

CHAPTER II APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 Introduction

2.1.1 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 budget.

2.1.2 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 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 2002-2003 against 51 grants/appropriations was as follows:

(Rupees in crore)						
	Nature of expenditure	Original grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	23113.94	791.82	23905.76	22108.86*	(-) 1796.90
	II Capital	2214.84	67.29	2282.13	1626.04	(-) 656.09
	III Loans and Advances	670.80	169.30	840.10	696.65*	(-) 143.45
Total Voted		25999.58	1028.41	27027.99	24431.55	(-) 2596.44
Charged	IV Revenue	4017.58	302.98	4320.56	4174.07	(-) 146.49
	V Capital	0.00	9.22	9.22	9.22	0.00
	VI Public Debt-Repayment	7592.45	1888.77	9481.22	11550.73	(+) 2069.51
Total Charged		11610.03	2200.97	13811.00	15734.02	(+) 1923.02
Appropriation to Contingency Fund (if any)	
Grand Total		37609.61	3229.38	40838.99	40165.57**	(-) 673.42

* These were gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure except in respect of grant numbers 7, 20, 26 and 38 where figures are net.

** The total expenditure includes Rs 3473.43 crore transferred to 8443 Civil Deposits 800 Other Deposits in respect of 34 Corporations/Autonomous Bodies.

2.3 Results of Appropriation Audit

The following results emerge from the audit of appropriation accounts.

2.3.1 The overall saving of Rs 673.42 crore was the result of saving of Rs 3110.13 crore in 41 grants and 38 appropriations under Revenue Section, 29 grants and one appropriation under Capital Section and ten grants under Loans Section, offset by excess of Rs 2436.71 crore in eight grants and two appropriations under Revenue Section, two grants and one appropriation under Capital Section and three grants and one Appropriation under Loans Section.

Excess over provision requiring regularisation - previous years

2.3.2 As per Article 205 of the Constitution of India, it is mandatory for the State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs 4375.76 crore for the years 1991-2002 was yet to be regularised as detailed in Appendix IX.

Excess over provision during 2002-03 requiring regularisation

2.3.3 The excess (Appendix X) of Rs 2436.71 crore (2002-2003) requires regularisation under Article 205 of the Constitution.

Expenditure incurred without provision

2.3.4 In 81 sub-heads, expenditure of Rs 296.09 crore had been incurred either without budget provision or the entire provision made was withdrawn subsequently through reappropriation.

2.3.5 Under Public Debt-Repayment there was an excess of Rs 2069.51 crore. Government provided Rs 7592.45 crore in the original estimate followed by Rs 1888.77 crore in second supplementary estimate in March 2003 while the actual expenditure was Rs 11550.73 crore. As repayment of loans is a known liability, the huge excess under this grant clearly indicated that Government failed to provide adequate funds even at the supplementary stage during March 2003.

Original budget and supplementary provisions

2.3.6 An analysis of the Budget provision made, expenditure incurred and amount surrendered during 1998-2003 disclosed the following:

(Rupees in crore)

Year	Original Provision	Supple- mentary Provision	Amount surrendered	Expenditure	Final saving (-)/ Excess (+)
1998-1999	22513.64	1898.89	3775.81	21364.68	(-) 3047.85
1999-2000	23072.31	7199.20	1076.67	28717.41	(-) 1554.10
2000-2001	26886.68	5125.08	628.46	32256.50	(+) 244.74
2001-2002	37048.29	991.28	3800.12	34304.31	(-) 3735.26
2002-2003	37609.61	3229.38	2611.82	40165.57	(-) 673.42

2.3.7 Supplementary provision obtained during the year constituted nine *per cent* of original provision. In previous years 1998-2002, it was 8, 31, 19 and three *per cent* respectively.

Unnecessary supplementary provision

2.3.8 In 33 voted grants under Revenue Section and seven voted grants under Capital Section and five voted grants under Loans Section which are detailed below, the original provision of Rs 17769.51 crore was augmented by first and second supplementary provisions (November 2002 and March 2003) of Rs 102.02 crore, but the expenditure fell short of even the original provision under each of these grants. Similarly supplementary provision of Rs 44.53 crore obtained (Appendix XI) in March 2003 proved unnecessary in view of the final saving in each grant being more than the supplementary provision obtained in March 2003.

(Rupees in crore)			(Rupees in crore)		
Grant Number	Original provision	Expenditure	Grant Number	Original provision	Expenditure
Revenue			Revenue (Conld.)		
2	9.15	7.54	37	79.57	79.24
3	138.90	119.39	39	826.39	746.90
5	599.77	500.48	40	1705.28	1581.54
6	167.61	146.17	41	4160.65	3482.98
7	40.36	40.19	43	411.12	365.40
9	123.34	119.95	44	41.64	36.36
10	240.19	178.30	45	27.33	24.34
11	78.20	73.43	46	150.75	73.41
12	1606.79	1516.37	47	26.14	24.92
17	56.71	44.97	Capital		
18	1243.79	1121.60	4	6.74	4.11
19	792.77	613.42	14	97.68	91.55
21	1170.32	1017.31	20	719.08	375.10
22	58.88	50.53	21	165.69	118.93
23	59.28	53.26	23	3.35	3.28
24	45.44	35.29	33	568.38	460.86
27	26.46	23.35	38	389.93	367.98
28	31.97	11.40	Loans		
30	10.25	2.52	4	4.62	3.81
31	177.69	155.00	13	100.00	55.92
32	8.48	6.72	15	21.94	14.62
33	1062.86	933.04	25	110.76	105.06
34	21.94	21.42	33	355.87	302.32
36	25.45	25.06	Total	17769.51	15136.34

2.3.9 In five appropriations, supplementary provision of Rs 0.04 crore (Appendix XI) obtained in March 2003 proved unnecessary, in view of the final saving in each appropriation being more than the supplementary provision obtained. Similarly, in one charged appropriation (under grant number 4), supplementary appropriation of Rs 0.01 crore obtained in March 2003 proved unnecessary as the expenditure (Rs 0.21 crore) fell short of original provision of Rs 4.00 crore, resulting in saving of Rs 3.80 crore.

Insufficient supplementary provision

2.3.10 In seven grants (Appendix XII), supplementary provision obtained during the year proved insufficient (by more than Rs one crore), resulting in excess ranging from Rs 1.78 crore to Rs 144.87 crore; aggregate excess expenditure was Rs 366.24 crore. Similarly, in one charged appropriation (Public Debt-Repayment), supplementary provision obtained proved insufficient, resulting in excess expenditure of Rs 2069.51 crore.

2.3.11 In 24 grants and two appropriations, the expenditure fell short by more than Rs one crore each and also by 15 *per cent* or more of the total provision (Appendix XIII).

Substantial surrenders

2.3.12 Substantial surrenders were made in respect of 119 schemes on account of either non-implementation or slow implementation. Out of the total provision amounting to Rs 5784.49 crore in these 119 schemes, Rs 5337.67 crore (92 *per cent*) were surrendered; cent *per cent* surrender was made in 46 schemes (Rs 3508.82 crore). Results of review conducted by Audit in respect of a few of these cases are given in Appendix XIV.

Excessive/unnecessary reappropriation of funds

2.3.13 Reappropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. There were 570 sub-heads where injudicious reappropriation proved excessive or insufficient and resulted in savings/excess by over Rs ten lakh. Seventy four cases in which the excess/saving was more than Rs two crore are detailed in Appendix XV.

Unexplained reappropriations

2.3.14 According to paragraph 151 of Tamil Nadu Budget Manual, Volume I, reasons for the additional expenditure and the savings should be explained in the reappropriation statement and vague expressions such as “based on actuals”, “based on progress of expenditure”, etc., should be avoided. However, a scrutiny of reappropriation orders issued by the Finance Department revealed that in respect of 12175 out of 18071 items (67 *per cent*), reasons given for additional provision/withdrawal of provision were of general nature like “actual requirement” and “based on latest assessment”.

2.4 Unreconciled Expenditure

2.4.1 Departmental figures of expenditure should be reconciled with those of the Office of the Accountant General (Accounts and Entitlements) every month. The reconciliation had, however, remained in arrears in several departments.

2.4.2 The number of controlling officers who did not reconcile their expenditure figures and the amounts involved were as under:

(Rupees in lakh)

Year	Number of controlling officers who did not reconcile their figures	Amount not reconciled
1992-1993	1	65.46
1993-1994	1	0.30
1994-1995	1	4.81
1995-1996	2	66.03
1996-1997	2	46.06
1997-1998	5	84.29
1998-1999	4	43.89
1999-2000	5	235.21
2000-2001	5	375.12
2001-2002	8	809.86
2002-2003	61	78809.51
Total	95	80540.54

2.4.3 Amounts exceeding Rs ten crore in each case remained unreconciled during 2002-2003 in respect of the following 13 controlling officers.

(Rupees in crore)

Serial Number	Controlling Officers	Amount not reconciled
1.	Director of Agriculture	79.09
2.	Director of Adi Dravidar and Tribal Welfare	64.47
3.	Commissioner of Commercial Taxes	29.57
4.	Registrar of Co-operative Societies	12.04
5.	Director of Collegiate Education	107.34
6.	Director of Local Fund Audit	15.42
7.	Director of Medical Education	36.48
8.	Director of Public Health (Primary Health Centres)	128.65
9.	Director of Medical and Rural Health Services (Employee State Insurance Corporation)	75.54
10.	Director of Stationery and Printing	19.28
11.	Director of Municipal Administration	131.16
12.	Chief Electoral Officer and Joint Secretary to Government, Public (Elections)	19.78
13.	Commissioner of Prohibition and Excise	21.20

2.5 Rush of expenditure

According to Codal provisions, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 32 heads, expenditure exceeding Rs ten crore and also more than 50 *per cent* of the total expenditure for the year was incurred in the month of March 2003 (Appendix XVI). In the case of 15 heads *per cent* expenditure was incurred in the month of March.

Since the funds released to various organisations in March cannot be constructively spent during the year, it is not possible to conclude whether these funds were applied for the purpose for which they were authorised.

2.6 Budgetary procedure and control over expenditure

Inadequate control over expenditure

2.6.1 The Appropriation Acts specify the sums authorised by the Legislature under each grant for meeting expenditure during a financial year; the final modified grants authorised by Government are the sums to be spent upto 31 March and the difference is resumed to the Consolidated Fund. Such resummptions of funds under the grants were persistent and significant not only during 2002-2003 but also in earlier years. Further, there had also been significant variations (excess or saving) between the final modified grant/appropriation and actual expenditure. Overall position for the five years from 1998-2003 is indicated below:

(Rupees in crore)

Year	Sums authorised by the Legislature	Amount resumed (surrendered)	Final Modified Grant/Appropriation	Actual expenditure	Variation between (4) and (5) Excess (+) / Saving (-)
(1)	(2)	(3)	(4)	(5)	(6)
1998-1999	24412.53	3775.81	20636.72	21364.68	(+) 727.96
1999-2000	30271.51	1076.67	29194.84	28717.41	(-) 477.43
2000-2001	32011.76	628.46	31383.30	32256.50	(+) 873.20
2001-2002	38039.57	3800.12	34239.45	34304.31	(+) 64.86
2002-2003	40838.99	2611.82	38227.17	40165.57	(+)1938.40

2.6.2 Savings compared to the final modified grant showed that estimates of expenditure prepared even in March, the last month of the financial year, were defective. Similarly, excess expenditure over and above the final modified grant indicated that the control over expenditure was inadequate.

2.6.3 Rupees 2611.82 crore were surrendered during 2002-2003 and resumed to Consolidated Fund on 31 March 2003. However, in six Revenue voted grants (1,14,16,20,35 and 38) and two Revenue charged appropriations (1 and 21) total provision of Rs 1306.59 crore was reduced to Rs 1264.17 crore in the final modified grant stage, but expenditure incurred under these grants/ appropriations (Rs 1498.99 crore) was in excess of final modified grant by Rs 234.83 crore.

2.6.4 In 10 Revenue voted¹, 6 Capital voted grants², one Loan voted grant (Grant No 19) and three Revenue charged appropriations (numbers 17, 34 and 48) against Rs 803.47 crore surrendered in March 2003, the saving was

¹ Revenue Voted Grant - 4,8,12,19,21,28,33,37,43 and 45

² Capital Voted Grant - 4,21,22,25,38 and 40

only Rs 759.44 crore, resulting in excess expenditure over the final modified grant.

2.6.5 In 31 Revenue voted grants³, 21 Capital voted grants⁴, 6 Loans voted grants⁵ and 23 Revenue charged appropriations⁶, and in one Capital charged appropriation (Grant No.38) against Rs 1623.23 crore surrendered in March 2003, the saving was Rs 2208.02 crore, indicating that the departments had not utilised Rs 584.79 crore out of the final modified grant/appropriation.

Budget Review of Handlooms, Handicrafts, Textiles and Khadi Department

2.6.6 The Handlooms, Handicrafts, Textiles and Khadi Department includes two major wings viz. Department of Sericulture and Tamil Nadu Khadi and Village Industries Board covered under Grant No.17.

2.6.7 The Department of Sericulture promotes cultivation of mulberry, silkworm rearing, silk reeling, etc through various schemes. The department provides Training and Assistance to farmers for the above activities and also promotes marketing facilities for cocoons, silk, etc.

2.6.8 The Tamil Nadu Khadi and Village Industries Board (TNKVIB) formed under the Tamil Nadu Khadi and Village Industries Board Act, 1959, is a statutory body for the development of Rural Industries to improve the Rural economy by generating employment opportunities directly and or indirectly through registered Co-operative societies.

Overall position

2.6.9 The total grant, actual expenditure and variation (savings) for the year 2002-03 was as under:

(Rupees in crore)

Year	Total grant	Actual Expenditure	Savings
2002-2003	56.73	44.99	11.74

The huge savings of Rs 11.74 crore indicates that the expenditure could not be estimated with reasonable accuracy.

Expenditure not incurred despite budget provision

2.6.10 Under the following sub-heads, no expenditure was incurred although huge amounts were provided in the budget.

³	Grant (Revenue)	-	2,3,5,6,7,9,10,11,13,15,17,18,22,23,24,25,26,27,29, 30,31, 32, 34, 36, 39,40, 41,42,44,46 and 47
⁴	Grant (Capital)	-	5,7,9,12,14,16,18,19,20,23,27,28,29,31,33,35,39,41,42,45 and 46
⁵	Grant (Loans)	-	4,12,15,25,33 and 41
⁶	Charged appropriation - (Revenue) -	-	2,3,4,5,6,9,10,11,14,15,18,20,22,23,26,31,37, 38, 39, 41, 42, 44 and 51

(Rupees in lakh)

Head of account	Original	Supple- mentary	Reappro- priation	Total grant	Expen- diture	Excess (+)/ Saving (-)
2851.00.105.II.KD	200.00	-	(-) 200.00	-	-	(-) 200.00
2851.00.105.II.KE	500.00	-	(-) 500.00	-	-	(-) 500.00

2.6.11 As the provision of funds under these two heads was not warranted for the following reasons, they were ultimately surrendered in full at reappropriation stage. The two items relate to advance for payment of rebate subsidy share of Khadi to TNKVIB (Rs two crore) and to certified institutions (Rs five crore) during 2002-03. The provision was made although there was an unutilised rebate subsidy amount of Rs 2.89 crore and unspent balance of Rs 5.99 crore available in the deposit account of TNKVIB towards subsidy payable to certified institutions. As such it was enough if Government had made token provision under these heads.

Inclusion of vacant posts for making budgetary provision

2.6.12 As per Rule 37(a) of Tamil Nadu Budget Manual, Volume I, the estimates for salary should be framed based on the number of posts filled up and not on the basis of sanctioned strength. However, it was seen from the Number Statement for 2002-03 of the Director of Sericulture that provision was sought in the Budget Estimate for 48 posts which remained vacant. The actual provision made in the Budget estimate for salary was more than the requirement furnished in the number statement. As a result there was surrender of Rs 1.16 crore in reappropriation under Pay and Dearness Allowance (DA) under the following three heads of account.

(Rupees in thousands)

Sl. No	Head of account	Pay	DA	Total
(i)	2851.00.107.I.AB	2980	1941	4921
(ii)	2851.00.107.I.AU	892	508	1400
(iii)	2851.00.107.I.BB	3017	2307	5324
		6889	4756	11645

2.7 Irregularities in the maintenance of Personal Deposit Accounts

2.7.1 Personal Deposit (PD) Accounts are created by debit to the Consolidated Fund of the State and should be closed at the end of the financial year by minus debit to the relevant service heads.

2.7.2 Autonomous bodies/Universities/ Public Sector Corporations maintain Deposit account in the Public Account into which grants released by Government are credited. Withdrawals are made when needed with the concurrence of Finance Department.

2.7.3 Irregularities noticed in the maintenance of PD Account by their administrators are given below:

Remarks	
8443 - Civil Deposits – 106 – Personal Deposit Account	
1) Director of Town and Country Planning (DTCP), Chennai.	As against the amount of Rs 22.45 crore to be transferred to Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) for execution of Integrated Development of Small and Medium Towns scheme, Rs 28 crore was transferred by the DTCP in February 1997 without ascertaining the actual amount relating to the scheme. Out of the excess amount of Rs 5.55 crore released, TUFIDCO refunded Rs three crore in February 1999. Balance of Rs 2.55 crore was yet to be refunded to Government (June 2003)
8443 – Civil Deposits – 800 - Other Deposits	
2) Dr. M.G.R. Medical University.	(i) Rupees 12 lakh were released to the University in June 1999 for creation of the Department of Hospital Administration. But the amount was not utilised even after three years. The Registrar stated that the amount was not utilised as the post of Head of the Department was not filled up. (ii) Government of India assistance of Rs one crore released for strengthening the Department of Epidemiology and Library Services to be utilised before March 2000 was credited to the PD account of the University in March 2000. But even as of June 2003, an amount of Rs 28.97 lakh remained unutilised due to non-finalisation of the equipment to be purchased.

2.7.4 Government of Tamil Nadu constituted the “Tamil Nadu Manual Workers Social Security and Welfare (TNMWSSW) Board” in March 1999 as a Principal Labour Welfare Board for unorganised workers. The schemes were formulated for unorganised labourers in April 1999, which *inter alia* provided for the establishment of the TNMWSSW Fund and the ways for augmenting the financial position of unorganised workers. Six welfare boards* were formed by Government between July and October 2000 and three more boards** in March 2001.

2.7.5 Government sanctioned (January 2001) a Corpus Fund of Rs one crore as grant to the TNMWSSW Board and to the six other Welfare Boards subject to the condition that the Corpus Fund and the existing TNMWSSW Fund and other unorganised Labour welfare funds (except Tamil Nadu construction workers welfare fund) would be merged into one common fund and maintained as per the provisions of TNMWSSW scheme, 1999. The Government order stated that the fund amount should be deposited in the Personal Deposit account for earning an interest of 11 *per cent* per annum. However, in another paragraph of the same Government order, it was mentioned that the amount sanctioned was to be drawn and credited to a non-interest bearing Head of account.

* Tamil Nadu Washermen Welfare Board, Tamil Nadu Tailoring Workers Welfare Board, Tamil Nadu Auto rickshaw and Taxi drivers Welfare Board, Tamil Nadu Hairdressers Welfare Board , Tamil Nadu Palm tree Workers Welfare Board and Tamil Nadu Handicraft Workers Welfare Board.

** Tamil Nadu Handlooms and Handloom Silk Weaving Workers Welfare Board , The Tamil Nadu foot wear and leather goods manufactory and tannery workers Welfare Board and Tamil Nadu Artist Welfare Board.

2.7.6 The TNMWSSW scheme, 2001 incorporating various benefits for the registered workers falling under the purview of the newly constituted Boards was notified in February 2001, according to which “Funds” were to be constituted separately under TNMWSSW Board and each of the other six Boards. This notification was contrary to Government orders of January 2001.

2.7.7 The Commissioner of Labour, without obtaining clarification on the mode of apportionment of grant and operation of accounts, drew the amount in March 2001 and credited to the Deposit account of the TNMWSSW Board. Only in May 2002, he sought an amendment for crediting the amount to Deposit account bearing interest.

2.7.8 Thus, drawal of funds by the Commissioner without seeking clarifications from Government, resulted in a sum of Rs one crore remaining unutilised for the intended purpose for two years.

2.7.9 The matter was referred to Government in April 2003; Government accepted the facts and stated (May 2003) that in order to set right the discrepancy in the Government order of January 2001, it had issued orders in April 2003 to the effect that the amount of Rs one crore be transferred to the PD account bearing interest. Further, Government stated that it had decided to amalgamate the nine Welfare Boards with the TNMWSSW Board for which necessary Legislation has to be taken up.

2.8 Non-adjustment of temporary advances

2.8.1 Temporary advance can be drawn by Drawing and Disbursing Officers (DDOs) either on the authority of Standing orders or specific sanction of Government. Detailed Contingent (DC) bills in respect of temporary advances drawn more than a month earlier are required to be submitted before the presentation of the next temporary advance bill at the treasury. If a temporary advance is pending for more than four months, the Treasury Officer/Pay and Accounts Officer shall write to the Head of Department concerned to adjust the same with DC bills supported by vouchers within a month. Advance pending for more than five months should be brought to the notice of the Government.

2.8.2 Scrutiny of Register of Temporary advances in respect of 6* offices revealed that the above rules were utterly disregarded by the DDOs. The Controlling officers too failed to enforce accountability for such lapse. Temporary Advances for Rs 5.84 crore pertaining to the period 1984-2003 were pending adjustment for want of submission of DC bills, as seen from the records of the Pay and Accounts Officer (PAO) (East), Chennai as of 31 March 2003. The details are as follows.

* Director of Fire and Rescue Services (DFRS) Department, State Planning Commission, Directorate of Employment and Training, Directorate of Social Welfare, Government museum and Registrar General (High Court).

(Rupees in lakh)

Pending for	Fire and Rescue Services (FRS) Department	State Planning Commission	Employment and Training	Social Welfare	Government museum	High court	Total	Percentage of outstanding of FRS with reference to Total (Col. 2 to 8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
5 to 10 years	416.56	2.25	7.97	6.63	-	-	433.41	96.11
3 to 5 years	10.27	6.50	0.06	9.89	-	-	26.72	38.44
2000-2001	1.35	26.61	-	6.99	23.51	4.00	62.46	2.16
2001-2002	1.76	-	1.48	23.02	2.44	10.00	38.70	4.55
2002-2003	2.86	-	-	3.40	-	16.10	22.36	12.79
	432.80	35.36	9.51	49.93	25.95	30.10	583.65	74.15

2.8.3 Temporary Advances for Rs 4.60 crore (79 per cent) were pending for over three years.

2.8.4 Unadjusted temporary advances in respect of Fire and Rescue Services Department alone comprised of four items amounting to Rs 4.17 crore. DFRS had incurred an expenditure of Rs 4.16 crore. However, as the expenditure incurred on three items exceeded the advance drawn (excess expenditure was met from accrued interest), PAO (East) sought ratification orders from Government for admitting these bills. DFRS addressed the Government accordingly in December 2002, but there was no response, as of July 2003. The advance could not therefore be adjusted.

2.8.5 In the objection book maintained in PAO (East), Chennai, 79 items of temporary advances aggregating to Rs 3.07 crore drawn during the period from 1981-1997 are still shown as outstanding. The vital details - names of officers by whom these advances were drawn and dates of drawal were omitted to be noted in the objection book. Therefore the PAO had no idea if these advances had been adjusted subsequently.

2.8.6 Therefore, the record maintenance by PAO was quite unsatisfactory; no alternative action to ascertain the details from the DDOs has been taken by the PAO.

2.9 Expenditure on New Service/New Instrument of Service

2.9.1 According to Article 205 of the Constitution, no expenditure should be incurred on a service not contemplated in the Budget except after getting vote of the Legislature or by an advance from the Contingency Fund.

2.9.2 During 2002-03, expenditure totaling Rs 2.08 crore was incurred in one scheme, where only token provision was made. In 11 schemes, expenditure of Rs 9.57 crore was incurred without any original or supplementary provision or reappropriation and had to be treated as New Service/New Instrument of Service, as the prescribed procedure for drawal had not been followed. In two schemes, an expenditure of Rs 0.44 crore was incurred by utilising the reappropriated funds.

2.9.3 Though only token provision was made in the Budget for one scheme receiving assistance from Government of India and in respect of Grant number 12 (Co-operation, Food and Consumer Protection Department), Rs 0.17 crore were incurred during the year without seeking supplementary grant.