

CHAPTER II

ALLOCATIVE PRIORITIES AND APPROPRIATION

2.1 Introduction

The Appropriation Accounts are prepared annually to indicate capital and revenue expenditure on various specified services vis-à-vis those authorised by the Appropriation Act(s) in respect of both charged and 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(s) 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 the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2003-2004 against 96 grants/ appropriation was as follows:

(Rupees in crore)

	Nature of expenditure	Original grants/ appropriation	Supplementary grants/ appropriation	Total	Actual expenditure	Saving(-)
Voted	I. Revenue	13661.00	4522.40	18183.40	15375.59	-2807.81
	II. Capital	3623.13	723.68	4346.81*	2812.34*	-1534.47
	III. Loans & Advances	745.75	69.19	814.94	204.36	-610.58
Total Voted		18029.88	5315.27	23345.15	18392.29	-4952.86
Charged	IV. Revenue	3288.98	496.91	3785.89	3530.02	-255.87
	V. Capital	1.12	-----	1.12	0.87	-0.25
	VI. Public Debt	6158.09	3177.55	9335.64	8422.09	-913.55
Total Charged		9448.19	3674.46	13122.65	11952.98	-1169.67
Grand Total		27478.07	8989.73	36467.80	30345.27	-6122.53

* Includes provision of Rs.25 crore and expenditure of Rs.22.39 crore being grants-in-aid to Local Bodies/ Institutions classified and accounted for under Capital section instead of Revenue section.

Note: - The expenditure includes the recoveries adjusted as reduction of expenditure under revenue expenditure: Rs.140.90 crore and capital expenditure: Rs.134.57 crore.

The overall savings of Rs.6122.53 crore was the net result of savings of Rs.6125.07 crore in 185 cases under different grants and appropriations offset by excess of Rs.2.54 crore in 7 cases.

Detailed comments on the expenditure and budgetary control systems in the case of some test-checked grants are contained in paragraph 2.7.

Scrutiny of the Appropriation Accounts revealed the following points:

The expenditure was overstated:

- by Rs.115.45 crore (Revenue section: Rs.111.44 crore and Capital section: Rs.4.01 crore) on account of unspent amounts transferred to Major Head 8443-Civil Deposit 800- Other Deposit, through nil payment vouchers.
- by Rs.139.14 crore (Deposits: Rs.545.59 crore less disbursements : Rs. 406.45 crore) to the balance of Major Head 8443- Civil Deposit, 106- Personal Deposit Account, in respect of government institutions. Out of Rs.545.59 crore deposited during the year, Rs.143.82 crore were credited through nil payment vouchers.

Genuineness of expenditure of Rs.20 lakh drawn on Abstract Contingent bills could not be vouched as Detailed Contingent bills were not submitted.

The overstatement of total expenditure was partly offset by its understatement:

- to the extent of Rs.18.09 crore spent under various heads for which vouchers were not received from the treasuries during the year; the amount accordingly remained unaccounted for and was kept under objection in the books of the Accountant General (A&E)-I.
- by rupees one crore drawn from the contingency fund during the year and remained unrecouped at the close of the year under Major Head 2217-Urban Development in Grant no. 94.

The savings/ excesses (Detailed Appropriation Accounts) were intimated to the controlling officers requiring them to explain the significant variations. Out of 983 sub-heads commented upon in the Appropriation Accounts, explanations for savings/ excesses in respect of 857 sub-heads (87.2 per cent) were either not received or not to the point.

2.3 Fulfilment of Allocative Priorities

2.3.1 Appropriation by Allocative Priorities

Analysis of savings with reference to allocative priorities brought out the following:

Grant No. 6-Expenditure pertaining to Finance Department

(Rupees in crore)

Revenue (Voted)		Total grant	Actual Expenditure	Saving
Original:	1476.24			
Supplementary:	212.50	1688.74	1249.91	438.83

Savings occurred mainly under 2070-Other Administrative Services-Administrative arrangements due to formation of new districts (Rs.30 crore), Lump-sum provision for voluntary retirement (Rs.10 crore), Other Expenditure (Rs.97.56 crore), Recommendation of Brahma Swarup

Committee (Rs.75 crore), Relief on Pension (Rs.33.28 crore), and 2071-Pensions and other Retirement Benefits- Payable to Retired Salaried Persons (Rs.37.03 crore), Payment of Commuted Value of Pensions in India (Rs.117.90 crore), Service and Death- cum Retirement Gratuity (Rs.10.81 crore), and Family Pension (Rs.11.98 crore). Reasons for savings have not been intimated (October 2004).

Grant No.12- Expenditure pertaining to Energy Department

(Rupees in crore)

Capital (Voted)		Total grant	Actual Expenditure	Saving
Original:	616.00			
Supplementary:	120.00	736.00	102.81	633.19

Though there were savings of more than 83 per cent of the original provision, yet supplementary grant of Rs.120 crore was taken. Savings occurred mainly under 4801-Capital Outlay on Power Project- Externally aided projects (Normal)- Payment of grant's portion in the form of share capital in project loans received from Asian Development Bank (Rs.120 crore) and 6801-Loans for Power Projects- State Plan Schemes (Normal) Other Loans to Electricity Boards (Rs.512.19 crore). Reasons for savings have not been intimated (October 2004).

Grant No. 24- Public Works- Roads and Bridges

(Rupees in crore)

Capital (Voted)		Total grant	Actual Expenditure	Saving
Original:	422.34			
Supplementary:	54.00	476.34	297.53	178.81

Savings were mainly under 5054- Capital outlay on Roads and Bridges- State Plan Scheme (Normal)- Construction of Major Bridges under NABARD Loan Assistance (Rs.9.42 crore), Construction of Rural Roads under NABARD Loan Assistance (Rs.10.21 crore), Repayment of Bond amount (Rs.11.25 crore), Upgradation, Bitumenisation and Renovation (Rs.62.02 crore), Central Sector Scheme Normal- Central Road Fund (Rs.43.72 crore) and Centrally Sponsored Scheme Normal- Road Construction Works (A.D.B.) (Rs.40 crore). Reasons for saving have not been intimated (October 2004).

Grant No. 30- Expenditure pertaining to Panchayat and Rural Development Department

(Rupees in crore)

Capital (Voted)		Total grant	Actual Expenditure	Saving
Original:	310.20			
Supplementary:	---	310.20	59.29	250.91

Savings were mainly under 4515- Capital Outlay on Other Rural Development Programmes- Centrally Sponsored Schemes Normal- Grant to Madhya

Pradesh Rural Road Development Authority (Rs.250.90 crore). Reasons for this has not been intimated (October 2004).

Grant No. 39- Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department

(Rupees in crore)

Revenue (Voted)		Total grant	Actual Expenditure	Saving
Original:	234.47			
Supplementary:	Token	234.47	63.30	171.17

Savings occurred mainly under 2408- Food, Storage and Warehousing-Central Sector Schemes Normal- Grant from Central Government under Decentralised Procurement Scheme (Rs.150 crore) and State Plan Schemes (Normal)- Recoupment of loss to Co-operative Societies for sale of food grain under Public Distribution System (Rs.13.09 crore). Savings of Rs.150 crore were attributed to release of assistance directly to the Madhya Pradesh Civil Supplies Corporation by Government of India, while part of savings of Rs.13.09 crore was due to compulsory economy cut and non operation of new budget system properly (Rs.11.05 crore).

Grant No. 41- Tribal areas sub plan

(Rupees in crore)

Revenue (Voted)		Total grant	Actual Expenditure	Saving
Original:	545.61			
Supplementary:	100.91	646.52	378.11	268.41

Savings occurred mainly under 2029-Land Revenue- Scheme for purchase of private land and giving on lease to landless (Rs.14.23 crore); 2202-General Education- Centrally Sponsored Schemes-T.S.P- Sarva Shiksha Abhiyan (Education for all) (Rs.90.55 crore); 2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes- Scheme financed out of additive funds from Government of India for TSP- Assistance to Tribal people for restoration of Agricultural land (Rs.12.24 crore), Check Dam, Wells, Tube wells, Diversion Channels, Water harvesting structure etc. for Tribal Community (Rs.11.49 crore), Assistance to Tribal beneficiaries for Wells, Tube wells, Irrigation Pumps and Agriculture Ponds (Rs.10.10 crore), Plantation of grain and fruits species as a measures of Soil Conservation on the land of Tribals (Rs.10.90 crore), Plantation of Minor Forest Produce and collection of roots and herbs in Tribal Areas (Rs.8.09 crore), 2401-Crop Husbandry- Centrally Sponsored Schemes T.S.P.-Agriculture programme (Macro Management) (Rs.17.65 crore). Saving of Rs.90.55 crore under Sarva Shiksha Abhiyan was due to release of central share directly to the mission by G.O.I. and release of 25 percent matching state's share in the ratio of the available central amount. Saving of Rs.17.65 crore under Agriculture programme (Macro Management) was partly due to providing of funds for payment of crop insurance claims of Kharif 2000 (Rs.6 crore). Reasons for other savings have not been intimated (October 2004).

Grant No.48 -Narmada Valley Development*(Rupees in crore)*

Capital (Voted)		Total grant	Actual Expenditure	Saving
Original:	986.19			
Supplementary:	287.09	1273.28	765.96	507.32

Substantial savings of Rs.25.34 crore, Rs.87.85 crore, Rs.100.93 crore and Rs.11.97 crore under the four schemes* were mainly due to non-finalisation of construction agencies. Saving of Rs 40.87 crore under Sardar Sarovar Project was partly due to cut in allotment (Rs.7.00 crore), while saving of Rs.166.56 crore was mainly due to slow progress of work under the State Plan Schemes - land acquisition and rehabilitation work in submerged area of Sardar Sarovar (Major Head 4801). Reasons for other saving/ excess have not been intimated (October 2004).

In many other heads also, savings / excesses occurred as follows:-

- In other 89 cases of grants/ appropriations, savings exceeding Rupees one crore in each case and also by more than 10 per cent of total provision were Rs.2092.88 crore as indicated in **Appendix XII**. In 4 of these (Serial numbers 38, 43, 50 and 66), the entire provision aggregating to Rs. 50.90 crore were not utilised.
- In 49 cases, the entire budget provision of rupees one crore and more in each case totaling Rs.416.58 crore, provided under various Central schemes remained unutilised, as detailed in **Appendix XIII**.
- In 12 schemes, expenditure in each case exceeded the approved provisions by Rs. 5 crore or more and also by more than 100 per cent of the total provision, aggregating to Rs.595.46 crore. Details are given in **Appendix XIV**.
- In 59 schemes, substantial savings of Rs. 5 crore or more and also more than 80 per cent of the provision in each case, aggregating to Rs.2437.29 crore was noticed. In 38 of these schemes, the entire provision remained unutilised. The details are given in **Appendix XV**.

2.3.2 Persistent savings

In 37 cases of grants/ appropriations, there were persistent savings of more than Rupees one crore in each case and 20 per cent or more of provision. Persistent savings indicate budgeting on inappropriate assumptions. Details are given in **Appendix XVI**.

* State Plan schemes- Bargi Canal Diversion Project, Dam and Appurtenant work, Indira Sagar Project Unit-I (Major Head 4701), Indira Sagar Canal-Bed Power House (Major Head 4801)

2.3.3 Excess requiring regularisation

(i) Excess over provision relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/ appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs.5569.04 crore during the years 1990-91 to 2002-03 had not been regularised so far (October 2004). This was breach of Legislative control over appropriations.

The details are as follows:

(Rupees in crore)

Year	No. of grants/ appropriation	Amount of excess	Amount for which explanations not furnished to PAC
1990-91	22	119.51	Furnished
1991-92	16	258.58	Furnished
1992-93	21	189.32	Furnished
1993-94	21	258.11	2.05
1994-95	15	407.46	0.39
1995-96	21	251.59	Furnished
1996-97	18	224.17	Furnished
1997-98	13	302.79	0.97
1998-99	17	1276.45	1.84
1999-2000	17	1584.94	Furnished
2000-2001	07	265.07	265.07
2001-2002	03	6.26	6.26
2002-2003	08	424.79	424.79
Total		5569.04	701.37

(ii) Excess over provisions during 2003-04 requiring regularisation

The excess of Rs.2.54 crore under 7 grants and appropriations during the year requires regularisation under Article 205 of the Constitution. Details are given below :

(In Rupees)

Sr.No.	No. and name of Grant/appropriation	Total Grant/ appropriation	Actual expenditure	Excess (Percentage of Excess)
<i>Amount in Rupees</i>				
A-Revenue (Voted)				
1.	68-Upgradation of Standards of Administration recommended by the Eleventh Finance Commission- Panchayat and Rural Development	54,27,75,000	55,51,41,250	1,23,66,250 (2.3)
2.	84-Upgradation of Standards of Administration recommended by the Eleventh Finance Commission- Revenue	5,16,000	9,88,538	4,72,538 (91.6)
	Total-(A)	54,32,91,000	55,61,29,788	1,28,38,788
B-Revenue (Charged)				
3.	20-Public Health Engineering	20,00,000	20,26,547	26,547 (1.3)
4.	67-Public Works-Buildings	10,00,000	14,64,171	4,64,171 (46.4)
	Total-(B)	30,00,000	34,90,718	4,90,718
C-Capital-(Voted)				
5	35-Rehabilitation	21,95,000	23,17,639	1,22,639 (5.6)
6	94-Expenditure pertaining to Simhastha Mela, 2004	1,04,98,88,000	1,06,15,93,217	1,17,05,217 (1.1)
	Total- (C)	1,05,20,83,000	1,06,39,10,856	1,18,27,856
D-Capital (Charged)				
7	23-Water Resources Department	40,00,000	42,28,894	2,28,894 (5.7)
	Total- (D)	40,00,000	42,28,894	2,28,894
	Total-(A+C) Voted	1,59,53,74,000	1,62,00,40,644	2,46,66,644
	Total-(B+D) Charged	70,00,000	77,19,612	7,19,612
	TOTAL (A+B+C+D)	1,60,23,74,000	1,62,77,60,256	2,53,86,256

Reasons for the excesses had not been furnished by the Government as of October 2004.

2.3.4 Original budget and supplementary provision

Supplementary provision (Rs.8989.73 crore) made during this year constituted 32.72 per cent of the original provision (Rs.27478.07 crore) as against 26.75 per cent in the previous year.

2.3.5 Unnecessary/ excessive/ inadequate supplementary provisions

Supplementary provision of Rs.1151.54 crore made in 54 cases during the year proved unnecessary in view of aggregate saving of Rs.3575.81 crore (saving in each case exceeding Rs. 10 lakh), as detailed in **Appendix XVII**.

In 16 cases, against additional requirement of only Rs.6060.87 crore, supplementary grants and appropriations of Rs.7771.33 crore were obtained, resulting in savings in each case exceeding Rs.10 lakh, aggregating to Rs.1710.46 crore. Details of these cases are given in **Appendix XVIII**.

In 4 cases, supplementary provision of Rs.17.85 crore proved insufficient leaving an uncovered excess expenditure of Rs.2.46 crore. Details are given in **Appendix XIX**.

2.3.6 Persistent excesses

Significant excess was persistent in one appropriation as detailed below :-

Description of Appropriation	Amount of excess (in Rupees) and percentage in bracket		
	2001-02	2002-03	2003-04
Capital (Charged)			
23-Water Resources Department	5,73,333 (28.7)	80,985 (4)	2,28,894 (5.7)

Persistent excess needs investigation.

2.3.7 Excessive/ unnecessary re-appropriations/ surrender of funds

Re-appropriation is a 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 the re-appropriations/ 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, (c) unnecessary augmentation of funds despite saving, and (d) augmentation of funds by more than the amount required to cover the excess, (given in **Appendix XX**) indicate poor financial management.

2.3.8 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 2003-04, there were 144 cases of grants/ appropriations in which large savings had not been surrendered by the departments; the amount involved was Rs.4231.10 crore. Out of these, in 50 cases, significant amounts of available savings (of Rs.5 crore and above in each case), aggregating to Rs.4164.14 crore, were not surrendered, as per details given in **Appendix XXI**.

Besides, in 126 cases, Rs.1833.51 crore (94.7 per cent) were surrendered on the last day of March 2004, out of total surrender of Rs.1936.82 crore, indicating inadequate financial control over expenditure.

2.3.9 Injudicious surrender of funds

In 16 cases, the amount surrendered was in excess of the available saving, which indicated inefficient budgetary control. As against the total available savings of Rs.576.67 crore, the amount surrendered was Rs.619.31 crore, resulting in excess surrender of Rs.42.64 crore. Details are given in **Appendix XXII**.

In 3 cases, Rs.21 lakh were surrendered though there was excess expenditure of Rs.2.42 crore. Details are given in **Appendix XXIII**.

2.3.10 Expenditure without Budget Provision

Expenditure should not be incurred on any scheme / service without provision of funds by budget. It was however, noticed that expenditure of Rs.71.88 lakh was incurred in 5 cases without the provision having been made in the original estimates/ supplementary demands as per details given in **Appendix XXIV**.

2.4 Unreconciled expenditure

Financial rules require Departmental Controlling Officers to reconcile periodically the departmental figures of expenditure with those booked by the Accountant General (A&E). The reconciliation of expenditure of Rs.3386.15 crore in respect of 12 major heads involving 33 grants, representing 11.2 per cent of the total expenditure during the year, had however, remained in arrears in several departments. Details are given in **Appendix XXV**.

2.5 Defective sanctions for re-appropriations/surrenders

As per instructions (August 1996) of State Government and financial rules, (i) all sanctions for re-appropriations / surrenders should be issued before the end of the financial year and should be received in Accountant General (A&E) office well in time for incorporation in the Accounts, (ii) budget provision under the head "office expenses" should not be increased by re-appropriation in any circumstances, (iii) no amount can be re-appropriated from Charged to Voted and Revenue to Capital and vice versa, (iv) re-appropriations are not permissible from "Salary and wages" head to other heads and vice versa, (v) budget provision should be available under the head from which re-appropriations / surrenders are sanctioned, (vi) proper details of schemes should be furnished from which surrenders/ re-appropriations are sanctioned and total of both sides of re-appropriation sanction should tally etc. Rs.55.25 crore were re-appropriated/ surrendered during the year in violation of these instructions. Details are given in **Appendix XXVI**.

2.6 Rush of expenditure

The financial rules require that Government expenditure should be evenly distributed throughout the year. The rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial rules. The position in respect of expenditure for the four quarters and also for the month of March 2004 is depicted in **Appendix XXVII** which shows that the expenditure incurred in March 2004 in 7 cases ranged between 45 and 100 *per cent* of the total expenditure during the year indicating a tendency to utilise the budget at the close of the financial year.

2.7 Budgetary Control

A review of budgetary procedure and control over expenditure and test check of records in case of 8 grants* revealed the following:

Non maintenance of expenditure control registers

Monthly statement of expenditure were not received or called for regularly by the Controlling Officers of Grants number 2,23,36,45,59,86,92 and 94 from their subordinate units. Expenditure control registers were also not maintained in any of these offices. Thus the upto date progressive totals of expenditure monthwise could not be worked out by the controlling officers. This was indicative of absence of proper control and monitoring of expenditure which led to (a) heavy excesses/ large savings over the provisions under certain sub-heads, (b) inadequate/ unnecessary/ excessive supplementary provisions, and (c) irregular re-appropriations and non-surrender of funds thereof, as discussed earlier. The department of grants no.36,59 and 92 accepted and stated that expenditure control register would be maintained in future.

Defective preparation of budget estimates

The procedure followed in eight test-checked grants mentioned above and the Appropriation Accounts, 2003-04 revealed that demands for budget estimates were prepared on ad hoc basis. The poor quality of budget preparation and budgetary operations led to:

Excessive provisions ranging from Rs.1.31 crore to Rs.20.88 crore in four grants (2, 36, 45 and 92) under Revenue voted section and in Capital voted section also, ranged from Rs.1.10 crore to Rs.84.01 crore in four grants (23, 45, 59 and 86). Further in Capital voted section of grant no. 94, there was inadequate budget provision of Rs.1.17 crore. The department (Grant no. 59) stated that provision remained unutilized due mainly to slow progress of work. Substantial savings of Rs. 2 crore or more and also more than 20 per cent of the provision in each case aggregating to Rs.168.07 crore under 13 schemes of test checked grants during 2003-04 (in 11 schemes persistent saving had occurred) as per details given in **Appendix XXVIII**. While under 7 schemes, substantial excess of more than Rupees one crore in each case, totaling Rs.16.66 crore during 2003-04 (in 2 schemes persistent excess had occurred) were noticed as per details given in **Appendix XXIX**.

* 2- Other expenditure pertaining to General Administration Department (Revenue-Voted), 23- Water Resources Department (Capital- Voted), 36- Transport (Revenue-Voted), 45- Minor Irrigation Works (Revenue and Capital- Voted), 59- Externally Aided Projects pertaining to Rural Development Department (Capital-Voted), 86-Upgradation of standards of Administration recommended by the Eleventh Finance Commission- Jail (Capital Voted), 92- Upgradation of standards of Administration recommended by the Eleventh Finance Commission-Culture (Revenue-Voted) and 94-Expenditure pertaining to Simhastha Mela, 2004 (Capital-Voted).

Unnecessary/excessive/inadequate supplementary provisions

In 3 schemes of test checked grants supplementary provisions totaling Rs.6.96 crore remained unutilised and proved unnecessary, in 3 schemes supplementary provisions were excessive by Rs.34.71 crore and in 2 schemes supplementary provision of Rs.29.75 crore proved inadequate in view of excess of Rs.5.59 crore. Details are given in **Appendix XXX**.

Transfer of Funds to Deposit head on the last day of financial year

Rs.2.42 crore was drawn on last day of financial year under the scheme- 2205-800-1301-5062- Upgradation of Museums under Eleventh Finance Commission in grant no. 92 and credited to Major Head 8443-Civil Deposits-800 Other Deposits on 31 March 2004 after exhibiting as expenditure in accounts to avoid lapse of budgetary provision. This also resulted in undue inflation of expenditure to that extent.

Blocking of funds in bank account

The amount of Rs.51 lakh was drawn on 31 March 2004 under the scheme - State Plan Scheme (Normal)- Arrangement for Simhastha Mela, 2004 in grant no. 94 and credited to Bank Account after showing as expenditure in the Accounts. This incorrect depiction of expenditure in the Accounts was done only to avoid to the lapse of budget grant. The department stated that amount was kept in Bank Account for payment of expenditure incurred during Mela period. The reply is not tenable as Financial rules prohibit drawal of funds in anticipation of requirement.

Non-reconciliation of expenditure

Reconciliation of Departmental expenditure figures for the year 2003-04 with the figures of Accountant General (A&E) M.P. Gwalior, were not carried out by the controlling officers of grants no. 2,23,36,45,59,86,92 and 94 resulting in ineffective control over expenditure. The controlling officers accepted the fact and stated that reconciliation of expenditure will be done/being done.

Rush of expenditure in March

The percentage of expenditure during March 2004, under various schemes of grants no. 23 and 45 was as under :

Grant No.	Major Head/ Scheme	Percentage of expenditure
23	4701-01-202-3264-Circle Establishment.	39
23	4701-03-209-0101-823-Kalia Sot	44.3
23	4701-80-005-0101-3363-Survey of Medium projects.	79.3
23	4711-01-103-0101-6358-Prevention from erosion of Pench River of Newton Chichili Village.	68.8
45	4702-800-0101-3803-Minor and Micro Minor Irrigation Scheme.	34.6
45	2702-80-800-7051-Dam Safety	34.2

Department stated that rush of expenditure in March was due to the fact that the funds provided by the Government as in supplementary grant was in March only. The reply is not tenable as no supplementary budget was provided under these schemes, the expenditure in March 2004 was not justified. Non compliance of prescribed procedure can not be ruled out.

Issue of re-allotment orders for the items of revenue nature from capital head

Financial rules prohibit the expenditure on items of revenue nature out of capital head and vice-versa. Test check (August 2004) of re-allotment orders, issued by the Mela Officer, Ujjain from the Capital head 4217 Arrangement for Simhastha Mela, 2004, under grant no. 94, revealed that contrary to above prohibitions, re-allotment orders amounting to Rs.5.63 crore were issued irregularly for the items of revenue nature such as; arrangement for food, breakfast, dress to volunteers, electricity, tent, medicines, telephone, furniture, stationary, T.A., Misc. expenditure etc, to the various Drawing and Disbursing officers.

Issue of re-allotment orders in excess of the budget provision, under grant no. 94.

Financial rules provide that the allotment order should not be more than the available budget provision. Scrutiny of re-allotment orders to various D.D.Os. issued by the Mela Officer, Ujjain revealed (August 2004) that as against the budget provision of Rs.104.99 crore, re-allotment orders amounting to Rs.106.24 crore were issued resulting in excess allotment of Rs.1.25 crore.