

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 2005-2006 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	2545.20	65.95	2611.15	1794.36	(-) 816.79
	II. Capital	585.70	94.00	679.70	593.92	(-) 85.78
	III. Loans & Advances	6.38	1.02	7.40	7.05	(-) 0.35
Total Voted		3137.28	160.97	3298.25	2395.33	(-) 902.92
Charged	IV. Revenue	405.77	0.31	406.08	423.48	(+) 17.40
	V. Capital	0.95	1.85	2.80	1.84	(-) 0.96
	VI. Public Debt	181.73	37.50	219.23	70.60	(-) 148.63
Total Charged		588.45	39.66	628.11	495.92	(-) 132.19
Grand Total		3725.73	200.63	3926.36	2891.25	(-) 1035.11

Note:- The expenditure includes the recoveries of revenue expenditure amounting to Rs. 27.11 crore and capital expenditure amounting to Rs.15.41 crore adjusted as reduction of expenditure.

The overall savings of Rs.1035.11 crore as mentioned above were net result of savings of Rs.1052.79 crore in 82 grants and appropriations offset by excess of Rs.17.68 crore in one grant and one appropriation.

2.3 Fulfillment of Allocative Priorities

2.3.1 Appropriation by Allocative Priorities

Out of savings of Rs.902.92 crore under voted grants, major savings of Rs.764.75 crore (84.70 per cent) occurred in five grants as mentioned below:

(Rupees in crore)

Sr. No.	Grant No.	Allocation			Actual Expenditure	Savings
		Original	Supplementary	Total		
1.	INDUSTRIES AND MINES (REVENUE VOTED)					
	19	28.20	-	28.20	10.67	17.53
2.	PUBLIC WORKS (CAPITAL VOTED)					
	21	180.48	8.97	189.45	166.65	22.80
3.	LOTTERIES (REVENUE VOTED)					
	30	687.90	-	687.90	4.61	683.29
4.	SCHOOL EDUCATION (REVENUE VOTED)					
	34	258.20	2.00	260.20	237.16	23.04
5.	ELECTRICITY (REVENUE VOTED)					
	76	455.35	-	455.35	437.26	18.09
Total		1610.13	10.97	1621.10	856.35	764.75

Reasons for savings in the above grants were as follows:

- **Industries and Mines Department:** Savings were mainly under Employment Subsidy Scheme, Interest Subsidy Scheme; Capital contribution to Industries, Reimbursement of Taxes to Village Panchayats/Municipalities, non implementation of Industrial Policy Scheme.
- **Public Works Department:** The anticipated savings were due to non-acquisition of land, non implementation of sewage schemes and Water Supply Schemes etc.
- **Lotteries:** Savings were mainly on account of stoppage of lottery business in August 2002. However, Budget Provision continued in 2005-06 also.
- **Education Department:** The anticipated savings were due to non-implementation of Operation Black Board Scheme, Feeding for School children 6-11 years, Bharat Yatra, Cyberage Student Scheme, Computer Literacy and studies in schools.
- **Electricity Department:** The anticipated savings were mainly due to curtailment of purchases and credit received from NTPC towards bulk purchase of power.

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

In 14 cases, savings exceeding Rs. two crore in each case and also by more than 10 per cent of the total provision amounted to Rs. 66.39 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.1843.21 crore for the years 1998-1999 to 2004-2005 was yet to be regularised. Details are given in **Appendix 2.3**.

Excess over provisions during 2005-06 requiring regularisation

The excess of Rs.17.68 crore under one grant and one appropriation during the year requires regularisation 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>				
Revenue (Charged)				
1.	Appropriation - Debt Services	402,68,62,000	420,36,31,547	17,67,69,547
Capital (Voted)				
2.	38 - Government Polytechnic	6,00,000	6,14,886	14,886
	TOTAL	402,74,62,000	420,42,46,433	17,67,84,433

The excess was due to payment of interest on special securities issued to NSSF of the Central Government by the State Government and on General Provident Fund.

2.3.3 Original budget and supplementary provisions

Supplementary provisions (Rs.200.63 crore) made during this year constituted 5.38 *per cent* of the original provision (Rs.3725.73 crore) as against five *per cent* in the previous year.

2.3.4 Unnecessary/excessive/inadequate supplementary provisions

Supplementary provisions of Rs.56.06 crore made in 19 cases during the year proved unnecessary in view of aggregate savings of Rs. 224.28 crore as detailed in **Appendix 2.4**.

In 18 cases, against additional requirement of only Rs. 81.72 crore, supplementary provision of Rs. 104.08 crore was obtained, resulting in savings in each case exceeding Rs.10.00 lakh, aggregating Rs.22.36 crore (**Appendix 2.5**).

In one case (Appropriation Debt Services), supplementary provision of rupees ten thousand proved insufficient leaving an uncovered expenditure of Rs.17.68 crore.

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 2005-06, savings of Rs.10 lakh and above in each case aggregating to Rs. 1.65 crore in three cases had not been surrendered. In 13 cases, even after partial surrender, savings of Rs.20 lakh and above in each case aggregating Rs.135.04 crore were not surrendered. Details are given in *Appendix 2.6* and *2.7* respectively.

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

In four cases, the amount surrendered was in excess by Rs.10 lakh and above in each case of actual savings, indicating inadequate budgetary control. The surrender orders were issued by the Budget Controlling Authorities for Rs.68.07 crore as against the actual saving of Rs.29.80 crore resulting in excess surrender of Rs.38.27 crore. Details are given in *Appendix 2.8*.

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 2005-06, out of 86 Budget Controlling Authorities (BCAs), 32 BCAs had not carried out such reconciliation for the entire year in respect of 80 units under their control involving Rs.486.22 crore and 25 BCAs had not carried out such reconciliation for part of the year in respect of 72 units under their control involving Rs.94.39 crore. The unreconciled period in case of the partially reconciled units ranges from one to nine months. The details of the major BCAs, who did not reconcile the expenditure were as follows:

Sr.No.	Budget Controlling Authority who did not reconcile their figures	Amounts not reconciled (Rupees in crore)
1.	Under Secretary Finance (Bud)	84.07
2.	Directorate of Health Services	63.27
3.	Directorate of Social Welfare	75.42
4.	Conservator of Forest	15.11
5.	Chief Engineer, Water Resources	182.66
6.	Director of Municipal Administration	16.63
7.	State Director of Craftsman Training	11.65
8.	Directorate of Fisheries	12.61
9.	Directorate of Tourism	22.63
	TOTAL	484.05

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 authorisation 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. As on 1 April 2005, the balance in the fund was Rs.29.78

crore. During the year advances of Rs.9.93 crore were withdrawn from the Fund by issuing 39 orders and Rs.10.15 crore (including unrecouped amount of Rs.0.22 lakh of previous year) were recouped. The balance in the fund as on 31st March 2006 was Rs.30.00 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 D.C. Bills.

As per information furnished by the Director of Accounts, 216 AC Bills involving an amount of Rs.9.09 crore drawn by various Departments upto March 2006, were pending adjustment as on 30 September 2006.

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

Year	No. of AC Bills Pending	Amount (Rupees in crore)
Upto 2001-2002	18	0.10
2002-2003	3	0.18
2003-2004	6	0.10
2004-2005	37	1.82
2005-2006	152	6.89
TOTAL	216	9.09

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.	Directorate of Health Services	7	2.24	2001-02
2.	Information and Publicity	9	1.17	1999-00
3.	Tourism Department	2	0.88	2004-05
4.	Directorate of Sports & Youth Affairs	20	0.58	2004-05
5.	General Administration Department	14	0.54	1994-95

2.6.2 Outstanding advances to Government servants

Scrutiny revealed that Rs.2.28 crore being advances made upto March 2006 to Government servants on account of Traveling Allowances, Leave Travel Concessions etc., were pending adjustment as of September 2006. 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.	Director General of Police	117	0.47	1987-88
2.	Public Works Department	19	0.34	1993-94
3.	Directorate of Health Services	25	0.22	2001-02
4.	Electricity Department	40	0.20	2004-05
5.	Directorate of Education	31	0.18	2003-04
6.	General Administration Department	24	0.12	1998-99
7.	Legislature Department	25	0.12	1982-83