requirement in order to prevent from lapsing and use it for expenditure after the end of the year. 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.

In August 2001, Government expressed anxiety regarding the outstanding AC bills and keeping of funds outside the Government account affecting the financial position of the State.

It was seen that as of 30th September 2003, amount outstanding under AC bills for want of DC bills was Rs.3.30 crore. Of this, Rs.3.05 crore pertain to the year 2002-03.

Further scrutiny revealed that the following 10 departments drew an amount of Rs.3.82 crore during January 2003 to March 2003 on AC bills though not required for immediate disbursement and retained an amount of Rs.2.76 crore in cash/cheque as of July 2003. The department wise breakup is given below:

Sr. No.	Name of Department/office	Amount drawn	Purpose	Amount outstanding
1.	Goa Medical College	107.59	Purchase of equipment, books etc.	97.89
2.	Chief Electoral Officer	5.70	Vehicles/ Equipment etc.	5.70
3.	Goa College of Pharmacy	14.50	- do -	14.50
4.	Department of Archives and Archeology	6.78	- do -	6.78
5.	Police Department	6.94	- do -	3.48
6.	Education Department	1.86	- do -	3.35
7.	Directorate of Sports	7.39	- do -	3.35
8.	Goa Legislature Secretariat	3.84	- do -	3.84
9.	Directorate of Health Services	100.00	- do -	10.32
10.	Department of Tourism	127.83	- do -	127.83
TOTAL		382.43		275.55

(Rupees in lakh)

It was thus obvious that on one hand the Government had to pay interest on the outstanding Ways and Means Advances and Overdrafts of Rs.87 crore as of March 2003 whereas the department have drawn moneys without requirement for immediate disbursement.

2.5.2 Outstanding advances to government servants

Scrutiny revealed that Rs.69.87 lakh being advances made upto March 2003 to Government servants on account of Traveling Allowances, Leave Travel Concession etc. were pending final adjustment as of September 2003. The departments against which a large number of such advances were outstanding are detailed below:

Sr. No.	Department/Office	No. of advances	Amount (Rupees in lakh)	Earliest advances pending for settlement
1.	Director General of Police	64	10.51	1988-89
2.	Directorate of Health Services	13	9.59	1988-89
3.	Legislature Department	20	8.56	1988-89
4.	General Administration Department	25	6.91	1988-89
5.	Public Works Department	14	3.88	1993-94
6.	Directorate of Education	4	3.33	2002-03