

CHAPTER – II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

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2.1 Introduction

2.1.1 Appropriation accounts are the accounts of expenditure of the Government for each financial year, compared with the amounts of the grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act. These accounts depict distinctly the original budget estimates, supplementary grants, surrenders and re-appropriations and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act. Appropriation accounts, thus, facilitate understanding of utilisation of funds and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

2.1.2 Audit of appropriation accounts 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 laws, relevant rules, regulations and instructions.

2.1.3 The Finance Department of the State Government is responsible for preparation of the annual budget by obtaining estimates from various Departments. The Departmental estimates of receipts and expenditure are prepared by controlling officers on the advice of the heads of Departments and submitted to the Finance Department on prescribed dates. The Finance Department scrutinises the estimates and prepares the detailed estimates called 'Demand for Grants'. In the preparation of the budget, the aim should be to achieve as close an approximation to the actuals as possible. This demands the exercise of the utmost foresight both in estimating revenue and anticipating expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and neither larger nor smaller. The budget estimates of receipts should be based on the existing rates of taxes, duties, fees *etc.*

Deficiencies in budgetary control are discussed in the subsequent paragraphs.

2.2 Summary of appropriation accounts

There are 59 Departments in the State at the Secretariat level each headed by a Principal Secretary/Secretary. Each Department is operating one or more demands and the demand for grant generally reflects the allocation for a Department. The summarised position of actual expenditure during 2018-19 against 85 grants/appropriations is as given in **Table 2.1**.

Table 2.1: Summarised position of actual expenditure vis-à-vis original/supplementary provisions

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess(+)
Voted	I. Revenue	10360.04	1356.39	11716.43	9776.31	(-)1940.12
	II. Capital	4225.92	516.40	4742.32	2169.64	(-)2572.68
	III. Loans and advances	89.99	11.67	101.66	3.10	(-)98.56
Total voted		14675.95	1884.46	16560.41	11949.05	(-)4611.36
Charged	I. Revenue	1436.15	2.90	1439.05	1397.59	(-)41.46
	II. Capital	2.00	1.31	3.31	2.18	(-)1.13
	III. Public debt	1021.65	0.00	1021.65	3380.18	2358.53
Total charged		2459.80	4.21	2464.01	4779.95	2315.94
Grand total		17135.75	1888.67	19024.42	16729.00	(-)2295.42

(Source: Appropriation Accounts 2018-19)

Note: The expenditure includes the recovery adjusted as reduction of expenditure under revenue expenditure amounting to ₹91.05 crore and capital expenditure amounting to ₹22.68 crore as detailed in Appendix II of Appropriation Accounts

Supplementary provisions of ₹ 1,888.67 crore obtained during the year constituted 11 per cent of the original provision against 13.84 per cent in the previous year.

The overall savings of ₹ 2,295.42 crore were the result of savings of ₹ 4,653.96 crore in 82 grants and three appropriations under the Revenue Section and 69 grants and one appropriation under the Capital Section, offset by an excess of ₹ 2,358.54 crore in one grant and one appropriation.

As may be seen from **Table 2.1**, against the original provision of ₹ 17,136.75 crore, the actual expenditure incurred was ₹ 16,729 crore (98 per cent) which was an improvement over the previous year (92 per cent).

2.3 Financial accountability and budget management

2.3.1 Excess expenditure over appropriation not regularised

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess expenditure over a grant/appropriation regularised by the State Legislature. However, excess expenditure amounting to ₹ 8,224.19 crore in 15 grants and 10 appropriations for the years 2008-09 to 2018-19 was yet to be regularised, as detailed in **Table 2.2**.

Table 2.2: Excess over provision requiring regularisation

(₹ in crore)

Year	No. of grant	No. of appropriation	Amount of excess over provision
2008-09	2	0	0.01
2009-10	1	0	7.57
2010-11	1	1	2.74
2011-12	0	1	18.88
2012-13	0	1	52.10
2013-14	3	1	97.51
2014-15	1	2	1161.23
2015-16	1	1	2330.45
2016-17	2	1	1683.20
2017-18	3	1	511.96
2018-19	1	1	2358.54
Total	15	10	8224.19

(Source: Appropriation Accounts of the State for respective years)

The excess expenditure of ₹ 2,358.54 crore incurred during 2018-19 requires regularisation under Article 205 of the Constitution of India. The major defaulting Departments during the last five years were Finance Department and Treasury and Accounts Administration, North Goa. This is in violation of Article 204 of the Constitution which provides that no money shall be withdrawn from the Consolidated Fund except under appropriation made by Law by the State Legislature. This vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

2.3.2 Appropriations vis-à-vis allocative priorities

During 2018-19, total gross savings under various grants/appropriations amounted to ₹ 4,653.96 crore, which was 24 per cent of the total authorisation (₹ 19,024.42 crore).

Of the total gross savings of ₹ 4,653.96 crore, savings of ₹ 100 crore or more amounting to ₹ 2,497.13 crore (54 per cent) had occurred in nine grants as shown in **Table 2.3**.

Table 2.3: Details showing grants/appropriations where savings exceeded ₹ 100 crore

(₹ in crore)

Sl. No.	Grant/Appropriation	Total provision	Actual expenditure	Savings
Revenue (Voted)				
1	21-Public Works	718.17	547.78	170.39
2	34-School Education	1594.27	1438.96	155.31
3	42-Sports and Youth Affairs	165.55	52.37	113.18
4	48-Health Services	517.50	416.78	100.72
5	55-Municipal Administration	312.07	86.00	226.07
6	58-Women and Child Development	485.71	376.10	109.61
7	82-Information Technology	199.19	56.68	142.51
Capital (Voted)				
	21-Public Works	1364.16	592.39	771.77
8	32-Finance	532.00	330.00	202.00
	55-Municipal Administration	307.69	81.28	226.41
9	76-Electricity	456.16	177.00	279.16
	Total	6652.47	4155.34	2497.13

(Source: Appropriation Accounts of the State)

The reason furnished for unspent provisions under some of these grants as reported in appropriation accounts of 2018-19 were as under:

21-Public Works (Capital-Voted): Out of the total allocations for capital expenditure for the year, ₹ 771.77 crore (57 per cent) remained unspent at the end of the year. The reason for non-utilisation of the grants was attributed mainly to non-implementation of new projects/schemes during the year and non-receipt of cash assignment from the Government.

34-School Education (Revenue-Voted): Savings of ₹ 155.31 crore (10 per cent) out of a total grant of ₹ 1,594.27 crore were recorded. Savings were mainly on account of non-release of central share for Sarva Shiksha Abhiyan; less receipts of claims under Information, Communication, Technology; less claims from beneficiaries under Rashtriya Madhyamik Shiksha Abhiyan etc.

48-Health Services (Revenue-Voted): The savings of ₹ 100.72 crore (19 per cent) during the year was mainly on account of delay in settlement of claims under Deen Dayal Swasthya Suraksha Yojana (₹ 41 crore); non-receipt of sanction for payments under National Rural Health Mission Scheme (₹ 27 crore); and non-release of payments under Emergency Services (₹ 10 crore) etc.

55-Municipal Administration (Capital-Voted): Out of the total allotment of ₹ 307.69 crore provided to incur expenditure on capital, ₹ 226.41 crore (74 per cent) remained unspent during the year. The non-utilisation of funds was mainly attributed to non-receipt of proposals under schemes like Smart City Mission and Atal Mission for Rejuvenation and Urban Transformation (AMRUT).

58-Women and Child Development (Revenue-Voted): Out of the total allocation of ₹ 485.71 crore under the grant an amount of ₹ 109.61 crore (23 per cent) remained unspent at the end of the year. The non utilisation of

funds was mainly attributed to less sanction of applications under schemes like Ladli Laxmi, Dearness Allowance to Housewives and change in the norms of the scheme Rajiv Gandhi Scheme for Empowerment of Adolescent Girls-SABLA.

76-Electricity (Capital-Voted): From a total allocation of ₹ 456.16 crore under the capital head the expenditure incurred was only ₹ 177 crore leading to savings of ₹ 279.16 crore (61 *per cent*). The savings were caused mainly due to less than anticipated work under Sub-transmission & Distribution Improvement Scheme, non-sanctioning of works under Restructured Accelerated Power Development & Reforms Program (R-ADRP) Part-B, non-tendering of work for Erection of Sub-Station at Verna, and less expenditure under Underground Cabling Scheme.

2.3.3 *Unnecessary/excessive supplementary provisions*

Supplementary provisions (₹ five crore or more in each case) aggregating ₹ 293.39 crore obtained in 14 cases during the year proved unnecessary. The expenditure incurred (₹ 1,709.32 crore) did not reach the levels of original provision of ₹ 2,360.08 crore as detailed in **Appendix 2.1**.

2.3.4 *Unnecessary 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. Re-appropriation of funds proved unnecessary in some cases in view of final excesses over the grants. An instance of re-appropriation resulting in final excess of more than ₹ five crore is detailed in **Table 2.4**.

Table 2.4: Unnecessary re-appropriation of funds

(₹ in crore)

Sl. No.	Grant No.	Grant Name	Description	Re-appropriation	Final Excess
<i>Unnecessary re-appropriation</i>					
1	42	Sports and Youth Affairs	2204-104-03 (Grants to Sports Authority of Goa)	(-)14.29	6.74

(Source: Appropriation Accounts of the State)

2.3.5 *Substantial surrenders*

While preparing the budget estimates, utmost care should be taken to ensure that the estimates are as close as possible to the likely expenditure during the year. In 34 cases, out of the total provision of ₹ 4,210.24 crore, substantial surrenders amounting to ₹ 2,749.90 crore (65 *per cent*) were made either on account of non-implementation or slow implementation of Schemes/Programmes. In these cases, the surrenders were above ₹ 10 crore and also more than 50 *per cent* of the total provisions. The details are given in **Appendix 2.2**.

2.3.6 Unnecessary surrenders

In two grants/appropriations, ₹ 9.92 crore was surrendered though excess expenditure of ₹ 2,358.54 crore was incurred, indicating lack of proper budgetary control. Details are given in **Table 2.5**.

Table 2.5: Unnecessary surrender of grants/appropriations

(₹ in crore)

Number and name of the grant/ appropriation	Total grant	Excess	Amount surrendered
A2 - Debt Services (Capital Charged)	1021.65	2358.53	9.90
79 – Goa Gazetteer (Revenue Voted)	0.41	0.01	0.02
Total	1022.06	2358.54	9.92

(Source: Appropriation Accounts of the State)

The reason for surrender of grants in spite of excess expenditure against the provision, though called for, was not furnished by the Director of Accounts (February 2020).

2.3.7 Savings not surrendered/partly surrendered

Rule 56 of the General Financial Rules, 2005 provides that the spending Departments are required to surrender the grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated. Further, surrender of funds should be done as soon as these are foreseen without waiting for the end of the financial year, to enable the Finance Department to utilise the funds on other Schemes.

At the close of the year 2018-19, in one case, savings amounting to ₹ 39.94 crore was not surrendered by the concerned Department. The details are shown in **Table 2.6**.

Table 2.6: Grants/appropriations in which anticipated savings were not surrendered

(₹ in crore)

Sl. No.	Number and name of grant	Saving
1	85 – Rural Development (Revenue Voted)	39.94

(Source: Appropriation Accounts of the State)

Further, out of total savings of ₹ 1,763.33 crore in 15 cases, only ₹ 1,605.64 crore was surrendered, leaving ₹ 157.69 crore which was not surrendered (savings of ₹ one crore and above in each case) during 2018-19. The details are given in **Appendix 2.3**.

Besides, in 45 cases, savings of ₹ 20 crore or more aggregating ₹ 3,913.32 crore (**Appendix 2.4**) was surrendered in the last month of the financial year (March 2019), indicating inadequate financial control as well as failure to make these funds available for other development purposes.

2.3.8 Surrender in excess of actual savings

In three grants during 2018-19, against the savings of ₹ 119.98 crore, an amount of ₹ 128.18 crore was surrendered, which was in excess by ₹ 8.20 crore (surrender of ₹ one crore or more in each case) indicating that the Departments failed to exercise necessary budgetary controls as shown in **Table 2.7**.

Table 2.7: Details of surrenders in excess of actual savings

(₹ in crore)					
Sl.No.	Grant No	Name of grant/appropriation	Savings	Surrender	Savings surrendered in excess
1	48 (Capital Voted)	Health Services	37.63	39.26	1.63
2	74 (Capital Voted)	Water Resources	71.02	75.29	4.27
3	84 (Capital Voted)	Airport	11.33	13.63	2.30
Total			119.98	128.18	8.20

(Source: Appropriation Accounts of the State)

2.3.9 Unexplained re-appropriations

As per paragraph 1(d) of Appendix III of the Comptroller and Auditor General's Manual of Standing Orders (Accounts and Entitlement), general terms of re-appropriation should not be employed. For example, it is not an adequate explanation of a saving in the provision of purchases of stores to state that 'fewer stores were purchased'. The reasons for the smaller purchases should be given.

Scrutiny of 376 re-appropriation orders issued by various Departments during 2018-19, however, revealed that in 244 orders (65 per cent), general expressions such as, "due to inadequate budget", "due to economy measures", "due to less expenditure than anticipated", "due to non-filling of vacant posts", etc. were used.

2.4 Outcome of review of selected grants

The authority administering a grant is responsible for watching the progress of expenditure under its control and for keeping it within the sanctioned grant or appropriation. The duties and responsibilities of the authorities include preparing the estimates timely and accurately and also to ensure that the grants placed at their disposal are spent only on the objects for which it has been provided and to surrender savings if no longer required.

With a view to ascertaining how far the authorities were adhering to these instructions, Audit selected the following two grants:

Grant No. 42- Sports and Youth Affairs: The Directorate of Sports and Youth Affairs is entrusted with various tasks for the promotion of sports and youth welfare in the state, by providing, physical education at school level, coaching to budding sports talents in the state, development of sports infrastructure and implementing various youth welfare activities like NCC, NSS, Scouts and Guides etc. This grant includes two Major Heads namely 2204- Sports and Youth Services, and 4202-Capital Outlay on Education, Sports, Art and Culture.

Grant No. 64- Agriculture: The Department of Agriculture provides assistance to farmers from land preparation to the extent of marketing of the produce. The Department implements developmental programmes through Zonal Agricultural Offices located in each taluka of Goa. This grant consists of eight Major Heads namely, 2401- Crop Husbandry, 2402- Soil and water Conservation, 2415- Agricultural Research and Education, 2551- Hill Areas,

4401- Capital Outlay on Crop Husbandry, 4402- Capital Outlay on Soil and Water Conservation, 6401- Loans for Crop Husbandry, and 6402- Loan for Soil and Water Conservation.

2.4.1 Budget and expenditure

The overall budget provision, actual disbursements and savings under the functional Heads of these two grants for the years 2016-17 to 2018-19 are shown in **Table 2.8**.

Table 2.8: Summary of budgetary provisions and actual expenditure under Grant No. 42 and 64

(₹ in crore)						
Year	Original provision	Supplementary provision	Total	Actual expenditure	Savings	Percentage of savings
Grant No. 42: Sports and Youth Affairs (Revenue-voted)						
2016-17	101.96	0.00	101.96	52.33	49.63	48.68
2017-18	72.26	11.18	83.44	62.52	20.92	25.07
2018-19	161.95	3.60	165.55	52.37	113.18	68.37
Grant No. 42: Sports and Youth Affairs (Capital-voted)						
2016-17	180.34	0.00	180.34	76.63	103.71	57.51
2017-18	134.16	15.08	149.24	85.40	63.84	42.78
2018-19	121.11	30.00	151.11	132.98	18.13	12.00
Grant No. 64: Agriculture (Revenue-voted)						
2016-17	187.02	0.00	187.02	135.03	51.99	27.80
2017-18	139.24	1.50	140.74	113.44	27.30	19.40
2018-19	148.51	0.00	148.51	106.97	41.54	27.97
Grant No. 64: Agriculture (Capital-voted)						
2016-17	43.22	0.00	43.22	17.87	25.35	58.65
2017-18	32.95	3.00	35.95	17.81	18.14	50.46
2018-19	33.95	8.00	41.95	14.75	27.20	64.84

(Source: Appropriation Accounts of the State for respective years)

It may be seen from **Table 2.8** that there were persistent savings ranging from 25 per cent to 68 per cent (under revenue section) and 12 per cent to 58 per cent (under capital section) during 2016-19 in Grant No. 42. Further, unnecessary supplementary provisions were made under this grant even though actual expenditure did not come up to the level of original provisions under revenue section (2017-19) and capital section (2017-18).

Further, in Grant No.64, there were persistent savings ranging from 19 per cent to 28 per cent (under revenue section) and 50 per cent to 65 per cent (under capital section) during 2016-19. Also, unnecessary supplementary provisions were made under this grant even though actual expenditure did not come up to the level of original provisions under revenue section (2017-18) and capital section (2017-19).

2.4.2 Non-utilisation of entire provision

In nine sub-heads under Grant No. 42, there was 100 per cent savings against the provisions made during 2016-19. The provisioned amount remained un-utilised due to non-implementation of Schemes/Programmes and the entire amount was surrendered at the end of March 2019.

Similarly, in 10 sub-heads under Grant No. 64, there was 100 per cent savings against the provisions made during 2016-19. The provisioned amount remained un-utilised due to non-implementation of Schemes/Programmes and the entire amount was surrendered at the end of March 2019. The details are shown in **Table 2.9**.

Table 2.9: Non-utilisation of entire provision

(₹ in lakh)

Sl. No.	Name of the Scheme	Budget provision			Reasons for surrender
		2016-17	2017-18	2018-19	
Grant No. 42 (Revenue-voted)					
1	2204-00-101-10-Establishment of Gymnasia at Village/Taluka Places	111.00	0.00	53.00	Selection not held (16-17); Non-implementation of Scheme (18-19).
2	2204-00-102-21-National Cadet Corps and Sea Cadet Corps	20.00	19.50	20.00	Non-implementation of Scheme (all three years).
3	2204-00-104-06- Grants for construction of Stadium and playground to Panchayats (Plan)	50.00	40.00	10.00	No claims received (16-17); Non-implementation of Scheme (17-18 and 18-19).
4	2204-00-104-09- Grants to Goa Inter Collegiate Committee (Plan)	15.00	10.00	10.00	Non-release of grants (16-17); No claims received (17-18); No proposal received from Goa University for releasing grants (18-19).
5	2204-00-104-15- Grants for construction of Stadium and playground to Panchayats (Non Plan)	10.00	10.00	10.00	Token provision for Scheme/ Non-implementation of Scheme (16-17 & 18-19).
6	2204-00-104-17- Grants to Goa Inter Collegiate Committee(Non Plan)	8.00	8.00	8.00	No proposal received from Goa University for releasing grants (all three years).
7	2204-00-104-19- Establishment of Panchayat Yuva Krida Aur Khel Abhiyan (PYKKA) Committee	10.00	10.00	10.00	Non-release of grants(16-17); Token provision for Scheme/ Non-implementation of Scheme (17-18); Non-implementation of Scheme (18-19).
Grant No. 42 (Capital-voted)					
8	4202-03-800-07- 36 th National Games	100.00	110.00	100.00	Token provision for Scheme/ Non-implementation of Scheme (16-17);
9	4202-03-800-11-National Games Village	2000.00	500.00	10.00	Economy measures (2017-18); Non- submission of bills (18-19).
Grant No. 64 (Revenue-voted)					
10	2401-00-113-03-Centre of Excellence, Technology, Branding	0.00	150.00	150.00	Non-implementation of Scheme (17-18); Delay in tendering process (18-19).
11	2401-00-109-10-Sub mission on Agricultural mechanization(SMAM)	20.00	20.00	0.00	Non-implementation of Scheme (16-17 & 17-18)
12	2401-00-121-02-Soil Health Management(SHM)	0.00	100.05	75.05	Non-implementation of Scheme (17-18); Non-clearance of bills(18-19)

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13	2401-00-121-04- Paramparagat Krishi Vikas Yojana (PKVY)	28.00	0.00	40.05	Token provision for Scheme/ Non-implementation of Scheme (16-17); Non-implementation of Scheme (18-19).
14	2401-00-800-11- Self Help Groups for Vegetable Cultivation	0.00	50.00	50.00	Non-implementation of Scheme (17-18); No proposal received from GSHCL/ Non-implementation of Scheme (18-19).
15	2401-00-800-15- Sheti Samrudhi Yojana	100.00	100.00	0.00	Non-implementation of Scheme /Scheme not approved by Government (2016-17); Non-implementation of Scheme (17-18); and Non-implementation of Scheme (18-19).
16	2401-00-800-16- Integrated Farming System	100.00	100.00	0.00	
17	2401-00-800-17- Goa State Coconut Development Board	25.00	15.00	1.00	
Grant No. 64 (Capital-voted)					
18	4401-00-789-01- Scheduled Castes Development Schemes	70.00	0.00	53.00	Non- availability of suitable land (16-17); Non-implementation of Scheme (18-19).
19	4401-00-102-03- Horticulture and Floriculture Estates	0.00	300.00	200.00	Non-implementation of Scheme (17-18); Non- finalisation of land for project (18-19).

(Source: Appropriation Accounts of the State for respective years)

2.4.3 Inappropriate re-appropriations

In six sub-heads under Major Head-2204 and three sub-heads under Major Head 4202 in Grant No. 42, budget allocations by re-appropriation at the end of the year was less than the expenditure which resulted in expenditure exceeding the available allocation by ₹ 8.37 crore.

Similarly, in one sub-head under Major Head-2401 and one sub-head under Major Head-4401 in Grant No. 64, budget allocations by re-appropriation at the end of the year was less than the final expenditure which resulted in expenditure exceeding the available allocations by ₹ 0.90 crore.

The details are shown in **Table 2.10**.

Table 2.10: Inappropriate re-appropriations resulting in excess expenditure

(₹ in lakh)						
Sl. No.	Year	Head of account	Original budget	Funds after re-appropriation	Final expenditure	Excess expenditure
Grant No. 42 (Revenue-voted)						
1	2016-17	2204-00-101-04- Directorate of Sports	615.75	472.56	478.21	5.65
2	2016-17	2204-00-101-05- Strengthening of Physical Education	161.25	70.53	81.39	10.86
3	2016-17	2204-00-102-13-Directorate of Youth Services	185.75	71.59	81.44	9.85
4	2017-18	2204-00-102-09-National Cadet Corps	305.59	323.71	350.09	26.38
5	2017-18	2204-00-101-04- Directorate of Sports	493.88	573.16	582.63	9.47

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6	2018-19	2204-00-104-03-Grants to Sports Authority of Goa	2200.00	771.00	1445.44	674.44
Grant No. 42 (Capital-voted)						
7	2016-17	4202-03-800-05- Development of Camp Sites	28.00	0.00	6.87	6.87
8	2016-17	4202-03-800-06- Establishment of National Cadet Corps	55.00	0.00	14.35	14.35
9	2017-18	4202-03-800-01- Construction of Playgrounds, Sports Complexes etc.	1000.00	1079.63	1158.75	79.12
Total (Grant No.42)			5045.22	3362.18	4199.17	836.99
Grant No. 64 (Revenue-voted)						
10	2016-17	2401-00-105-02- Manures and Fertiliser	8.80	8.76	40.46	31.70
Grant No. 64 (Capital-voted)						
11	2018-19	4401-00-102-01-Crop Production and Input Management	326.00	55.87	114.51	58.64
Total (Grant No.64)			334.80	64.63	154.97	90.34

(Source: Appropriation Accounts of the State for the respective years)

2.5 Personal Deposit Accounts

The Personal Deposit (PD) Accounts/Personal Ledger Accounts (PLA) are Deposit Accounts kept in Treasuries in the name of the Administrators¹ of the Accounts. The money is placed under 8443-Civil Deposits, 106-Personal Deposit. These accounts can be opened with the approval of the Finance Department. As per Rule 179 to 182 of Receipts and Payments Rules, 1997, Government of Goa, the Administrators are entitled to credit receipts into and effect withdrawals directly from the Treasury account for a specific purpose. The Administrators thereof shall only be Government officers acting in their official or any other capacity. Every PD/PLA Account so authorised to be opened will form part of the Government account under the Public Account.

The year-wise position of PD/PLA Accounts from 2016-17 to 2018-19 is given in **Table 2.11**.

Table 2.11: Year-wise details of PD/PLA Accounts during 2016-19

(₹ in crore)

Year	Opening balance	Receipts	Disbursements	Closing balance
2016-17	37.06	114.69	85.15	66.60
2017-18	66.60	77.71	59.62	84.69
2018-19	84.69	107.55	83.47	108.77

(Source: Finance Accounts of the State for respective years)

A sum of ₹ 108.77 crore was held under 121 PD/PLA Accounts by 16 Departments as on 31 March 2019 which was not transferred to the Consolidated Fund of the State (CFS) before the closure of the financial year. These balances have also not been reconciled with the Administrators of the Accounts. Of the 121 Accounts, 18 Accounts held by nine Departments having a balance of ₹ 0.18 crore were inoperative for over five years.

¹ PD Account holders

Compared to other States, the balances under these Accounts were seen to be sustainable. However, if PD Accounts are more than a year old, they need to be reviewed by the Finance Department.

Non-transfer of unspent balances lying in PD Accounts to CFS before the closure of financial year and non-reconciliation of balances in PD Accounts periodically, however, entails the risk of misuse of public funds, fraud and misappropriation.

2.6 Un-reconciled Expenditure

Departmental officers are required to reconcile the Departmental expenditure every month and before the close of the accounts of a year with those recorded in the books of the Director of Accounts. This enables the Controlling Officers of Departments to exercise effective control over expenditure, to keep it within the budget grants and to ensure accuracy of their accounts. The Public Accounts Committee in its 48th Report (1992) recommended punitive action to be taken against erring Budget Controlling Authorities (BCAs). Even though non-reconciliation of Departmental expenditure was pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2018-19.

During 2018-19, 43 out of 86 BCAs did not carry out any reconciliations in respect of 1,972 units under their control involving ₹ 4,949.37 crore. Of the 43 BCAs who carried out reconciliations, nine carried out reconciliations only for part of the year in respect of 769 units under their control involving ₹ 794.11 crore. The details of 22 major BCAs (out of 52) who did not reconcile their expenditure (₹ 5,510.57 crore) are indicated in **Table 2.12**.

Table 2.12: Major Budget Controlling Authorities who did not reconcile their expenditure

		<i>(₹ in crore)</i>
Sl. No.	Budget Controlling Authorities who did not reconcile their expenditure	Amount not reconciled
1	Director of Education	1506.71
2	Chief Engineer, Public Works Department	1142.42
3	Chief Electrical Engineer	625.13
4	Director of Health Services	469.20
5	Director of Women and Child Development	382.48
6	Under Secretary, Finance (Budget)	333.59
7	Chief Engineer, Water Resources	326.30
8	Director of Panchayats	113.79
9	Commissioner of Labour and Employment	90.90
10	Collector of South Goa	80.28
11	Under Secretary, Law	67.27
12	Director of Agriculture	63.50
13	Captain of Ports	42.39
14	Director of Science, Technology and Environment	41.63
15	Commissioner of Commercial Taxes	35.88
16	Chief Town Planner	31.99
17	Goa Dental College and Hospital	30.05
18	Director of Institute of Psychiatry and Human Behaviour	26.27

19	Director of Information and Publicity	25.95
20	Collector of North Goa	25.46
21	Registrar of Co-operative Societies	25.33
22	Director of Port Administration	24.05
	Total	5510.57

(Source: Directorate of Accounts)

2.7 Conclusion and Recommendations

During 2018-19, an expenditure of ₹ 16,729 crore was incurred against the total grants and appropriations of ₹ 19,024.42 crore, resulting in savings of ₹ 2,295.42 crore. The overall savings were the net result of savings of ₹ 4,653.96 crore, offset by an excess of ₹ 2,358.54 crore in one grant and one appropriation. The excess expenditure of ₹ 2,358.54 requires regularisation under Article 205 of the Constitution of India. Further, excess over provisions relating to previous years (2008-09 to 2017-18) amounting to ₹ 5,865.65 crore had not been regularised.

All the existing cases of excess expenditure need to be regularised at the earliest and in future, such unvoted expenditure may be completely stopped, except in case(s) of dire and extreme emergency, the cost of which cannot be met from the consolidated fund.

Of the total savings of ₹ 4,653.96 crore during 2018-19, savings of ₹ 100 crore or more amounting to ₹ 2,497.13 crore (54 per cent) had occurred in nine grants pertaining to Municipal Administration, Electricity, Public Works Department, Finance, School Education, Women and Child Development, Health Services, Sports and Youth Affairs and Information Technology.

In 14 cases, supplementary provisions (₹ five crore and above in each case) of ₹ 293.39 crore obtained proved unnecessary. The expenditure incurred (₹ 1,709.32 crore) did not even reach the levels of original provision (₹ 2,360.08 crore).

The Controlling/Disbursing Officers may keep a close and constant watch over the progress of expenditure against the sanctioned provisions in order to avoid savings/excesses especially in Departments where large savings/excesses were noticed. They may also specifically strengthen their control on monthly expenditure and monitoring mechanism.