

PUBLIC ACCOUNTS COMMITTEE

1986-88

THIRTY SEVENTH REPORT

Eighth Assembly



REFERENCE
(Not for Issue)

Assam Legislative Assembly Library

Report of the Public Accounts Committee on the Audit Paragraph 2.2 of the Report of the Comptroller and Auditor General of India, 1978-79 (Civil), Appropriation Accounts, 1978-79, Paragraph 2.2 of the Report of the Comptroller and Auditor General of India, 1979-80 (Civil). Appropriation Accounts 1979-80, paragraph 2.2 (a) and (b) of the Report of Comptroller and Auditor General of India for 1980-81 (Civil), Appropriation Accounts, 1980-81, paragraph 2.2 (a) and (b) of the Report of the Comptroller and Auditor General of India for 1981-82 (Civil), Appropriation Accounts 1981-82 and paragraphs 2.2 (a) and (b) of the Comptroller and Auditor General of India, 1982-83 (Civil), and Appropriation Accounts 1982-83 of the Government of Assam relating to excess over Voted Grants/Charged Appropriation

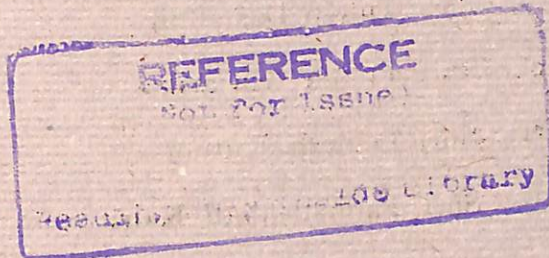
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Assam Legislative Assembly Secretariat, Dispur,

Guwahati—781006.

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COMPOSITION OF THE COMMITTEE

(1986-88)

Chairman :

1. Shri Abdul Muqtadir Choudhury

Members:

2. Shri Joy Prakash Tewari
3. Shri Sirajul Haque Choudhury
4. Shri Amrit Lal Basumatari
5. Shri Rashidul Haque
6. Shri Binai Khungur Basumatari
7. Shri Durga Das Boro
8. Shri Gunin Hazarika
9. Shri Ganesh Kutum
10. Shri Padma Nath Kairi
11. Shri Abul Hussain Sarkar

Secretariat :

Dr. P. N. Hazarika, Secretary

Shri D. Talukdar, Special Officer

Dr. K. N. Baisya, Under Secretary

Shri J. D. Neog, Committee Officer.

INTRODUCTION

1. Shri Abdul Muqtadir Choudhury, Chairman of the Public Accounts Committee having been authorised to submit the Report on their behalf, present this Thirty Seventh Report of the Public Accounts Committee on the Paragraph 2.2 read with Appendix V of the Report of the Comptroller and Auditor General of India for 1978-79 (Civil), Appropriation Accounts, 1978-79, paragraph 2.2 read with Appendix 2.2 of the Report of the Comptroller and Auditor General of India for 1979-80 (Civil), Appropriation Accounts 1979-80, paragraph 2.2 (a) and (b) of the Report of the Comptroller and Auditor General of India for the 1980-81, (Civil) paragraph 2.2 (a) and (b) of the Report of the Comptroller and Auditor General of India for 1982-83 (Civil) and Appropriation Accounts 1982-83 of the Government of Assam pertaining to the excess expenditure over the voted grants and charged Appropriation.

2. The Reports of the Comptroller and Auditor General of India for years 1978-79, 1979-80, 1980-81 1981-82, and 1982-83 (Civil) and Appropriation Accounts for 1978-79, 1979-80, 1980-81, 1981-82 and 1982-83 were laid on the table of the House on 22nd March, 1983; 22nd March, 1983, 27th February 1984, 12th March 1984, and 17th July, 1985, respectively.

3. The audit paragraphs contained in the Reports of the Comptroller and Auditor General of India (civil) and Appropriation Accounts for the years 1978-79, 1979-80, 1980-81, 1981-82 and 1982-83 were considered by the present Committee in its sitting held on 5th, 6th and 7th March 1987.

4. The Committee has finalised this Report and adopted the same in its sitting held on 23rd September 1987.

5. The Committee places on records its appreciation for the valuable assistance rendered by the Accountant General, Assam (Audit) and the other Staff and Officers of the office of the Accountant General, Assam. The Committee also expresses its thanks to the Officers of the Government Departments for their cooperation in giving the information to the Committee during the course of consideration of the Reports and Accounts of the Government of Assam relating to excess expenditure over the voted grants and charged Appropriation.

ABDUL MUQTADIR CHOUDHURY

Dispur :

Chairman,

The 23rd September, 1987

Public Accounts Committee.

REPORT

The excess expenditure over the Grants voted by the Assembly and charged Appropriation is a continuing phenomenon due to lack of exercising the effective control and proper check on the financial management of the Government. Every year a large number of Grants/Charged Appropriation, as provided for in the Appropriation Acts and enhanced by Supplementary Grants/Appropriation, are executed through the different Departments of the Government. But the Government do not organise an effective system to monitor the flow of expenditure and to exercise control on over-spending in order to restrict the expenditure within the limit of the grant voted by the Assembly for a particular service. The ineffectiveness of exercising control over expenditure always leads to incur excesses over money voted by the Assembly for a specific purpose.

2. In these context the Committee has examined official witnesses of various Government Departments which had incurred expenditure in excess over the Grants voted by the House and charged Appropriation as reported in the Report of the Comptroller and Auditor General of India (Civil) and Appropriation Accounts for the years 1978-79, 1979-80, 1980-81, 1981-82 and 1982-83 relating to the Government of Assam.

3. The summary of the year-wise excess expenditure over voted Grants and Charged Appropriation for the year 1978-79, 1979-80, 1980-81, 1981-82 and 1982-83 is shown below :

Year	Number of grants/charge	Amount of excess		Total Rs.
		Revenue Rs.	Capital Rs.	
1978-79	19	4,52,57,745	3,03,62,898	7,56,20,543
1979-80	23	7,21,72,902 10,520	2,90,90,691 20,90,309	10,33,64,422
1980-81	29	11,09,63,035 3,57,885	6,24,71,807 318,32,94,959	335,70,88,686
1981-82	29	26,44,91,073 3,02,216	9,10,51,761	35,58,45,050
1982-83	17	8,32,08,123 99,856	3,26,75,035	11,59,83,014

4. The Committee, during the course of examination of various Government Representatives, finds that no effective machinery was evolved to exercise control by the drawing and disbursing officers in spending the amount beyond the limit of money voted by the Assembly. Most of the witnesses of the Government Departments have simply adduced the ground of excess on account of unforeseen contingency to which the committee has failed to accept. The Committee expresses its great anxiety and observes that excess over the voted Grants and Charged Appropriation had occurred due to sheer laxity of the Department to exercise adequate control over the expenditure within the limit of the amount voted by the House. The Committee has also failed to understand as to why the Department could not anticipate the progress of expenditure and could not approach the House for obtaining Supplementary Grants/Appropriation to accelerate the timely completion of the Scheme or the Service during the relevant financial year.

5. The Committee is very much constrained to note that excesses have been occurring year after year in some important Departments like P. W. D., Irrigation Flood Control, Health & Family Welfare, Public Health Engineering Department, Education and Finance. This only shows that these Departments have not only been incurring excess over the Grants Voted by the Assembly but also failed to take corrective action to improve financial control despite strong evidence and proof of lack of such control.

During the course of examination, the Government witnesses informed the Committee that the letter of credit system introduced few years back was one of the effective measures to exercise control over excess expenditure over the voted Grants. The Committee has found that inspite of operation of letter of credit system, the major Government Departments have failed to watch the control over expenditure. The Committee also hopes that all the Government Departments should exercise adequate control over excess expenditure and incur expenditure within the limit of voted Grants/Charged Appropriation as authorised by the House.

The Committee therefore recommends that all the Government Departments should strictly and scrupulously follow the letter of credit system for exercising effective control over the excess expenditure. The Committee further recommends that all Government Departments should obtain the L. O. C. from the Finance Department after furnishing necessary expenditure statement. The Committee also recommends that the monitoring cell of every department to watch the progress of expenditure within the limit of grant should be strengthened and made effective. The cells should also prepare quarterly report of expenditure control and submit the same to the administrative department with intimation to the Finance Department.

The Committee expresses its satisfaction that all the Government witnesses during the course of tendering oral evidences assured the Committee that incurring excess expenditure over the Voted Grants/Charged Appropriation should be stopped in future except in rare cases.

The following Department has continuously proved their lack of control over the Voted Grants and incurred expenditure in excess of the money voted by the Assembly. This is however illustrative but not exhaustive.

PUBLIC WORKS DEPARTMENT

The total provision voted by the Assembly for various Schemes/Services in the Public Work Department under Grant No. 74 Roads and Bridges in the year 1978-79 is as follows :—

	Total Grant or Appropriation	Actual Expenditure	Excess+ Saving—
Capital Section :			
Major head 537—			
Roads and Bridges			
Voted Rupces			
Original 11,57,21,000	15,38,21,000	16,69,49,410	+1,31,28,410
Supplementary 3,81,000			

The money voted by the Assembly under Grant No. 68 Roads and Bridges to the Public Works Department during the Year 1981-82 is shown below :-

	Total Grant or Appropriation	Actual Expenditure	Excess+ Saving-
Revenue Section :			
Major Head : 337			
Roads and Bridges			
Voted Rupees			
Original 18,35,59,000	19,58,93,000	30,64,12,354	+11,05,19,354
Supplementary : 1,23,34,000			
Capital Section :			
Major Head : 337			
Roads and Bridges			
Voted Rupees			
Original 16,66,21,000	16,88,59,000	17,51,19,448	+62,60,448
Supplementary : 22,38,000			

From the above tables it will be quite evident that the Public Works Department has no control over the expenditure. During the Year 1978-79 the expenditure over the Voted Grant in Capital Section exceeded by Rs. 1,31,28,410 which amounted to the lack of expenditure control over the grants. When the Committee wanted to know as to reason for incurring excess expenditure of Rs. 1.31 crores the Departmental witness stated before the Committee that the excess could not be avoided as the physical targets of the development work originally planned could not be discontinued. The excess was also due to increase in the cost of construction materials. To a query by the Committee as to the facts that when a Supplementary Demand was obtained in December 1978 why this sort of expenditure could not be anticipated and included in the Supplementary Demand, the Departmental Witness could not adduce any convincing ground but stated that the excess was incurred due to price escalation in the construction materials. The Committee has also pointed out the heavy

amount of excess to the tune of 11 crores and 62 lakhs both in Revenue and Capital Sections incurred during 1982-83 over the Voted Grants without the approval of the House. The Departmental witness admitted that the excess was mainly due to the less Budget provision compared to actual need on account of increased establishment charges which could not be anticipated.

The Committee is not satisfied with the ground advanced by the witness and observes that the Department has not maintained any expert machinery in preparing the estimated Budget of the Government for obtaining approval of the House.

When the Committee asked the witness as to how the Department exercised control over excess expenditure taking into account the provision of the law that not a single pie can be spent without the approval of the House, the Departmental Witness during the course of examination stated "we have budget provision. Accordingly we issue LOC to divisions. We never issue LOC in excess of budget provision. That control we always keep. But the divisions sometimes incur some excess expenditure for maintenance of traffic. The Executive Engineers have to take up the works without our clearance. But it does not mean that we encourage this kind of expenditure without any check. Our S.Es. are there. They inspect the Offices and the type of works going on and the probable expenditure that has to be booked in particular works. All these checks are exercised from time to time but sometimes some excess occur which cannot be foreseen timely".

The Committee has failed to accept the contention of the witness and felt that unless Department becomes more vigilant, the excess expenditure over voted grant will increase every year.

The Committee therefore recommends that the Public Works Department and all other Government Departments should strictly adhere to the system of allocating fund by LOC and issue strict instruction to complete the scheme for which money has been earmarked within the time limit. The Committee also recommends that deviation in exercising control over excess expenditure should be dealt with seriously. The Committee further recommends that all the works Divisions including P.W.D. should, in future, restrain incurring excess expenditure beyond the limit of L.O.C.

The Committee recommends regularisation by the State Legislature of the following excess expenditure incurred by the various Government Departments over the Voted Grants/Charged Appropriations as required under Article 205 of the Constitution of India as reported in the Reports of the Comptroller and Auditor General of India (Civil) and Appropriation Accounts for the years 1978-79, 1979-80, 1980-81, 1981-82 and 1982-83.

Sl. No.	Number and Name of Grants/Appropriation	Amounts of excess to be regularised
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(1) 1978-79—Voted Grants

1	2—Council of Ministers (I) Personnel (S. A. A.)	Revenue=2 Capital=
2	9—Stamps and Registration (II) Registration	Revenue=2,724 Capital=
3	10—State Excise and Housing—C—Government Residential Building (II)	Revenue=2,80,305 Capital=
4	11—Collection of other Taxes on Property and Capital Transaction, Sales Tax and Other Taxes and Duties on Commodities and Services (I)	Revenue=31,059 Capital=
5	12—Taxes on vehicles, Other Administrative Services—IV Motor Garages, Road and Water Transport Services—A—Road Transport, Road and Water Transport Services—B—Water Transport and Outlay on Road and Water Transport Services	Revenue=97,578 Capital=
6	17—District Administration	Revenue=16,46,009 Capital=
7	19—Police	Revenue=33,16,594 Capital=
8	34—Education—1 and Loans for Education, Art and Culture	Revenue=3,29,72,949 Capital=
9	38—Public Health, Sanitation and Water Supply—B. Sewerage and Water Supply (II) T & CP and Loans for Public Health Sanitation and Water Supply	Revenue=66,162 Capital=

Sl. No.	Number and Name of Grants/ Appropriation	Amount of Excess to be regularised
10	45—Information and Publicity	Revenue=1,12,420 Capital=
11	46—Labour and Employment	Revenue=26,68,158 Capital=
12	49—Social Security and Welfare - C— Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes (III)	Revenue=3,14,348 Capital=
13	51—Social Security and Welfare— D—Social Welfare (Excise)—V	Revenue=1,46,955 Capital=
14	57—Special and Backward Areas C— North Eastern Areas, Capital outlay on Special and Backward areas C—North Eastern Areas and Loans for special and Backward Areas—C—North Eastern Areas.	Revenue= Capital=26,76,553
15	62—Minor Irrigation (II) Area Develop- ment Irrigation, Navigation, Drainage and Flood Control Projects-B-Irrigation Projects (Non-Commercial), Capital Outlay on Minor Irrigation, Soil Conservation and Area Development (I) and Capital Out- lay on Irrigation, Navigation, Drainage and Flood Control Project-B-Irrigation (Non-Commercial).	Revenue=22,28,356 Capital=
16	73—Irrigation, Navigation, Drainage and Flood Control Projects-G-Flood Control and Antisea Erosion Project and Capital Outlay on Irrigation, Navigation, Drainage and Flood Control Project-G-Flood Control and Anti-sea Erosion Project.	Revenue=13,49,957 Capital=
17	74—Roads and Bridges and Capital Outlay on Roads and Bridges.	Revenue= Capital=1,31,28,410
18	75—Tourism	Revenue=24,169 Capital=
19	78—Loans to Government Servants.	Revenue= Capital=1,45,57,995

Sl. No	Number and Name of Grants/Appropriation	Amount of Excess to be regularised
(1)	(2)	(3)
	(2) 1979-80-Voted Grants	
1.	10—State Excise and Housing-C-Government Residential Buildings (ii) Excise Department	Revenue— 3,66,541 Capital—
2.	12—Taxes on Vehicles, other Administrative Services-III, Motor Garages, Road and Water Transport Services-A-Road Transport, Road and Water Transport Service-B-Water Transport and Capital outlay on Road and Water Transport Services (1)	Revenue— 7,53,819 Capital— 11,205
3.	19—Police	Revenue— 28,84,798 Capital—
4.	23—Public Works etc.	Revenue— 50,63,396 Capital—
5.	28—Other Administrative Services-V-Guest House	Revenue— 2,23,710 Capital—
6.	29—Other Administrative Services-VI-Training	Revenue— 1,06,052 Capital—
7.	34—Miscellaneous General Services	Revenue— 3,45,25,425 Capital—
8.	37 Medical (I) Health Department, Family Welfare, Public Health, Sanitation and Water Supply (I) A-Public Health Sanitation, etc.	Revenue— Capital— 6,97,112
9.	40—Housing C-Government Residential Buildings (III) P, W. D.	Revenue— 13,55,554 Capital—
10.	45—Information and Publicity	Revenue— 2,22,177 Capital—
11.	48—Social Security and Welfare-B-Relief and Rehabilitation of Displaced persons (II) Capital Outlay on Social Security and Welfare-(I)-Other Rehabilitation Scheme and Loans for Social Security and Welfare (1)	Revenue— 7,410 Capital—
12.	52—Social Security and Welfare—Other Social Security programme (VI)	Revenue— 18,47,282 Capital—
13.	53—Relief on account of Natural calamities and loans for other Social and community Services	Revenue— 59,96,201 Capital—

Sl. No.	Number and Name of Grants/ Appropriation.	Amount of Excess to be regularised
(1)	(2)	(3)
14.	50—Other General Economic Services (II) Weights and Measures	Revenue— 656 Capital—
15.	62—Minor Irrigation, Area Development (II) Irrigation Department, Irrigation, Naviga- tion, Drainage and Flood Control Projects- B-Irrigation Project (Non-Commercial); Capital outlay on Minor Irrigation. Soil Conservation and Area Development (I) Irrigation Department and Capital outlay on Irrigation, Navigation, Drainage and Flood Control Projects-B-Irrigation Projects (Non-Commercial)	Revenue— 47,84,726 Capital—
16	65—Dairy Development	Revenue— 7,16,930 Capital—
17	70—Village and Small Industries —(I) Sericulture and Weaving, Capital Outlay on Village and Small Industries (I) Sericulture and Wea- ving Department and Loans for Village and Small Industries (I)— Sericulture and Weaving Depart- ment.	Revenue— Capital— 16,67,600
18	73—Irrigation Navigation, Drainage and Flood Control Projects, etc. ..	Revenue— 34,60,628 Capital—
19	74—Roads and Bridges, etc.	Revenue— Capital— 67,11,597
20	78—Loans to Government Servants ..	Revenue— Capital— 2,00,03,177
21	81—Labour and Employment (II) Flood for Work Programme	Revenue— 98,57,597 Capital—

(3) 1979-80 Charged Appropriation

1	1—State Legislature and Public Works (II) Assam Legislative Assembly Secretariat. ...	Revenue— 10,520 Capital—
2	79—Inter-State Settlement	Revenue— Capital— 20,90,309

Sl. No. (1)	Number and Name of Grants/Appropriation (2)	Amount of excess to be regularised. (3)
(4) 1980-81 Voted Grants		
1	11—State Excise	Revenue — 60,196 Capital —
2	12—Sales Tax and other Taxes ..	Revenue — 5,00,110 Capital —
3	13—Transport Services	Revenue — Capital — 30,00,000
4	24—District Administration ...	Revenue — 1,13,761 Capital —
5	22—Police	Revenue — 1,06,98,493 Capital —
6	24—State Prisoners and Detenues	Revenue — 15,853 Capital —
7	25—Stationery and Printing	Revenue — 5,30,438 Capital —
8	29—Civil Defence and Home Guards	Revenue — 8,54,616 Capital —
9	30—Pooled Transport	Revenue — 24,016 Capital —
10	31—Guest Houses, Government Hostels etc.	Revenue — 1,81,651 Capital —
11	35—Aid Materials	Revenue — 1,30,99,381 Capital —
12	37—Education	Revenue — 5,95,07,954 Capital —
13	40—Medical and Public Health	Revenue — Capital — 15,28,859
14	46—Labour and Employment	Revenue — 9,22,805 Capital —
15	55—Planning Board	Revenue — Capital — 14,574
16	56—Co-operation	Revenue — Capital — 1,87,75,375
17	57—North Eastern Council Schemes.	Revenue — Capital — 4,16,710

Sl. No.	Number and Name of Grants/Appropriation	Amount of excess to be regularised.
(1)	(2)	(3)
18	62--Irrigation	Revenue — 19,44,093 Capital — 2,37,84,508
19	67--Forest	Revenue — 57,72,283 Capital —
20	69 Industries	Revenue -- Capital — 99,83,730
21	70--Sericulture and Weaving	Revenue — 2,97,212 Capital —
22	73--Flood Control	Revenue — 1,64,40,172 Capital —
23	74--Roads and Bridges	Revenue — Capital — 43,05,667
24	77--Assam Capital Construction	Revenue — Capital -- 6,62,384

(5) 1980-81 — Charged Appropriation

1	2—Head of State	Revenue — 3,35,350 Capital —
2	34—Pensions and other Retirement Benefits	Revenue -- 22,535 Capital —
3	78—Internal Debt	Revenue — Capital — 85,75,49,523
4	79—Repayment of Central Loans	Revenue — Capital --2,32,57,45,436

(6) 1981-82—Voted Grants

1	3—Administration of Justice ...	Revenue — 9,36,336 Capital —
2	9—State Excise	Revenue — 9,58,466 Capital —
3	10—Sales Tax and other Taxes ...	Revenue — 3,15,045 Capital —

Sl. No.	Number and Name of Grants/ Appropriation	Amount of excess to be regularised
(1)	(2)	(3)
4	15—Civil Secretariat and attached offices.	Revenue— 16,36,143 Capital—
5	18—Police	Revenue— 3 35,38,197 Capital—
6	20—Stationary and Printing...	Revenue 34,22,902 Capital—
7	21—Administrative and Functional Buildings.	Revenue— 37,64,465 Capital—
8	22—Fire Service	Revenue— 95,900 Capital—
9	25—Guest Houses, Government Hostels, etc.	Revenue— 7,86,713 Capital—
10	26—Administrative Training	Revenue— 50,894 Capital—
11	31—Education	Revenue— 4,67,47,001 Capital—
12	39—Information and Publicity	Revenue— 3,11,656 Capital—
13	45—Prohibition	Revenue— 10,046 Capital—
14	51—North Eastern Council Schemes	Revenue— Capital— 1,60,81,243
15	54—Trade Adviser	Revenue— 1,833 Capital—
16	56—Irrigation	Revenue— 53,95,120 Capital— 46,47,260
17	58—Animal Husbandry and Veterinary	Revenue— 40,15,397 Capital—
18	59—Dairy Development	Revenue— 24,65,702 Capital—
19	61—Forest	Revenue— 1,54,17,147 Capital—

Slt No.	Number and Name of Grants/Appropriation	Amount of excess to be regularise.
(1)	(2)	(3)
20	67—Flood Control	Revenue—3,40,42,756 Capital— 6,11,84,282
21	68—Roads and Bridges	Revenue—11,05,19,354 Capital— 62,60,448
22	71—Assam Capital Construction Division..	Revenue— Capital— 10,14,805
23	72—Loans and Advances to Government... Servants	Revenue— Capital— 18,63,723

(7) 1981-82—Charged Appropriation

1	Head of State	Revenue= 3,00,193 Capital =
2	Public Service Commission	Revenue= 1,545 Capital=
3	34—Medical and Public Health	Revenue= 478 Capital--

(8) 1982-83—Voted Grants

1	9—State Excise	Revenue= 10,83,732 Capital=
2	10—Sales Tax and Other Taxes	Revenue= 10,11,784 Capital=
3	18—Police	Revenue=4,59,31,580 Capital =
4	19—Jails	Revenue= 4,96,070 Capital=
5	20—Stationery and Printing	Revenue=52,90,289 Capital=
6	22—Fire Services	Revenue= 6,48,128 Capital=
7	26—Administrative Training	Revenue= 18,959 Capital=

Sl. No.	Name and Name of Grants/Appropriation	Amount of excess to be regularised
(1)	(2)	(3)
8	23—Pensions and other Retirement	.. Revenue= 61,17,997 Capital=
9	39—Information and Publicity	... Revenue= 6,507 Capital=
10	40—Labour and Employment	... Revenue= 62,644 Capital=
11	47—National Calamities	.. Revenue=55,13,389 Capital=
12	49—Planning Board	.. Revenue= Capital= 2,500
13	56—Irrigation	.. Revenue=66,13,531 Capital=
14	58—Animal Husbandry and Veterinary	... Revenue=71,50,722 Capital=
15	59—Dairy Development	... Revenue=32,62,792 Capital=
16	72—Loans and advances to Government Servants.	Revenue= Capital=3,26,72,535

(9) 1982-83 - Charged Appropriation

1	Public Service Commission	... Revenue= 99,856
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