

**CHAPTER-II**  
**SUMMARY OF APPROPRIATION ACCOUNTS**  
**2001-2002**

**Total number of Grants/Appropriations: 71**

**Total provision and actual expenditure**

(Rupees in crore)

Provision	Amount	Expenditure	Amount
Original	10410.30		14383.22
Supplementary	4808.29		
<b>Total gross provision</b>	<b>15218.59</b>	<b>Total gross expenditure</b>	<b>14383.22</b>
Recoveries in reduction of expenditure	142.67	Deduct actual recoveries in reduction of expenditure	1.07
<b>Total net provision</b>	<b>15075.92</b>	<b>Total net expenditure</b>	<b>14382.15</b>

Voted and charged provision and expenditure

(Rupees in crore)

	Provision		Expenditure	
	Voted	Charged	Voted	Charged
Revenue	7743.01	1393.91	5712.24	1135.07
Capital	1088.22*	4993.45	555.76	6980.15
<b>Total gross</b>	<b>8831.23</b>	<b>6387.36</b>	<b>6268.00</b>	<b>8115.22</b>
Deduct recoveries in reduction of expenditure	142.67	-	1.07	-
<b>Total net</b>	<b>8688.56</b>	<b>6387.36</b>	<b>6266.93</b>	<b>8115.22</b>

\* Difference of Rs.0.01 crore with the summary of Appropriation Account is due to rounding off.

## APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

### 2.1 Introduction

In accordance with the provisions of Article 204 of the Constitution of India, soon after the grants under Article 203 are made by the State Legislature, an Appropriation Bill is introduced to provide for appropriation out of the Consolidated Fund of the State. The Appropriation Bill passed by the State Legislature contains the authority to appropriate certain sums from the Consolidated Fund of the State for the specified services. Subsequently, supplementary or additional grants can also be sanctioned by subsequent Appropriation Acts in terms of Article 205 of the Constitution of India.

The Appropriation Act includes the expenditure which has been voted by the Legislature on various grants in terms of Articles 204 and 205 of the Constitution of India and also the expenditure, which is required to be charged on the Consolidated Fund of the State. The Appropriation Accounts are prepared every year indicating the details of amounts on various specified services actually spent by Government *vis-à-vis* those authorized by the Appropriation Act.

The objective of appropriation audit is to ascertain whether the expenditure actually incurred under various grants is within the authorization 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 Appropriation Accounts at a glance

The summarised position of actual expenditure during 2001-2002 against 71 grants/appropriations was as follows:

(Rupees in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-) Excess (+)
<b>Voted</b>	<b>I. Revenue</b>	7112.76	630.25	7743.01	5712.24	(-) 2030.77
	<b>II. Capital</b>	639.94	204.34	844.28	473.56	(-) 370.72
	<b>III. Loans and advances</b>	227.96	15.98	243.94	82.20	(-) 161.74
<b>Total Voted</b>		<b>7980.66</b>	<b>850.57</b>	<b>8831.23</b>	<b>6268.00</b>	<b>(-) 2563.23</b>
<b>Charged</b>	<b>IV Revenue</b>	1361.56	32.35	1393.91	1135.07	(-) 258.84
	<b>V Capital</b>	-	-	-	39.59	(+) 39.59
	<b>VI Public Debt</b>	1068.08	3925.37	4993.45	6940.56	(+) 1947.11
	<b>VII Loans and Advances</b>	-	-	-	-	-
<b>Total Charged</b>		<b>2429.64</b>	<b>3957.72</b>	<b>6387.36</b>	<b>8115.22</b>	<b>(+) 1727.86</b>
<b>Appropriation to Contingency Fund (if any)</b>				-	-	-
<b>Grand Total</b>		<b>10410.30</b>	<b>4808.29</b>	<b>15218.59</b>	<b>14383.22</b>	<b>(-) 835.37</b>

### 2.2.1 *Excess over provision relating to previous years requiring regularisation*

As per Article 205 of the Constitution of India, it is mandatory for State Government to get the excess over a grant/appropriation regularised by the State Legislature.

The year-wise position is given below:

(Rupees in crore)

Year	Number of cases		Amount of excess		Total
	Voted Grants	Charged Appropriation	Voted	Charged Appropriation	
1983-84	23	--	16.77	--	16.77
1984-85	29	4	50.83	85.79	136.62
1985-86	22	2	51.18	--*	51.18
1986-87	28	--	59.69	--	59.69
1987-88	26	2	100.86	5.05	105.91
1988-89	14	2	75.06	0.76	75.82
1989-90	27	1	64.00	0.26	64.26
1990-91	18	1	71.78	864.68	936.46
1991-92	30	--	187.07	--	187.07
1992-93	17	2	114.20	108.63	222.83
1993-94	35	1	191.49	67.66	259.15
1994-95	18	4	164.99	874.74	1039.73
1995-96	10	2	39.73	1765.83	1805.56
1996-97	4	2	21.08	1803.15	1824.23
1997-98	--	1	4.12	2618.20	2622.32
1998-99	-	1	--	3165.45	3165.45
1999-2000	1	1	37.99	3680.10	3718.09
2000-2001	6	1	233.81	4539.22	4773.03
<b>Total</b>	<b>308</b>	<b>27</b>	<b>1484.65</b>	<b>19579.52</b>	<b>21064.17</b>

The Public Accounts Committee vide its eighty fifth and eighty eighth reports which were placed before the Legislature on 8 March 2002 and 1 October 2002 recommended regularisation of excess expenditure amounting to Rs.21,064.17 crore upto the year 2000-2001. Necessary Act of the Legislature is awaited (October 2002).

## 2.3 *Results of Appropriation Audit*

### 2.3.1 *Saving/excess over provision*

The overall savings of Rs.2,977.84 crore in 68 cases of grants (Rs.2,718.34 crore) and 20 cases of appropriations (Rs.259.50 crore), was offset by an excess of Rs.2,142.48 crore in five appropriations (Rs.1,987.37 crore) and two grants (Rs.155.11 crore) resulting in net savings of Rs.835.37 crore. The excess of Rs.2,142.48 crore required regularisation under Article 205 of the Constitution. The details are given below:

\* Rupees 858.00 only

(Rupees in crore)

Year	No/Name of Grants/ Appropriations	Total Grant/ Appropriation	Actual expenditure	Amount of Excess
2001-2002	6-Land Revenue and Land Ceiling (Revenue) Charged	0.01	0.06	0.05
2001-2002	23-Pension and Other Retirement Benefits (Revenue) Voted	583.82	728.22	144.40
2001-2002	26-Education (Higher) (Revenue) Charged	--	0.10	0.10
2001-2002	60-Cottage Industries (Revenue) Voted	25.35	36.06	10.71
2001-2002	62-Power (Electricity) (Capital) Charged	--	39.60	39.60
2001-2002	71-Education (Elementary, Secondary etc.) (Revenue) Charged	--	0.14	0.14
2001-2002	Public Debt and Servicing of Debt (Capital) Charged	4993.08	6940.56	1947.48
	<b>Total</b>	<b>5602.26</b>	<b>7744.74</b>	<b>2142.48</b>

### 2.3.2 *Supplementary provision*

Supplementary provision made during the year constituted 46.19 per cent of the original grant/appropriation as against 5.48 per cent in the preceding year.

### 2.3.3 *Unnecessary/inadequate supplementary provision*

Supplementary provision of Rs.593.48 crore (Revenue: Rs.439.38 crore; Capital: Rs.154.10 crore) in 54 cases involving 47 grants as detailed in Appendix-VI proved unnecessary. In one case of appropriation (Public Debt and Servicing of Debt–Capital portion), the actual expenditure (Rs.6,940.56 crore) exceeded original budget provision (Rs.1,348.15 crore) by Rs.5,592.41 crore but supplementary provision of Rs.28.00 crore only was obtained which was inadequate.

### 2.3.4 *Unutilised provision*

In 62 grants and one appropriation the expenditure fell short by more than Rs.one crore which was more than 10 per cent of the total provisions as indicated in Appendix-VII.

### 2.3.5 *Persistent savings*

In 35 grants there were persistent savings in excess of Rs.10 lakh in each case, representing 20 per cent or more of the total provision during the last three years. Details are given in Appendix-VIII.

### 2.3.6 *Anticipated savings not surrendered*

According to the rules framed by Government the spending departments are required to surrender the grants/appropriation, or portion thereof, to the Finance Department as and when the savings are anticipated. However at the close of the year there were grants/appropriations in which large savings had not been surrendered by the departments. In 58 grants/appropriations saving exceeding Rs.one crore each

remained to be surrendered at the end of 2001-2002. The amount involved was Rs.2,822.22 crore. Details are given in Appendix-IX.

### **2.3.7 Non-receipt of explanations for Savings/Excesses**

After the closure of accounts each year, the detailed Appropriation Accounts showing the Final Grant/Appropriation, the actual expenditure and the resultant variations are sent to the controlling officers (CO) who are required to explain the variation in general and those under important sub-heads in particular. The State budget manual also requires the CO to furnish promptly all such information to Accountant General (A&E) for preparation of the appropriation accounts.

For the Appropriation Accounts 2001-02, the reasons for savings/excesses were called for by the Accountant General in respect of 1373 sub-heads. In 91 per cent cases, explanations for variations were not received (1253 sub-heads). The replies received were incomplete in respect of 118 sub-heads.

### **2.4 Injudicious/Unnecessary re-appropriation**

Funds from one sub-head of appropriation to another sub-head where additional funds are needed can be transferred by re-appropriation. Scrutiny of re-appropriation orders revealed that a number of such orders issued during 2001-02 proved to be injudicious on account of either expected saving not materialising under the head of accounts from which funds were transferred or the actual expenditure falling short of even the original provision under the head to which additional funds were transferred. The details of such instances where re-appropriation for sums exceeding Rs.25 lakh each turned out to be injudicious are given below:

Sl. No	Number and name of grant/Appropriation and head of account	Total Provision	Re-appropriation	Total	Actual expenditure	Excess (+) Savings (-)
1.	12- District Administration 2053- District Administration 0422- District Headquarters	2717.82	(+) 144.23	2862.05	1535.74	(-) 1326.31
2.	12- District Administration 2053- District Administration 0239- Sub-Divisional establishment	1256.80	(-) 163.80	1093.00	1618.01	(+) 525.01
3.	63- Flood Control 2711-Flood Control and Drainage Barak Valley Flood Control Project 0532- Embankments General	312.17	(+) 46.76	358.93	243.09	(-) 115.84
4.	64- Roads and Bridges District and other Roads 010- Other than MNP 0548- Works	1024.38	(-) 1024.38	-	31.33	(+) 31.33

### **2.5 Reconciliation of departmental figures**

To enable departmental officers to exercise proper control over expenditure there are standing instructions of Government that the accuracy of departmental accounts should be ensured by reconciliation of departmental figures with those recorded in the books of Accountant General (Accounts and Entitlement) monthly/quarterly.

The Public Accounts Committee while examining the accounts of the State Government desired that a detailed programme for month-wise quarterly reconciliation may be finalised by the Accountant General (Accounts and Entitlement) in consultation with the Finance Department for timely reconciliation of expenditure by the various drawing and disbursing officers/controllers departments. Accordingly, the Accountant General (Accounts and Entitlement) had drawn up quarterly calendar for reconciliation of accounts by the departmental officers with intimation to Finance Department.

During 2001-2002 out of 125 controlling officers (COs), four COs fully reconciled their expenditure before the final closing (September 2002) of the accounts of the year 2001-2002. Of the remaining 121 COs, 93 COs did not reconcile the figures at all and 28 COs carried out reconciliation partially\* for one to three quarters and for less number of heads of account than that operated by them/reconciliation of only works portion.

## **2.6 Trend of recoveries and credits**

Under the system of gross budgeting followed by Government, the Demands for Grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries, which are adjusted in the accounts as reduction of expenditure, the anticipated recoveries and credits are being shown separately in the Budget estimates. During the year 2001-02 such recoveries were anticipated at Rs.142.67 crore against which actual recoveries were Rs.1.07 crore. The shortfall in recoveries was mainly under (i) 17-Administrative and Functional Buildings (Rs.7.01 crore), (ii) 24-Aid Materials (Rs.14.04 crore), (iii) 25-Miscellaneous General Services (Rs.40.00 crore), and (iv) Natural calamities (Rs.80.75 crore), which was partially set off by excess recoveries of Rs.0.40 crore under Roads and Bridges, Rs.0.29 crore under Water Supply and Sanitation and Rs.0.10 crore under Irrigation.

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\*Reconciliation done by 13 COs upto June 2001, four COs upto September 2001, one CO upto December 2001 and 10 COs for less number of heads of accounts than that operated by them/reconciliation of only works portion.