

## 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 2006-2007 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	2757.34	158.74	2916.08	2046.49	(-) 869.59
	II. Capital	751.14	42.71	793.85	644.73	(-) 149.12
	III. Loans & Advances	7.46	1.22	8.68	8.14	(-) 0.54
<b>Total Voted</b>		<b>3515.94</b>	<b>202.67</b>	<b>3718.61</b>	<b>2699.36</b>	<b>(-) 1019.25</b>
Charged	IV. Revenue	455.38	0.52	455.90	450.51	(-) 5.39
	V. Capital	0.49	1.59	2.08	1.87	(-) 0.21
	VI. Public Debt	188.81	0	188.81	73.28	(-) 115.53
<b>Total Charged</b>		<b>644.68</b>	<b>2.11</b>	<b>646.79</b>	<b>525.66</b>	<b>(-) 121.13</b>
<b>Grand Total</b>		<b>4160.62</b>	<b>204.78</b>	<b>4365.40</b>	<b>3225.02</b>	<b>(-) 1140.38</b>

*Note:- The expenditure includes the recoveries of revenue expenditure amounting to Rs 28.69 crore and capital expenditure amounting to Rs 20.26 crore adjusted as reduction of expenditure.*

The overall savings of Rs 1,140.38 crore as mentioned above were net result of savings of Rs 1,140.47 crore in 82 grants and appropriations offset by excess of Rupees nine lakh in two appropriations.

## 2.3 Fulfillment of Allocative Priorities

### 2.3.1 Appropriation by Allocative Priorities

Out of savings of Rs 1,019.25 crore under voted grants, major savings of Rs 864.75 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	177.17	0.20	177.37	157.87	19.50
2.	INDUSTRIES, TRADE AND COMMERCE (REVENUE VOTED)					
	19	24.84	0.10	24.94	9.77	15.17
3.	PUBLIC WORKS (CAPITAL VOTED)					
	21	264.35	15.91	280.26	202.32	77.94
4.	SMALL SAVINGS AND LOTTERIES (REVENUE VOTED)					
	30	688.64	0.00	688.64	5.37	683.27
5.	MUNICIPAL ADMINISTRATION (REVENUE VOTED)					
	55	100.33	5.80	106.13	37.26	68.87
<b>Total</b>		<b>1255.33</b>	<b>22.01</b>	<b>1277.34</b>	<b>412.59</b>	<b>864.75</b>

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 than anticipated in respect of Aided Institutions.
- **Industries, Trade and Commerce:** Savings were mainly on account of non receipt/less receipts of claims from beneficiaries under various schemes.
- **Public Works Department:** Savings were mainly due to coverage being done to meet expenditure on specific schemes under separate units, non taking up of works under Accelerated Urban Water Supply Programme, External Assistance for Water Supply and Sanitation on technical ground.
- **Lotteries:** Savings were mainly on account of stoppage of lottery business in August 2002. However, Budget Provision continued in 2006-07 also.
- **Municipal Administration:** The anticipated savings were mainly due to non-receipt of proposal from GSUDA for implementation of Acc Marg Technology, non receipt of proposals for utilisation of funds under VAMBAY and non receipt of grants from GoI.

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

In 14 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 161.99 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 1,860.89 crore for the years 1998-1999 to 2005-2006 was yet to be regularised. Details are given in *Appendix 2.3*.

*Excess over provisions during 2006-07 requiring regularisation*

The excess of Rs 9.07 lakh under two grants 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>				
<b>Revenue (Charged)</b>				
1.	1 - Legislature Secretariat	41,00,000	41,41,733	41,733
<b>Capital (Charged)</b>				
2.	21 – Public Works	1,16,92,000	1,25,57,695	8,65,695
	<b>TOTAL</b>	<b>1,57,92,000</b>	<b>1,66,99,428</b>	<b>9,07,428</b>

The reasons for excess are awaited.

**2.3.3 Original budget and supplementary provisions**

Supplementary provisions (Rs 204.78 crore) made during this year constituted 4.92 *per cent* of the original provision (Rs 4,160.62 crore) as against 5.38 *per cent* in the previous year.

**2.3.4 Unnecessary/excessive/inadequate supplementary provisions**

Supplementary provisions of Rs 8.08 crore made in 11 cases during the year proved unnecessary in view of aggregate savings of Rs 21.59 crore as detailed in *Appendix 2.4*.

In 18 cases, against additional requirement of only Rs 110.82 crore, supplementary provision of Rs 129.94 crore was obtained, resulting in savings in each case exceeding Rs 10.00 lakh, aggregating to Rs 19.12 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 2006-07, savings of Rs 10 lakh and above in each case aggregating to Rs 11.12 crore in five cases had not been surrendered. In nine cases, even after partial surrender, savings of Rs 10 lakh and above in each case aggregating Rs 2.68 crore occurred. 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 three 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 12.54 crore as against the actual saving of Rs 10.87 crore resulting in excess surrender of Rs 1.67 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 2006-07, out of 86 Budget Controlling Authorities (BCAs), 34 BCAs had not carried out such reconciliation for the entire year in respect of 80 units under their control involving Rs 346.23 crore and 14 BCAs had not carried out such reconciliation for part of the year in respect of 35 units under their control involving Rs 367.30 crore. The unreconciled period in case of the partially reconciled units ranges from one to ten months. The details of the major BCAs, who did not reconcile the expenditure were as follows:

<b>Sr.No.</b>	<b>Budget Controlling Authority who did not reconcile their figures</b>	<b>Amounts not reconciled (Rupees in crore)</b>
1.	Under Secretary (G.A.)	18.47
2.	Directorate of Transport	25.37
3.	Under Secretary Finance (Bud)	86.48
4.	Directorate of Higher Education	50.95
5.	Directorate of Municipal Administration	40.74
6.	Directorate of Animal Husbandry & Veterinary Services	17.54
7.	Directorate of Sports & Youth Affairs	28.94
8.	Director General of Police	44.26
9.	Directorate of Education	264.99
10.	Directorate of Agriculture	14.93
11.	Secretary, State Election Commission	15.12
12.	Directorate of Information & Technology	10.94
	<b>TOTAL</b>	<b>618.73</b>

## 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 30.00 crore. As on 1 April 2006, the balance in the fund was Rs 30.00 crore. During the year advances of Rs 17.19 crore were withdrawn from the Fund by issuing 68 orders and the same were recouped. The balance in the fund as on 31 March 2007 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 DC Bills.

As per information furnished by the Director of Accounts, 158 AC Bills involving an amount of Rs 6.99 crore drawn by various Departments up to March 2007, were pending adjustment as on 30 June 2007.

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

Year	No. of AC Bills Pending	Amount (Rupees in crore)
Upto 2002-2003	20	0.27
2003-2004	4	0.06
2004-2005	22	1.44
2005-2006	58	4.08
2006-2007	54	1.14
<b>TOTAL</b>	<b>158</b>	<b>6.99</b>

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	9	2.29	2001-02
2.	Tourism Department	3	1.24	2004-05
3.	Information and Publicity	8	1.10	1999-00
4.	General Administration Department	14	0.59	1994-95
5.	Directorate of Art & Culture	3	0.30	2004-05

**2.6.2 Outstanding advances to Government servants**

Scrutiny revealed that Rs 3.35 crore being advances made up to March 2007 to Government servants on account of Traveling Allowances, Leave Travel Concessions etc., were pending adjustment as of June 2007. The Departments against which a large number of such advances were outstanding are:

<b>Sr. No.</b>	<b>Department/office</b>	<b>No. of Cases</b>	<b>Amount (Rupees in crore)</b>	<b>Earliest year to which advance pertained</b>
1.	Director General of Police	139	0.29	1987-88
2.	Public Works Department	27	0.20	1993-94
3.	Directorate of Health Services	33	0.40	2003-04
4.	Electricity Department	42	0.25	2004-05
5.	Directorate of Sports & Youth Affairs	13	0.82	2004-05
6.	General Administration Department	34	0.21	1998-99