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**REVISION IN THE FORMAT OF
UNION GOVERNMENT APPROPRIATION
ACCOUNTS (CIVIL)**

**MINISTRY OF FINANCE
(DEPARTMENT OF EXPENDITURE)**

HUNDREDTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

HUNDREDTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(1994-95)

(TENTH LOK SABHA)

**REVISION IN THE FORMAT OF UNION
GOVERNMENT APPROPRIATION ACCOUNTS (CIVIL)**



सत्यमेव जयते

Presented to Lok Sabha on 28.4.1995
Laid in Rajya Sabha on 27.4.1995

LOK SABHA SECRETARIAT
NEW DELHI

P.A.C. No. 1476

Price : Rs. 10.00

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Published Under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Seventh Edition) and Printed by the Manager, P. L. Unit, Govt. of India Press, Minto Road, New Delhi.

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PART II*

Minutes of the sittings of Public Accounts Committee held on 25.4.1995

* Note printed. One cyclostyled copy laid on the Table of the House and five copies placed in the Parliament Library.

**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(1994-95)**

Shri Bhagwan Shankar Rawat — *Chairman*

MEMBERS

Lok Sabha

2. Shri Bandaru Dattatraya
3. Shri Anil Basu
4. Shri Dileep Singh Bhuria
5. Sqn. Ldr. Kamal Chaudhry
6. Dr. K.V.R. Chowdary
7. Shri Sharad Dighe
8. Shri Jagat Veer Singh Drona
9. Smt. Krishnendra Kaur (Deepa)
10. Smt. Geeta Mukherjee
11. Shri Mrutyunjaya Nayak
12. Shri V. Krishna Rao
13. Shri Magunta Subbarama Reddy
14. Shri Mohan Singh
15. Shri S.B. Thorat

Rajya Sabha

16. Shri S.S. Ahluwalia
17. Shri Somappa R. Bommai
18. Shri Triloki Nath Chaturvedi
19. Miss Saroj Khaparde
20. Shri Murasoli Maran
21. Smt. Jayanthi Natarajan
22. Shri G.G. Swell

SECRETARIAT

1. Shri S.N. Mishra — *Addl. Secretary*
2. Shri G.C. Malhotra — *Joint Secretary*
3. Smt. P.K. Sandhu — *Director*
4. Shri P. Sreedharan — *Under Secretary*

INTRODUCTION

1. The Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Hundredth Report on Revision in the format of Union Government Appropriation Accounts(Civil).

2. In February 1995, the Controller General of Accounts in the Ministry of Finance (Department of Expenditure) submitted a proposal for bringing out certain changes in the working principles in the presentation of the Union Government Appropriation Accounts (Civil) with effect from the accounts for the year 1993-94 and onwards. The proposal of Controller General of Accounts was limited only to enhancement in financial limits for the purposes of giving explanations for variation between sanctioned provisions and expenditure incurred thereagainst under specific heads of accounts. The Committee have agreed to the changes proposed by the Controller General of Accounts in the presentation of Union Government Appropriation Accounts (Civil) with effect from the account for the year 1993-94 and onwards. Keeping in view the fact that the Union Government Appropriation Accounts relating to Railways, Defence, Postal and Telecommunication Services are not in line with the aforesaid proposal of the Controller General of Accounts, the Committee have also recommended that the authorities responsible for preparation of these Appropriation Accounts may take suitable steps to adopt changes as introduced in Appropriation Accounts of Union Government (Civil) atleast from the year 1994-95 and onwards after obtaining the advice of the C&AG of India so that parity could be maintained in presentation of all Appropriation Accounts of the Union Government.

3. The Committee considered the matter at their sitting held on 30 March, 1995. The Committee finalised this Report at their sitting held on 25 April, 1995. The Minutes of the sitting form Part-II of the Report.*

4. For facility of reference, the Conclusions and Recommendations of the Committee have been printed in thick type in the body of the Report. For the sake of convenience the Conclusions and Recommendations have been reproduced in a consolidated form in Appendix III to the Report.

5. The Committee would like to place on record their appreciation of the assistance rendered to them in this regard by the Office of the Comptroller and Auditor General of India.

NEW DELHI;
25 April, 1995

BHAGWAN SHANKAR RAWAT,
Chairman,
Public Accounts Committee.

5 Vaisakha, 1917(S)

* Not printed (one cyclostyled copy laid on the Table of the House and five copies placed in Parliament Library).

REPORT

REVISION IN THE FORMAT OF UNION GOVERNMENT APPROPRIATION ACCOUNTS (CIVIL)

The Controller General of Accounts in the Ministry of Finance (Department of Expenditure) has submitted a note soliciting leave of the Public Accounts Committee to bring to their notice certain changes in the working principles which his Organisation intends to bring out in the Presentation of Union Government Appropriation Accounts (Civil) with effect from the accounts for the year 1993-94 and onwards. The note is reproduced in Appendix—I of this Report.

2. It has been stated that the proposed changes do not in any way change the basic structure of Appropriation Accounts.

3. As would be seen from the note that the proposal of Controller General of Accounts is limited only to enhancement in financial limits for the purposes of giving explanations for variations between sanctioned provisions and expenditure incurred thereagainst under specific heads of accounts.

4. According to Controller General of Accounts, the enhancement in financial limits has been proposed keeping in view the increase in government expenditure and the increase in the amounts in the Appropriation Act and the expenditure incurred thereagainst which has resulted in increasing the amount of related variation under a number of heads.

5. It has also been reiterated in the note that the proposed changes do not limit in any way the scope of Appropriation Audit which will continue to be reported to Parliament for purposes of Rule 308(2) (c) of Rules of Procedure and Conduct of Business in Lok Sabha.

6. The Committee have been informed that the note of the Controller General of Accounts has been vetted by the Comptroller and Auditor General of India.

7. The proposal of the Controller General of Accounts was considered by the Committee at their sitting held on 30 March, 1995 and the relevant minutes of the sitting are reproduced in Appendix II of this Report.

8. The Committee agree to the proposed changes in the working principles in the presentation of Union Government Appropriation Accounts (Civil) with effect from the accounts for the year 1993-94 and onwards as outlined in the note of Controller General of Accounts in the Ministry of Finance (Department of Expenditure).

9. The Committee have been given to understand that the Appropriation

Accounts relating to Railways, Defence, Postal and Telecommunication Services are not in line with the aforesaid proposal made by the Controller General of Accounts for presentation of Union Government Appropriation Accounts (Civil) with effect from the accounts for the year 1993-94. The Committee, therefore, recommend that the authorities responsible for preparation of Appropriation Accounts relating to Railways, defence Postal and Telecommunication Services may take suitable steps to adopt changes as introduced in Appropriation Accounts of Union Government (Civil) atleast from the year 1994-95 and onwards after obtaining the advice of the Comptroller and Auditor General of India so that parity could be maintained in presentation of all Appropriation Accounts of the Union Government. The Committee would like, in due course, to be apprised of the precise action taken by the authorities concerned in this regard.

NEW DELHI;
25 April, 1995

5 Vaisakha, 1917(S)

BHAGWAN SHANKAR RAWAT,
Chairman,
Public Accounts Committee.

(Vide Para-1)

**NOTE FOR PUBLIC ACCOUNTS COMMITTEE BY THE
CONTROLLER GENERAL OF ACCOUNTS**

SUBJECT: *Presentation of Union Government Appropriation Accounts (Civil) for the year 1993-94 and onwards.*

1. The Controller General of Accounts, Department of Expenditure, Ministry of Finance solicits leave of the Public Accounts Committee to bring to its notice certain changes in the working principles which are intended to be brought out in the presentation of Union Government Appropriation Accounts (Civil) with effect from the Accounts for the year 1993-94.

2. The Union Government Appropriation Accounts (Civil) for the year 1983-84 and upto the year 1992-93 were prepared with a view to highlighting the following aspects:

- (i) Cases where overall savings in a grant exceeded the supplementary grants.
- (ii) Cases where the amount surrendered exceeded the overall savings in a grant.
- (iii) Specific heads of accounts under which the entire supplementary grant remained unutilised.
- (iv) Specific heads of accounts under which the entire provision remained unutilised.
- (v) Specific heads of accounts under which more than 10% of supplementary grant or Rs. 5 lakhs, whichever is higher, remained unutilised.
- (vi) Specific heads of accounts under which the "variation" (savings or excesses) exceeded Rs. 50 lakhs, irrespective of the percentage which the variation bears to the sanctioned provision.
- (vii) Specific heads of accounts in which savings/excesses exceeded Rs. 5 lakhs or 10% of the sanctioned provision, whichever is higher but did not exceed Rs. 50 lakhs, were "clubbed" in a single para indicating the number of such heads, the aggregate variation, and the minimum and maximum percentage of the variations.
- (viii) In cases where individual "segments" of the grant i.e. Revenue (Charged), Revenue (Voted), Capital (Charged) and Capital (Voted) was exceeded, the Appropriation Accounts indicated the excesses under those "heads" which mainly contributed to the excess under the individual "segment".

3. Certain changes in the financial limits referred to in the previous para are proposed in the preparation of Union Government Appropriation Accounts (Civil) for the year 1993-94. These relate to items (vi) and (vii) above. The changes are:

- (a) The limit of Rs. 50 lakhs referred to in para 2(vi) above is proposed to be raised to Rs. 100 lakhs.
- (b) The limits of Rs. 5 lakhs and Rs. 50 lakhs referred to in para 2(vii) above are proposed to be raised to Rs. 50 lakhs and Rs. 100 lakhs respectively.

4. These changes do not in any way change the basic structure of Appropriation Accounts. The enhancement in financial limits has been proposed keeping in view the increase in Government expenditure and the increase in the amounts in the Appropriation Act and the expenditure incurred there against, which has resulted in increasing the amount of related variation — both saving and excess under a number of heads. It may be reiterated that the above changes do not limit in any way the scope of Appropriation Audit which will continue to be conducted as at present and will continue to be reported to Parliament for purposes of Rule 308 (2)(c) of Rules of Procedure and Conduct of Business in Lok Sabha.

5. The Controller General of Accounts would earnestly bring to the notice of the Public Accounts Committee the changes as above that will be brought out in the Union Government Appropriation Accounts (Civil) for the year 1993-94 and onwards.

Sd/-

RAVI KATHPALIA

Controller General of Accounts

To

The Chairman and all Members of
The Public Accounts Committee,
New Delhi.

No. G-25018/1/AA/93-94/Policy/936 dated 7th February, 1995.

APPENDIX III

Conclusions and Recommendations

Sl. No.	Para No.	Ministry / Deptt. concerned	Conclusions / Recommendations
1.	8	Ministry of Finance (Deptt. of Expenditure)	The Committee agree to the proposed changes in the working principles in the presentation of Union Government Appropriation Accounts (Civil) with effect from the accounts for the year 1993-94 and onwards as outlined in the note of the Controller General of Accounts in the Ministry of Finance (Department of Expenditure).
2.	9	Ministry of Finance (Deptt. of Expenditure) in coordination with Ministry of Railways (Railway Board), Ministry of Communications (Deptt. of Posts & Telecommunications) and Ministry of Defence	The Committee have been given to understand that the Appropriation Accounts relating to Railways, Defence, Postal and Telecommunication Services are not in line with the aforesaid proposal made by the Controller General of Accounts for presentation of Union Government Appropriation Accounts (Civil) with effect from the accounts for the year 1993-94. The Committee, therefore, recommend that the authorities responsible for preparation of Appropriation Accounts relating to Railways, Defence, Postal and Telecommunication Services may take suitable steps to adopt changes as introduced in Appropriation Accounts of Union Government (Civil) atleast from the year 1994-95 and onwards after obtaining the advice of the Comptroller and Auditor General of India so that parity could be maintained in presentation of all Appropriation Accounts of the Union Government. The Committee would like, in due course, to be apprised of the precise action taken by the authorities concerned in this regard.

