

CHAPTER II

Appropriation Audit and Control over Expenditure

APPROPRIATION ACCOUNTS-2001-2002 – At a glance

Appropriation Accounts : Chhattisgarh

Total No. of Grants : 78 Grants/Appropriation

Total provision and actual expenditure

(Rupees in crore)

Provision	Amount	Expenditure	Amount
Original	7294.94		
Supplementary	731.67		
Total Gross provision	8026.61	Total Gross expenditure	5735.50
Deduct- Estimated recoveries in reduction of expenditure	208.61	Deduct- Actual recoveries in reduction of expenditure	81.34
Total Net provision	7818.00	Total Net expenditure	5654.16

Voted and charged provision and expenditure

(Rupees in crore)

	Provision		Expenditure	
	Voted	Charged	Voted	Charged
Revenue	4867.74	949.88	4223.72	795.25
Capital	820.12	1388.87	532.48	184.05
Total Gross	5687.86	2338.75	4756.20	979.30
Deduct- Recoveries in reduction of expenditure	208.41	0.20	81.34	--
Total Net	5479.45	2338.55	4674.86	979.30

2.1 Introduction

The Appropriation Accounts are prepared every year indicating the details of amounts on various specified services actually spent by Government vis-à-vis those authorised by the Appropriation Act in respect of both charged as well as voted items of budget.

The objective of appropriation audit is 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 2001-02 against 78 grants/appropriations was as follows:

(Rupees in crore)

	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure	Variation Saving (-)/ Excess (+)
Voted	I- Revenue	4326.80	540.94	4867.74	4223.72	-644.02
	II- Capital	588.17	136.46	724.63	482.96	-241.67
	III- Loans & Advances	77.64	17.85	95.49	49.52	-45.97
Total Voted		4992.61	695.25	5687.86	4756.20	-931.66
Charged	IV- Revenue	913.48	36.40	949.88	795.25	-154.63
	V- Capital	0.33	--	0.33	0.03	-0.30
	VI- Public Debt	1388.53	0.01	1388.54	184.02	-1204.52
Total Charged		2302.34	36.41	2338.75	979.30	-1359.45
Appropriation to contingency fund (if any)	Nil	Nil	Nil	Nil	Nil	Nil
	Grand Total	7294.95	731.66	8026.61	5735.50	-2291.11

The table presents overall saving of Rs.2291.11 crore (28.5 per cent). There was significant saving of Rs.1204.52 crore (86.7 per cent) under Public debt, reasons for which have not been intimated (October 2002). Supplementary provision of Rs.731.67 crore under Revenue and Capital section proved unnecessary as the actual expenditure was less than original provision/appropriation.

(a) The figures of expenditure were overstated to the extent of the following :

1. Transfer of Rs.93.78 crore (Revenue section : 40.26 crore and Capital section Rs.53.52 crore) to Major head 8443-Civil Deposits-800-Other Deposit through Nil payment vouchers.
2. Rs.21.14 crore (Deposit: Rs.52.14 crore - Disbursement: Rs.31 crore) added to the balance to Major Head 8443-Civil Deposit-106, Personal Deposit during 2001-02 in respect of Government and semi Government Institutions.

(b) The total expenditure was understated at least to the extent of :

Rs.1.18 crore incurred under various major heads for which vouchers were not received from the treasuries during the year, remained unreconciled and kept

in the objection book of the Suspense Accounts in the book of the Accountant General (A&E).

2.3 Results of Appropriation Audit

2.3.1 Supplementary provision

Supplementary provision of Rs.731.67 crore obtained during the year constituted 10 per cent of the original provision.

2.3.2 The overall saving of Rs.2291.11 crore was the result of saving of Rs.2407.01 crore in 134 cases of grants and appropriations offset by excess of Rs.115.90 crore in 16 cases of grants and appropriations. Explanations for savings/excesses were either not received or were received incomplete in respect of 648 heads which form 93.8 per cent of the total number of 691 heads.

2.3.3 Supplementary provision of Rs.214.99 crore made in 41 cases during the year proved unnecessary in view of aggregate saving of Rs.2050.66 crore as detailed in **Appendix-III**.

2.3.4 In 22 cases against additional requirement of Rs.225.45 crore, supplementary grants and appropriations of Rs.383.32 crore were obtained resulting in savings in each case exceeding Rs.10 lakh, aggregating to Rs.157.87 crore. Details of these cases are given in **Appendix-IV**.

2.3.5 The excess of Rs.115.90 crore under 16 cases required regularisation under Article 205 of the Constitution. Details of these are given in **Appendix-V**.

2.3.6 In 10 cases, supplementary provision of Rs.132.25 crore proved insufficient by more than Rs.10 lakh in each case, leaving an aggregate uncovered excess expenditure of Rs.51.74 crore as per details given in **Appendix-VI**.

2.3.7(a) In 59 cases, expenditure fell short by more than Rupees one crore in each case and also by more than 10 per cent of the total provision as indicated in **Appendix-VII**. In 2 of the above cases (Sr. No.32 and 57) the entire provision totalling to Rs.10.26 crore were not utilised.

2.3.7 (b) In 15 cases the entire budget provision of Rupees one crore and more in each case totalling to Rs.102.16 crore, provided under various Central Schemes remained unutilised **Appendix-VIII**.

2.3.8(a) In 13 schemes, expenditure in each case exceeded the approved provision by Rs. 5 crore or more and also by more than 100 per cent of the total provision aggregating to Rs.138.09 crore. Details of these are given in **Appendix-IX**.

2.3.8 (b) In 26 cases of schemes, substantial saving of Rs.5 crore or more and also more than 80 per cent of the provision in each case totalling to Rs.1928.11 crore were noticed. The details are given in **Appendix-X**. In 15 out of 26 cases, the entire provision remained unutilised.

2.3.9 Excessive/ 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. Cases where re-appropriation/surrender of funds of more than Rupees one crore in each case proved injudicious due to (a) withdrawal of funds from heads where excess expenditure had already occurred (b) withdrawal of funds in excess of available saving and (c) unnecessary augmentation of funds despite saving are as given in **Appendix-XI**.

2.3.10 Anticipated saving not surrendered

(a) 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 2001-02 there were 107 cases of grants/ appropriations in which large savings had not been surrendered by the department. The amount involved was Rs.805.93 crore. In 29 cases, significant amounts of available savings (of Rs.5 crore and above in each case, aggregating to Rs.745.54 crore) were not surrendered as per details given in **Appendix-XII**.

(b) In 75 cases, Rs.1642.81 crore (99.42 per cent) were surrendered on the last day of March 2002 out of total surrender of Rs.1652.44 crore, indicating inadequate financial control over expenditure.

2.3.11(a) Surrender in excess of actual savings

In 10 cases, the amount surrendered was in excess of actual savings, which indicated inadequate budgetary control. As against the total savings of Rs.63.69 crore, the amount surrendered was Rs.84.12 crore, resulting in excess surrender of Rs.20.43 crore. Details are given in **Appendix-XIII**.

2.3.11(b) In 4 cases, Rs.30.91 crore were surrendered though there was excess expenditure amounting to Rs.88.68 crore. Details are given in **Appendix-XIV**.

2.3.12 Expenditure without Budget Provision

Expenditure should not be incurred on a scheme/service without provision of funds by budget. It was however noticed, that in 20 cases of schemes, expenditure of Rs.456.41 crore was incurred without the provision having been made in the original estimates/supplementary demand. Details are given in **Appendix-XV**.

2.3.13 Unreconciled Expenditure

Financial rules require the Departmental Controlling officers to reconcile periodically the departmental figures of expenditure with those booked by the

Accountant General (A&E). In respect of 39 major heads, expenditure of Rs.8671.45 crore pertaining to 2001-02 remained unreconciled by various controlling officers. Details are given in **Appendix-XVI**.

2.3.14 Rush of Expenditure

Uniform flow of expenditure in the year is a primary requirement of budgetary control. It was, however, noticed that in 14 cases, the expenditure incurred during March 2002 ranged from 49 per cent to 100 per cent of the total expenditure during the year. The details are given in **Appendix-XVII**.

2.3.15 Defective sanctions of Re-appropriation/surrender

As per instructions (January 2001) of State Government and financial rules, (i) re-appropriation from 'salary and wages' head to other head is not permissible, (ii) re-appropriation of fund from one grant to another grant should not be made, (iii) total of both side of re-appropriation sanction should tally (iv) all sanctions of surrender/re-appropriation should be issued by the competent authority and these should be received in the Accountant General (A&E) office before closing and finalisation of Accounts. Contrary to these, Rs.3072.79 lakh were re-appropriated/surrendered during 2001-02 by the Government as per details given in **Appendix-XVIII**.