



( FOR USE OF IA & AD ONLY )

**INDIAN AUDIT  
AND  
ACCOUNTS DEPARTMENT**

**MANUAL OF  
APPROPRIATION ACCOUNTS  
SECTION**

(SECOND EDITION)

**ISSUED BY THE ACCOUNTANT GENERAL (A&E) ORISSA  
2008**

## **PREFACE TO FIRST EDITION**

An attempt has been made in this manual to describe the details of procedure to be followed in conducting Appropriation Audit, in the preparation of the Appropriation Accounts and the Finance Accounts together with the Audit Reports thereon and other work connected therewith. The rules and regulations contained herein are supplementary to those contained in the Codes and Manual issued by the Comptroller and Auditor General of India and other authorities. It also embodies the detailed procedure to be followed by the Audit sections in conducting Appropriation Audit, in furnishing to the Appropriation Audit section materials for the compilation of Finance and Appropriation Accounts and the Audit Reports thereon.

The procedure prescribed is generally based on the instructions issued by the Comptroller and Auditor General of India from time to time.

Errors and omissions noticed should be reported to the Appropriation Audit Section which is responsible for maintaining it.

Correction slips will be issued by the Appropriation Audit Section as and when necessary and copies thereof will be issued to those to whom this Manual is supplied for keeping it corrected up-to-date.

BHUBANESWAR  
22<sup>nd</sup> May, 1961

**H. K. MAITRA**  
*Accountant General, Orissa*

## **P R E F A C E**

The present edition of the “Manual of Appropriation Accounts Section” has been compiled from the first edition of the Manual published in May 1961. During this period major changes such as separation of Audit and Accounts in IA&AD in 1983 and introduction of voucher level computerization (VLC) in our office have taken place. These changes have duly been taken care of while compiling this manual. Certain latest additions viz: Accounts at a Glance, change in the format for submission of material for preparation of Combined Finance and Revenue Accounts (CFRA) and the new concept of Government Accounting Standard Advisory Board (GASAB) have also been incorporated. The instruction contained in this manual are supplementary to or explanatory of the rules contained in various codes and manuals issued by the Comptroller and Auditor General of India and include all the orders/instructions received from Headquarters’ office from time to time.

All the officials of this office in general and the staff of Appropriation Accounts Section in particular are expected to be conversant with the instructions contained in this manual. No deviation from the procedures as laid down in the manual will be permitted except under the orders of the Accountant General (A&E), Orissa. The manual should not be quoted or referred to as an authority in any correspondence outside this office.

Appropriation Accounts Section is responsible for keeping the manual up-to-date. Any error or omission that might have slipped through should be brought to the notice of the Branch Officer-in-charge of Appropriation Accounts Section as soon as it is noticed.

Any suggestion with regard to improvement of this manual is always welcome.

Bhubaneswar  
Date: 17<sup>th</sup> September 2008

**(SUPARNA DEB)**  
**ACCOUNTANT GENERAL (A&E)**

Manual of the Appropriation Accounts Section of the Office of the  
Accountant General (A&E), Orissa.

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## CHAPTER – I

### CONSTITUTION AND WORK OF THE SECTION

Para  
No.

1.1 **CONTROL AND STRENGTH:-** The Appropriation Accounts Section is under the direct control of the Accountant General(Accounts & Entitlements) assisted by a Sr. Accounts Officer for supervision of the day-to-day work of the Section. The Assistant Accounts Officer/Section Officer in charge of the Section is responsible for its proper working and its management.

1.2 No specific standards have been prescribed by the Comptroller & Auditor General of India for the various items of work in the Appropriation Accounts Section and the staff is claimed on an ad-hoc basis. The present sanctioned strength of the Section is as follows:-

Staff	Permanent	Temporary	Total
AAO/SO	2	-	2
Sr. Accountant/Accountant	12	-	12
Clerk	1	-	1

**NOTE:-** One D.E.O. has been attached to the section in connection with the preparation of Draft Finance Accounts and Appropriation Accounts and other miscellaneous Typing Works, who is also attending to the work of the Reference Clerk. Three DEOs are exclusively posted to A.A. Section at the time of preparation of Finance Accounts, Appropriation Accounts and Accounts at a Glance to attend to the computer work till the signatory copies are sent for signature of the Comptroller and Auditor General of India. Their work will also include the preparation of PDF version of the Finance Accounts and Appropriation Accounts and uploading the same in the Accountant General's website.

1.3 **DUTIES AND RESPONSIBILITIES:-** The Appropriation Accounts Section deals at present with 38 Grants and 4 Appropriations contained in the Budget Estimates of Government of Orissa. The section prepares annually the Appropriation Accounts and Finance Accounts of the Government of Orissa. It conducts audit of expenditure against appropriation and ascertains the reasons for excesses or savings in expenditure from Government Department to help in finalising comments in Appropriation Accounts. It also prepares the Finance Accounts showing the receipts and outgoings of the Government for the year together with the financial results disclosed by the Revenue and Capital Accounts, the accounts of the public debt and the liabilities and assets as

worked out from the balances recorded in the accounts. The detailed work of the section is outlined in Appendix-I.

- 1.4 **DISTRIBUTION OF WORKS:-** The distribution of work among the Assistants of the section should be shown in the Register of Duty lists to be maintained in the section.
- 1.5 **RETURNS:-** The various returns due for submission to the Comptroller & Auditor General , Accountant General and due to or from outside authorities or other sections should be included in the sectional Calendar of Returns maintained as per paragraph 19 of the Comptroller and Auditor General's Manual of Standing Orders (Admn), Vol-I. Items in the Calendar of Returns are given in Appendix-II.
- 1.6 **MANUAL CORRECTION REGISTER:-** Instructions and decision of a permanent nature relating to this manual will be incorporated in the manual with full reference to the number and date of the letter, the case, etc.. A.A.O. of A. A. Section will be responsible for keeping the manual up to date. The draft correction slips will be approved by the Accountant General. A register of correction will be maintained in which approved typed copies of the correction slips should be placed.

The Correction slips will be printed periodically.

- 1.7 **MAINTAINANCE OF FILES, CORRESPONDENCE, ETC.:-** The general instructions regarding the maintenance of files, conducting correspondence contained in Para-218 of Manual of General Procedure (Third Edition, June 1983) should be followed:-

The correspondence and notes of the Section should be tagged in files on cases opened under relevant file headings. A list of standard file headings approved for the section is given in the Appendix-III to this manual.

(Approved by Accountant General (A&E) on dated 24.12.2007 - Effective from 01.01.2008)

## **CHAPTER – II.**

### **RATIONALISATION OF ACCOUNTING STRUCTURE**

Para No.

2.1 **INTRODUCTORY:** Changes in the structure of accounts and classification of Government transaction on a function-cum-programme basis was introduced from 1<sup>st</sup> April 1974. After that, to bring about a closer co-relation between plan schemes and Account Heads, Government constituted a committee consisting of representatives of the Controller General of Accounts, the Budget Division, the Planning Commission and the Comptroller and Auditor General of India to review the existing accounting classification and rationalize the Heads of Accounts wherever required. The recommendations of the committee were examined and accepted by Government in consultation with the Comptroller and Auditor General of India and it was decided to give effect to the new accounting classification from 1<sup>st</sup> April 1987.

2.2 The Accounts of Government are kept in three parts.

Part-I Consolidated Fund

Part-II Contingency Fund

Part-III Public Account.

In Part-I, there are two main division, viz; (1) Revenue – consisting of sections for “Receipt Heads” (Revenue Account) and “Expenditure Heads” (Revenue Account)

(2) Capital, Public Debts, Loans, etc., consisting of sections for Receipt Heads (Capital Account), Expenditure Heads (Capital Account) and Public Debt, Loans & Advances, Etc.

#### **First Division**

The Revenue division deals with the proceeds of taxation and other receipts classed as Revenue and the expenditure met there from, the net result of which represents the revenue surplus or deficit for the year.

#### **Second Division**

In Capital division, the section Receipt Heads (Capital Account) deals with receipts of capital nature, which can not be applied as set-off to capital expenditure.

The section “Expenditure Heads (Capital Account)” deals with expenditure met usually from borrowed funds with the object either

of increasing concrete assets of a material and permanent character or of reducing recurring liabilities. It also includes receipts of a capital intended to be applied as a set-off against expenditure. The section 'Public Debt', Loans and Advances, etc., comprises loans raised and their repayments by Government such as 'Internal Debt' and 'Loans and Advances', made (and their recoveries) by Government. The section also includes certain special type of heads for transactions relating to Appropriation to the Contingency Fund and 'Inter-State Settlement'.

In Part-II namely Contingency Fund of the accounts the transactions connected with the Contingency Fund set up by Government under Article-267 of the Constitution of India are recorded.

In Part-III of the accounts namely Public Account, the transactions relating to 'Debt' (other than those included in Part-I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' are recorded. The transactions under Debt, Deposits and Advances in this part are those in respect of which Government incur a liability to repay the moneys received or has a claim to recover the amount paid together with the repayments of the former (Debt and Deposits) and the recoveries of the latter (Advances). The transactions relating to 'Remittances' and 'Suspense' in this part embrace all heads which are merely adjusting heads under which appear such transactions as remittances of cash between treasuries and currency chests, transfers between different accounting circles, etc.. The initial debits or credits to these heads will be cleared eventually by corresponding receipts or payments either within the same circle of account or in another account circle.

2.3

### **Sector and Heads of Accounts**

Within each of the sections in Part-I mentioned above, the transactions are grouped into sectors, such as 'Tax Revenue', Non-Tax Revenue and Grants-in-aid and contributions for the Receipt Heads (Revenue Account) and 'General Services', 'Social Services', 'Economic Services' and Grant-in-aid and Contributions for Expenditure Heads. Specific functions or services (such as Education, Sports, Art and Culture, Health and Family Welfare, Water Supply and Sanitation, Housing and Urban Development etc. in respect of social services) are grouped in sectors for Expenditure Heads.

In part-III also transactions are grouped into sectors, such as Small Savings, Provident Funds and Reserve Funds etc.. The



sectors are subdivided into major heads of account. In some cases, the sectors are, in addition sub-divided into sub-sectors before their division into major heads of account.

The major heads are divided into sub-major heads in some cases and minor heads, each of which has a number of subordinate heads, generally known as sub-heads. The sub-heads are further divided into detailed heads. Under each of these heads, the expenditure is shown distributed between charged and voted. Some times, major heads are also divided in to sub-major heads before their further division into minor heads. Apart from the sectoral and sub-sectoral classification, the Major Heads, Sub-Major Heads, Minor Heads, Sub-Heads, Detailed Heads and Object Heads together constitute a six-tier arrangement of the classification structure of the Government Accounts. The major, minor and sub-heads prescribed for classification of expenditure in the general accounts are not necessarily identical with the grants, sub-heads and other units of allotments which are adopted by the Finance Department for Demand for Grants presented to the Legislature but in general, a certain degree of co-relation is maintained between the Demands for Grants and the Finance Accounts.

The Major heads of accounts, falling within the sectors for expenditure heads, generally correspond to functions of Government, while the minor heads, subordinate to them identify the programmes undertaken to achieve the objectives of the function represented by the major heads. The sub-head represents the scheme, the detailed head the sub-scheme and object head, the object level of classification.

## 2.4 CODING PATTERN-MAJOR HEADS

From 1<sup>st</sup> April 1987, a four-digit code has been allotted to the major heads, the first digit indicating whether the Major Head is a Receipt Head or a Revenue Expenditure Head or a Capital Expenditure Head or Loan Head. The first digit of code for Revenue Receipt Head is either '0' or '1'. Adding 2 to the first digit code of the Revenue Receipt head will give the number allotted to corresponding Revenue Expenditure Head; adding another 2, the Capital Expenditure Head, and another 2, the loan head of Account. For example, for Crop Husbandry code 0401-represents the Receipt Head, 2401-the Revenue Expenditure head, 4401-Capital Outlay Head and 6401-Loan Head.

Such a patterns is, however, not relevant for those departments which are not operating Capital/Loan Heads of Accounts e.g.,

Department of supply. In a few cases, where Receipts and Expenditure are not heavy, certain functions have been combined under a single Major Head, the functions themselves forming sub-major heads under that major head.

### **SUB-MAJOR HEADS**

- 2.5 A two-digit code has been allotted, the code starting from 01- under each major head. Where no sub-major head exists, it is allotted code '00'. The nomenclature 'General' has been allotted code '80' so that even after further sub-major heads are introduced, the code for 'General' will continue to remain the last one.

### **MINOR HEADS**

- 2.6 These have been allotted a three-digit code, the codes starting from '001' under each sub-major/major head (where there is no such major head). Codes from '001' to '100' and few codes '750' to '900' have been reserved for certain standard minor heads. The coding pattern for minor heads has been designed in such a way that in respect of certain minor heads having a common nomenclature under many major/sub-major heads, the same three-digit code is adopted as far as possible. Under this scheme of codification, the Receipts Major Heads (Revenue Account) are assigned the block numbers from '0020' to '1606' expenditure major heads (Revenue Account) from '2011' to '3606', expenditure major heads (Capital Account) from '4046' to '5475', major heads under "Public Debt" from '6001' to '6004' and those under Loans and Advances, "Inter-State Settlement" and "Transfer to Contingency Fund" from '6075' to '7999'. The code number 4000 has been assigned for Capital Receipt Major Head. The only major head (Contingency Fund) in Part-II has been assigned the code number '8000'. The major heads in the Public Account are assigned the code numbers from '8001' to '8999'.

## CHAPTER – III

### APPROPRIATION CHECK

**Para No.**

3.1 Procedure in financial matters relating to the Union/State and the relevant provision in the constitution are mentioned below:-

**Annual Financial Statement:-** The President/Governor shall in respect of financial year cause to be laid before both the houses of Parliament/ the House or Houses of the Legislature of the State a statement of the estimated receipts and expenditure of the Government of India/ a State for that year, in this part referred to as the 'Annual Financial Statement'. (Articles 112(1)/202(1).

The estimates of expenditure embodied in the Annual Financial Statement shall show separately-

- (a) the sums required to meet expenditure described by the Constitution as expenditure charged upon the Consolidated Fund of India/ a State and
- (b) the sums required to meet other expenditure proposed to be made from the Consolidated Fund of India/State; and shall distinguish expenditure on revenue account from other expenditure [Articles 112(2) and 202(2)].

3.2

**The following expenditure shall be the expenditure charged to the Consolidated Fund of India/each State:-**

- (a) the emoluments and allowances of the President/Governor and other expenditure relating to his office;
- (b) the salaries and allowances of the Chairman and Deputy Chairman of the Council of States and the Speaker and the Deputy Speaker of the House of the People/the Speaker and the Deputy Speaker of the Legislative Assembly and in the case of a State having a Legislative Council, also of the Chairman and the Deputy Chairman of the Legislative Council;
- (c) Debt charges for which the Government of India/State is liable including interest, sinking fund charges and other expenditure relating to the raising of loans and the service and redemption of debt;
- (d) (i) the salaries, allowances and pensions payable to or in respect of Judges of the Supreme Court/ any High Court;  
(ii) the pensions payable to or in respect of Judges of the Federal Court;  
(iii) the pension payable to or in respect of Judges of any

High Court which exercises jurisdiction in relation to any area included in the territory of India or which at any time before the commencement of this Constitution exercised jurisdiction in relation to any area included in a Governor's province of the Dominion of India'

- (e) the salary, allowances and pension payable to or in respect of the Comptroller and Auditor General of India;
- (f) any sums required to satisfy any judgment, decree or award of any court or arbitral tribunal;
- (g) any other expenditure declared by the constitution or by Parliament/the Legislature of the State by law, to be so charged [Article 112(3)/202(3)]

3.3

**Procedure in Parliament/Legislature with respect to estimates:-**

So much of the estimates as relates to expenditure charged upon the Consolidated Fund of India/a State shall not be submitted to the vote of Parliament/the Legislative Assembly, but nothing in this clause shall be construed as preventing the discussion in either House of Parliament/the Legislature of any of these estimates.

So much of the said estimates as relates to other expenditure shall be submitted in the form of demands for grants to the House of the People/Legislative Assembly and the House of the People/Legislative Assembly shall have power to assent, or refuse to assent, to any demand, or the assent to any demand subject to a reduction of the amount specified therein.

No demand for a grant shall be made except on the recommendation of the President/Governor. [Articles 113(1), (2) and (3)/203(1), (2) and (3)].

3.4

**Appropriation Bills:-**

As soon as may be after the grants under Article 113/203 have been made by the House of the People/Assembly, there shall be introduced a Bill to provide for the appropriation out of the Consolidated Fund of India/State of all moneys required to meet-

- (a) the grants so made by the House of the People/Assembly and
- (b) the expenditure charged on the Consolidated Fund of India/State but not exceeding in any case the amount shown in the Statement previously laid before Parliament/the House or Houses [Articles 114(1)/204(1)]

No amendment shall be proposed to any such Bill in either House of Parliament/the House or either House of the Legislature of the State which will have the effect of varying the amount or altering the destination of any grant so made or of varying the amount of any expenditure charged on the Consolidated Fund of India/States, and the decision of the person presiding as to whether an amendment is

admissible under this clause shall be final [Articles 114(2)/204(2)].

Subject to the provisions of Articles 115 and 116/205 and 206, no money shall be withdrawn from the Consolidated Fund of India/State, except under appropriation made by law passed in accordance with the provisions of this article [Articles 114(3)/204(3)]

3.5

### **Supplementary, additional or excess grants:-**

The President/Governor shall

- (a) if the amount authorised by any law made in accordance with the provisions of Articles 114/204 to be expended for a particular service for the current financial year found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for supplementary or additional expenditure upon some new service not contemplated in the annual financial statement for that year, or
- (b) if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, cause to be laid before both the Houses of Parliament/the House of Houses of the Legislature of the State another statement showing the estimated amount of that expenditure or cause to be presented to the House of the People/Legislative Assembly of the State a demand for such excess, as the case may be [Articles 115(1)/205(1)].
- (c) The term, "NEW SERVICE" has not been defined in any precise form, each case being more or less decided on its merits and by the evolution of a body of case law on the recommendation of the Public Accounts Committee. The term, criteria and the monetary limits laid down by the State Public Accounts Committee for determination of its items are given in Appendix-IV to this manual.

The provisions of Articles 112,113 and 114/202, 203 and 204 shall have effect in relation to any such statement and expenditure or demand and also to any law to be made authorising the appropriation of moneys out of the Consolidated Fund of India/State to meet such expenditure or the grant in respect of such demand as they have effect in relation to the annual financial statement and the expenditure mentioned therein or to a demand for a grant and the law to be made for the authorisation of appropriation of moneys out of the Consolidated Fund of India/State to meet such expenditure or grant [Articles 115(2)/205(2)].

3.6

**Votes on account, Votes of credit and exceptional grants:-**

Notwithstanding anything in the foregoing provisions, the House of the People/the legislative Assembly of a State shall have power-

- (a) to make any grant in advance in respect of the estimated expenditure for a part of any financial year pending the completion of the procedure prescribed in Article 113/203 for the voting of such grant and the passing of the law in accordance with the provisions of Article 114/204 in relation to that expenditure .
- (b) to make a grant for meeting an un-expected demand upon the resources of India/State when on account of the magnitude or the indefinite character of the service the demand can not be stated with the details ordinarily given in an Annual Financial Statement;
- (c) to make an exceptional grant which forms no part of the current service of any financial year, and Parliament/the Legislature of the State shall have power to authorise by law the withdrawal of moneys from the Consolidated Fund of India/State for the purpose for which the said grants are made [Articles 116(1)/206(1)].

The provisions of Articles 113 and 114/203 and 204 shall have effect in relation to the making of any grant under clause (1) and to any law made under that clause as they have effect in relation to the making of a grant with regard to any expenditure mentioned in the Annual Financial Statement and the law to be made for the authorisation of appropriation of moneys out of the Consolidated Fund of India/State to meet such expenditure [Articles 116(2)/206(2)].

***NOTE:-*** The House of Parliament refer to the Rajya Sabha and the Lok Sabha and the Houses of the Legislature refer to the Legislative Council and the Legislative Assembly.

3.7

Under Section-13 of Comptroller and Auditor General's Duties, Powers and Conditions of Service Act, 1971, he is required to see that no expenditure is incurred from the Consolidated Fund of India or the State unless there is provision of funds authorised by competent authority fixing the limit within which expenditure can be incurred. This examination/check/audit of expenditure against provision of funds is technically known as "Appropriation Audit" or "Appropriation Check". This appropriation check comprises:

- (i) Check of expenditure against grant or appropriations and

- (ii) Check of expenditure against each unit of appropriations under a Grant or Appropriation against the allotment thereof-

The first involves a responsibility to the legislature and to see that the expenditure incurred falls within the scope and purpose of a grant or appropriation duly authenticated and that it is within the amount of that grant or appropriation. The second involves a responsibility to the financial authority of executive Government and consists in seeing that the total expenditure recorded against all the units of appropriation under a grant or appropriation does not exceed the allotment thereof as modified by orders of re-appropriation issued by the Competent authority from time to time. This is carried out in two stages, (i) sanction checks i.e. check of orders of allotment of funds and re-appropriations acted upon in the Accountant General's office and (ii) the check of expenditure against such allotments.

3.8

The orders of allotment of funds and re-appropriation should be checked with reference to the instructions contained in para-3.9 and 3.13 of Chapter-III of the Manual of Standing Orders (Accounts & Entitlement), Vol-I.

While scrutinising the sanction, the following points should be specially kept in view:-

- (i) Any allotment or re-appropriation within a grant or appropriation of a year can be authorised at any time before, but not after the expiry of the financial year.
- (ii) Re-appropriation either from one grant or appropriation to another grant or appropriation or from a "Voted" to a "Charged" head or vice versa, is not permissible.
- (iii) Similarly re-appropriation from a Revenue expenditure head to a Capital expenditure head and vice versa is not permissible, as it will affect the Appropriation Act passed by the Legislature.
- (iv) Re-appropriation of funds to meet an item of expenditure on a "New Service" either voted or charged, not contemplated in the year unless it is included in a supplementary schedule of authorised expenditure, is not permissible.
- (v) Savings in the sub-head of a grant accommodating recoveries will not be available for re-appropriation to cover excess under other sub-heads of the grant except sub-heads accommodating other recoveries. The unutilized savings in these sub-heads will be allowed to

lapse and suitably explained in the Appropriation Accounts.

**NOTE:-** The Government of India have laid down the following general principles for the acceptance of a re-appropriation order issued by the Ministries and their sub-ordinate Offices.

A re-appropriation made irregularly during the financial year can not be regularised by a formal sanction of the competent authority after the close of that year because such a sanction would be tantamount to making a re-appropriation after close of the year. An irregular re-appropriation not regularised during the year should, therefore, be treated as null-and void and consequently, the annual appropriation accounts should ignore it. Where a single order sanctions a number of re-appropriations of which some are valid and some invalid and the latter are not validated before the close of the year, the valid portion of the re-appropriation, if independent of the invalid portion need not necessarily be rejected merely because it happened to be included in the same order. But if the valid and invalid portions are inter dependant or intermixed, i.e. they form one series of transfers in which the required expenditure is met by part re-appropriation from several sub-heads, some of which require sanction of another authority, the entire re-appropriation become null and void for want of adequate sanction and should, therefore, be completely ignored for the purpose of the annual appropriation accounts.

These principles are to be applied to the re-appropriation orders issued by the authorities under the Union and State Government.

(Govt. of India, Finance Department OM No.D.7198-B/44 dated 19.10.1944. Extract forwarded with AG CR's letter No.APP/1-30/57-58/344 dated 08.05.1959).

3.9

It should be seen that the reasons necessitating the additions or reductions within a grant or appropriation are indicated by the Competent Authority in the orders sanctioning re-appropriations. Cases of non-compliance should be pointed out to the sanctioning authorities concerned. If in any case, the explanations are found to be inadequate or incomplete, prompt enquiries should be made to elicit the requisite information.



3.10

The detailed appropriation check in respect of various grants/appropriations (except in the case of Loans and Advances and Public Debt repayment) is prescribed in Para-3.14 of M.S.O.(A&E), Vol-I. For working out month by month the progressive expenditure against each Grant or Appropriation each unit of appropriation a Register in Form-I should be maintained. Each Grant or Appropriation should be assigned a page or set of pages. Under each Grant or Appropriation, the several sub-heads and units of appropriation should be detailed showing against each the authorised provision and progressive expenditure month by month. The accuracy of figures posted in the Register should be tested in a separate Abstract, and the Register submitted to the Branch Officer for review.

Report on Expenditure (Monthly Appropriation Accounts) should be issued monthly to the Government of Orissa, Finance Department soon after their receipt from the VLC Section. They should be scrutinized intelligently and Warning Slips issued to the Controlling Officers/Administrative Departments as per the following proforma in cases where (a) expenditure has been incurred without provision or in excess of the sanctioned grants/appropriations and (b) the progress of expenditure indicates the possibility of the sanctioned grants/appropriation being exceeded.

**WARNING SLIP**

Grant No. :  
Major Head :  
Non-plan/Plan :  
Sector :  
Sub-major Head :  
Minor Head :  
Sub-head/Scheme :

- (a) Expenditure has been incurred without budget provision as seen from the Report on Expenditure for the month of\_\_\_\_\_ under the above head.
- (b) Expenditure has exceeded the Sanctioned Grant/Appropriation under above head as seen from the Report on Expenditure for the month of\_\_\_\_\_.

- (c) The progress of expenditure under the above head as per Report on Expenditure for the month of \_\_\_\_\_ is likely to exceed the Sanctioned Grant/Appropriation.

Sr. Accounts Officer/A. A.

To

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NOTE:- It has been instructed by the Comptroller and Auditor General that, if there is an appropriation or re-appropriation of funds to a sub-head to which a particular new item of expenditure is to be debited then it is not necessary to call for a definite additional appropriation or re-appropriation to cover the particular new item unless it is a new service not provided for in the budget in which case, it should be provided for in a supplementary appropriation Act.

If, however, there is no appropriation or re-appropriation under the sub-head, necessary provision of funds should be called for and Appropriation Accounts Section should be intimated of such cases.

(C&AG's letter No.1074-Admn-32-AC/50 dated 14.06.1950)

3.11

Validity of re-appropriation within a grant/appropriation:- A question was raised as to the constitutional validity of the procedure of recourse by the Executive Government to re-appropriations within a Grant or Appropriation and a doubt was expressed as to whether after a Grant had been voted by the Legislature, it was within the competence of the Government to vary the provisions between the various heads in the Grant, keeping in view Article 204(3) of the Constitution. It was held by the Comptroller and Auditor General that the detailed estimates of provision under the various heads in the Demands for grants are merely for the information of the Parliament/Legislature who do not vote separately for the expenditure for the component sums under the various heads and the details have, therefore, no constitutional significance. The schedule to the Appropriation Act also specifies only the total sum voted by the Parliament/Legislature and expenditure charged on the Consolidated Fund. Except in the case of 'New Service' there is no restriction on the part of the Executive Government in the matter of administering the funds available

within a Grant/Appropriation according to the requirements of the administration. It was, therefore, decided that there is no constitutional invalidity in the procedure of re-appropriation of funds among units of appropriation within a Grant, under appropriate financial authority.

(Based on C&AG letter No.1167-AC/110-58 dated 25.8.1958).

3.12 The procedure for treatment of items wrongly included in the Appropriation Act will be as follows. If, for some items of expenditure not to be met from the consolidated Fund, a demand is noted and consequential provision made in the Appropriation Act by a misappropriation, the demand and the provision in the Appropriation Act are not to be utilised but shall be allowed to lapse. There is no need to amend the Appropriation Act in such cases. However, an Appropriation Account is necessary although it will not show any expenditure against the grant or appropriation. (Based on C&AG letter No.179-AC/15-51 dated 10.3.1952)

3.13 Administrative Department of Government and Chief Controlling Officer may sanction re-appropriation in respect of either charged or voted expenditure from one major head of account to another within a Grant/section of the Grant/Appropriation provided that.

- (a) The expenditure under the general control of the administrative department concerned or the general or direct control of the authority sanctioning the re-appropriation,
- (b) The re-appropriation does not involve the under taking of recurring liability, i.e. a liability which extends beyond the financial year,
- (c) It is not for the purpose of meeting expenditure on an object for which no provision has been made in the Appropriation Act or Appropriation Act pertaining to the supplementary statement or expenditure for the year,
- (d) Re-appropriation of funds should not be sanctioned by the Head of Departments from "Plan" allotment to "Non-Plan" allotment and vice versa. The Heads of Departments and other Chief Controlling Officers should not also sanction re-appropriation of funds to any other detailed heads from the provision made under "Salaries" and "Travel Expenses" and vice-versa. Re-appropriation of funds should not also be sanctioned for the heads of departments and other Chief Controlling Officers from any other detailed head "Office Expenses" except for meeting expenditure on "Service Postage, Telephone and Telegram Charges". If it is

considered essential to sanction such re-appropriations under extraordinary circumstances, the Heads of Departments and Chief Controlling Officers should send such proposals to the Finance Department through the Administration Departments of the Secretariat for sanctioning re-appropriation of fund on the “Merits” of such extraordinary circumstances. In all such cases, the special grounds on which the proposals are sent should clearly be explained. The Finance Department is competent to declare other items also in appropriate at their discretion.

NOTE:- (1) Proviso 3.13(b) does not apply when the undertaking of the liability has already been sanctioned with the concurrence of the Finance Department and the re-appropriation is made merely to give effect to the sanction.

NOTE:- (2) Proviso 3.13(c) does not apply to the provision of funds by re-appropriation by the competent authority for expenditure which the department concerned expected to incur in the preceding year but unavoidably had to carry forward to the current year e. g, expenditure on a work in progress which the department expected to complete and pay for the preceding year and for which provision was included in the Appropriation Act for the current year.

NOTE:- (3) The Heads of Departments and other Chief Controlling Officers can re-appropriate funds from all the detailed heads other than “Salaries” and “Travel Expenses” under another sub-head or within the same sub-head while in respect of the detailed heads, “Salaries and Travel Expenses”, the re-appropriation can be only from “Salaries” to “Salaries” and from “Travel Expenses” to “Travel Expenses” under different sub-heads. The Heads of Departments and Chief Controlling Officers can also re-appropriate funds from the detailed head “Office Expenses” under one sub-head to the detailed head “Office Expenses” under another sub-head for all the purpose falling under “Office Expenses”.

3.14

Re-appropriations between Revenue, Capital and loan sections within the same grant or between the charged and voted sections are not permissible but re-appropriation between units of appropriation with the various sections within the grants may be made as and when they become necessary in course of a Financial Year except in the following cases:-

- (i) From any head which takes credit for probable savings until sufficient savings to cover that credit have been surrendered to the Finance Department

- (ii) Credit found to be more than anticipated under the heads accommodating recoveries of expenditure would not be available for re-appropriation. As the Demands for Grants (Original or Supplementary) are made for the expenditure without taking into account deductions on account of recoveries of credits, on account of recoveries of expenditure should be ignored for the purpose of sanctioning re-appropriations of funds or obtaining supplementary grants.

NOTE:-(1) The term "Recoveries" represent credits taken under a particular head of account with per contra debit to another head of account.

NOTE:-(2) In the case of original works provided for under public work major heads and other relevant functional major heads, the units of appropriation are the provision for each major work and the lump sum provision for minor works.

3.15 Expenditure on Secret Service, which is not subject to audit scrutiny, is recorded under a separate detailed head and provision thereof is normally made in the demand for grants relating to the departments incurring this item of expenditure. Re-appropriation to the heads covering Secret Service expenditure within a grant, which would have the effect of increasing the budget provision by 25 per cent or more, should not be sanctioned without prior consultation with the Accountant General. No such consultation, would, however, be necessary if it is proposed to augment the provision by less than 25 per cent in all by re-appropriation. While sending proposals to the Accountant General for Supplementing the Budget Provision by more than 25 per cent, it would be necessary to communicate to the Accountant General, brief reasons leading to the excess. These communications should be treated as "Secret" and addressed to the Accountant General by name.

3.16 According to the system of gross budgeting now in vogue, the demand for grants are prepared for gross amounts excluding the credits which are adjusted in the accounts in reduction of expenditure and exhibiting them in the Appendix to the Appropriation Accounts indicating the estimated recoveries and actual recoveries.

In the case of grants relating to "Works" the rectification of misclassification of expenditure relating to one work to another need not be treated as recoveries, as such adjustments are necessary for correct presentation of Works Accounts. Similarly, surplus stores or Special Tools and Plant returned from works or transferred from one work to another at the cost of dismantle material pertaining to works in progress as also closed works, the accounts of which are reopened

should be treated as reduction of expenditure. The transactions pertaining to receipts and recoveries on Capital Accounts in respect of Capital Works, recoveries on account of depreciation, credit for maintenance, repair and operation charges in respect of special tools and plant are to be treated as credits representing recoveries of expenditure. The provision under "Suspense" in the "Works" Grant is made only for the gross debit, the credits to "Suspense" being treated as recoveries of expenditure.

3.17 No sum in excess of what is provided in the vote on Account Act can be withdrawn from the consolidated fund unless (a) such an excess has been covered by an advance from the contingency fund or (b) a final vote for the year and the necessary appropriation has been granted by the legislature before any such excess occurred.

3.18 If the vote on account is for covering expenditure during a definite period of the financial year, the actual expenditure should not be in excess of the amount provided for in the vote on Account Appropriation Act. Even though, there are no instructions or rules prohibiting the issue of re-appropriation orders during the vote on account period, the State Government may advise the Heads of Departments against issuing order of re-appropriation during the said period to avoid any unnecessary complications at a later date.

3.19 **Issue of sanction orders in March:-**

It has been decided by the State Government that the last date of submission of proposals for re-appropriations by Controlling Officers to the Administrative Departments should be the 10<sup>th</sup> March and the Administrative Department should refer such proposals to the Finance Department where its sanction is required by the 15<sup>th</sup> March at the latest. Similarly, surrenders are to be referred to Government as soon as possible after the second revised estimates are framed and not later than the 10<sup>th</sup> March in any case. In no circumstances, relaxation of this time will be allowed.

3.20 **Delay in sanction of Re-appropriation:**

The Departments of Government should ensure that all orders, which convey sanctions to re-appropriation, should reach the Accountant General's office in time. Similarly, where such orders are to be communicated through the Finance Department, they should reach the Finance Department on or before the 27<sup>th</sup> March at the latest, so that they reach the Accountant General office in time. Such orders, which will be received after the 27<sup>th</sup> March, will be

held up in the Finance Department, as they will serve no useful purpose in the Accountant General's office.

(Based on Government of Orissa, Finance Department Memo No.Bt.138/56-3028-(21)-F dated 08.12.1956).

3.21

Public Works and Forest Officers also record expenditure incurred by them on a functional basis under the major heads falling within the sectors "Social and Community Services" and "Economic Services" both in the Revenue and Capital Sections of the accounts. Detailed classification of this expenditure is furnished in the separate Classified Abstracts maintained by the Works Account Office, Puri Branch and Forest Compiling Section in the main office respectively. The VLC Branches maintain the Consolidated Abstract for the expenditure incurred by the Civil Officers under these major heads and add a lump sum figure representing the expenditure of the Public Works and Forest Department to the totals in these Consolidated Abstracts for the purpose of agreement with the major head totals of Book Section.

3.22

The orders of re-appropriation should contain the following details:-

**MAJOR HEAD** \_\_\_\_\_

Head for which extra grant is required

Head from which re-appropriation is proposed.

Primary Unit of appropriation	Original grant sanctioned budget estimate	Present grant	Probable expenditure during the year as now estimated	Additional grant required	Total grant as it will stand after addition	Primary unit of appropriation	Original grant sanctioned budget estimate	Present grant	Probable expenditure during the year as now estimated	Amount surrendered	Total grant as will stand after addition
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>

- NOTE: (I) Columns 1 and 7 should show the minor sub-head to which the unit relates  
 (II) Column 3 or 9 to show the total of the original and supplementary or additional grant already sanctioned by competent authority minus the amounts if any, already re-appropriated to other of competent authority Figures 3 and 9 should be explained the reverse.  
 (III) Column 6 should show the total of column 3 and 5.  
 (IV) Column 12 should show the difference between the figures in column 9 and 11.  
 (V) The urgency or necessity for an additional grants column 5 and the proposal for re-appropriation column 11 should be fully explained on the reverse.



- 3.23 If the original appropriation has been modified subsequently, such modifications (increase or decrease) should be indicated in Col-3 along with the original appropriation so that this office may be in a position to call for re-appropriation orders issued earlier but not received in this office. The arithmetical accuracy of the re-appropriation orders must be checked before posting the re-appropriation orders. It must be seen that the additional grant required (Col-5) is the same as that of the amount surrendered (Col-11). Brief reasons for the increase/decrease made in the re-appropriation order should be given. In case the decrease/increase is based on orders of competent authority, copies of the references should be enclosed to the re-appropriation orders.
- 3.24 Appropriation check is an important link in the control over expenditure exercised by the legislature and the Executive Government. The usefulness of the Appropriation Accounts depends upon the effectiveness of the help rendered by the Accountant General in bringing to notice faulty administration of grants and deficiency of sanctions etc. The Appropriation Accounts Section should take a lively interest in the matter and see that the relevant rules and orders on the subject have been duly observed.
- 3.25 As the unit of appropriation are usually wide and large enough to cover small variations and small extra expenditure under a detailed head, which are met by savings under another, sanction of Petty re-appropriation should be avoided.
- 3.26 A saving which arises from the actual postponement or non materialisation of a scheme for which a specific provision was made in the Budget Estimate, must be surrendered at once and not kept in hand for re-appropriation to meet other expenditure.  
(Rule 144(d) of Orissa Budget Manual)
- 3.27 As the State Budget is prepared in thousand of rupees, the minimum amount to be surrendered/re-appropriated should be Rs.1000/-.
- 3.28
- (a) A suitable cut-off date for receipt of re-appropriation orders/surrender orders should be suggested to the State Government cautioning them that these orders shall not be accepted after that cut-off date.
  - (b) A week before expiry of the cut-off date a list of re-appropriation/surrender orders received in this office be given to the respective Competent Authority requesting him to send copies of missing re-appropriation/surrender orders, if any, found in the list within the cut off date. It should be made clear in the communication that no re-

appropriation/surrender orders would be accepted for incorporation in accounts after the cut-off date.

(C&AG's letter No.283-AC/MIS/212-99, dated 27.05.1999)

- 3.29 (a) Finance Department is only competent to issue surrender resumption order for the amounts so proposed by the Administrative Department. As such surrender resumption orders received from Finance Department are only taken in to account in finalising the Grant Statement.
- (b) All surrendered resumption orders should be issued by Finance Department on or before 31<sup>st</sup> March.
- (c) Surrenders once reported are final and cannot be withdrawn under any circumstances.
- (Rule 144(3) of Orissa Budget Manual)

3.30 The statement of surrender should contain the following details:-

Major, Minor, Sub-heads and Primary	Sanctioned grants	Amount of modification if any, already sanctioned either by re-appropriation or	Present grant (Col-2 and Col-3)	Amount surrendered	Grant as it will stand after surrender	Reason for Savings
1	2	3	4	5	6	7
	TRs.	TRs.	TRs.	TRs.	TRs.	

3.31 Col-7 of the statement of surrender should contain specific reasons for the savings surrendered. The reasons so furnished should be absolutely in clear terms so as to facilitate proper comment in the Appropriation Accounts.

3.32 Amount of surrenders should be indicated separately for the Revenue/Capital and Loan sections of the Grant. Also they should give figures separately for 'Charged' and 'Voted' provisions.

3.33 Any defect noticed in a surrender order should be taken up promptly with the Finance Department with copy to concerned Administrative Department.

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## CHAPTER-IV

### CONTINGENCY FUND

**Para No.**

4.1 The “Appropriation Act” fixes the amount that can be drawn out of the consolidated fund and Articles-114 (3) and 204 (3) of the Constitution of India do not permit any withdrawal from the fund in excess of the amount provided for in the Act. However, in order to meet unforeseen expenditure, Government have at its disposal a Fund in the form of an imprest known as “Contingency Fund” (set up under the provision of Article-267 of the Constitution of India) out of which it can meet expenditure subject to regularization through Supplementary Appropriation Acts passed by the Parliament/State Legislature. The Executive Government can take an advance from the fund duly sanctioned by the President/Governor and spend it for any unforeseen purpose subject to obtaining (within the year) supplementary grant and recouping the advances in to the Contingency Fund from the Consolidated Fund.

4.2 The Orissa Contingency Fund Act, 1967 created a Contingency Fund of Rupees two crores transferred from the Consolidated Fund of the State. The corpus of Contingency Fund was raised form time to time and at present the corpus is Rs.150 crores

The Orissa Contingency Fund Act, 1967 and the Orissa Contingency Fund Rules, 1967 are re-produced in Appendix V and VI to this Manual.

NOTE:- It has been held that no separate Appropriation Act for withdrawal from the Consolidated Fund for the purpose of enhancing the corpus of the Contingency Fund is necessary. Wherever an additional amount is required for enhancing the corpus of the Contingency Fund, the amount can be withdrawn from the Consolidated Fund by means of an enactment of the Contingency Fund (Amendment) Act to be passed by the Legislature.

4.3 The Contingency Fund shall be held on behalf of the Governor by the Secretary to Government in Finance Department. Advances are given from this fund to meet unforeseen expenditure pending the approval of the Legislature and they are paid back to the fund after the Legislature approves the supplementary Demand.

- 4.4 The orders sanctioning the advance from the Contingency Fund as also the orders reducing, increasing or canceling the advance already sanctioned are received in duplicate in V.L.C.(SS) Section. After noting them in the Register maintained for the purpose, they are forwarded to the concerned compiling section (VLC) for further action.
- 4.5 A register of balance maintained in the V.L.C. (SS) Section to ensure that the sum total of the advances sanctioned from time to time does not exceed the corpus of the Contingency Fund and that Supplementary grants are obtained for the recoupment of all the advances as prescribed in the Rules. All the sanctions received from the Government are noted in this Register and the balance in the Contingency Fund at the end of every month is worked out. At the end of the year, the items of expenditure outstanding under the contingency fund are analysed major headwise for their exhibition in the Appropriation Accounts and Finance Accounts under the respective grants/appropriations and in statements of Finance Accounts. A General Review report of the withdrawal from the Contingency Fund during the year along with cases of important irregularities in the operation of the Contingency Fund is furnished to Accountant General (Audit) for inclusion in the Civil Audit Report.
- 4.6 An advance from the Contingency Fund sanctioned by the Finance Department shall not exceed the balances in the Fund. Sanction in respect of an Advance from the Contingency Fund shall be treated as invalid if it involves an increase in the corpus of the Fund
- 4.7 Advances from the Contingency Fund should be taken for full amount for meeting expenditure on a “New Service” even if the grant as a whole would not be exceeded. It will however, be permissible to meet expenditure on a new service from savings within a grant provided that a token vote of the Legislature is taken within the year and before the “New Service” expenditure is actually incurred.  
(Based on C&AG’s letter No.358-AC/335-58 dated 09.03.1959)
- 4.8 When an expenditure is met from an advance from the Contingency Fund, the adjustment to transfer the amount to the Consolidated Fund should be carried out as soon as the necessary Appropriation Act is passed i.e. if the Act is passed on or before 31<sup>st</sup> March of any particular financial year, resumption has to be treated as to have been effected, during the same financial year. However, where the rules framed by the Government specifically require that

formal orders should be issued by the Finance Department of the Government for every such resumption, it would be so arranged with that Department that such orders are not un-necessarily delayed. As it is obligatory that once such an Appropriation Act has been passed, the necessary adjustment should be carried out in the account of the year, it would be preferable if such an adjustment is carried out before 31<sup>st</sup> March. In any case, it should be ensured that necessary adjustment is made within the closure of the accounts of the year.

(Based on C&AG's letter No.198-AC/21-61 dated 23.02.1961)

4.9                   Recoupment of expenditure to the Contingency Fund in respect of advances taken during the year should be adjusted by transferring to the appropriate heads under "Part-I-Consolidated Fund" by minus debit under the various heads, under the 'Contingency Fund' and recoupment to the Contingency Fund of expenditure incurred during the previous years should be adjusted as credits to the fund.

4.10                  Incurring of expenditure and its booking in the accounts are not one and the same thing. While there can be no objection to the incurring of an expenditure of an unforeseen nature in excess of an advance from the Contingency Fund the related expenditure can not be booked under "Contingency Fund" until necessary formal sanction for the grant of an advance from the "Contingency Fund" is issued. The correct procedure would, therefore, be that so much of the expenditure which is in excess of the sanction for the grant of an advance, should be debited initially to the Consolidated Fund and transferred to the Contingency Fund only on receipt during the course of the year of a valid sanction for the grant of an advance from the Contingency Fund as stated above. The irregularity should also be suitably commented upon in the Appropriation Accounts, wherever necessary.

(Based on C&AG's letter No.1462-AC/328-63 dated 06.11.1961-3-filed in AA/60-7/63-64/G.I.)

4.11                  The Contingency Fund provides the legal source for the money required to meet unforeseen expenditure, as otherwise no expenditure can be incurred without an Appropriation Act, passed by the State Legislature. Unless, therefore, the power for the grant of an advance under article 267 (2) of the Constitution is exercised and necessary formal sanction is issued, the money will not legally be available and accordingly incurring of any expenditure out of the Contingency Fund in anticipation of such a sanction will be ultra vires of the Constitution. In the circumstances, no expenditure

should be authorised out of the Contingency Fund even provisionally in anticipation of sanction of an advance therefrom even if Government requests this with an assurance that the necessary advance will be sanctioned shortly.

(Based on C&AG's letter No.214-Tech-Admn-I/213-63 dated 19.01.1964).

4.12

Sanctions for the grant of advances from the Contingency Fund issued after an excess had occurred under a sub-head of grant may be accepted and acted upon, if otherwise in order, but they should be scrutinized to see whether it was not possible for a Supplementary Vote or an advance from the Contingency Fund to be taken before the expenditure was actually incurred in excess of the budget provision. If the examination shows that either a Supplementary Vote or an advance from the Contingency Fund could have been obtained by following the normal procedure for control over expenditure, before the excess expenditure was actually incurred, the matter may be taken up with the State Government and considered for inclusion of a suitable comment in the Audit Report. (C&AG's letter No.1088-AC/170-61, dated 07.10.1961).

4.13

In view of the above position it should be ensured that the State Government do not obtain token advance from the Contingency Fund for any other purpose. If the Contingency Fund rules of the State do not contain any specific prohibitory provision in this respect, the matter may be taken up with the State Government with a request to consider the desirability of including such a specific provision in their rules.

(Based on C&AG's letter No.767-AC/67-63 dated 04.08.1965).

4.14

Orders canceling or amending a sanction for the grant of advance from the Contingency Fund should normally be issued before the close of the financial year. No audit objection can, however, be raised if such orders are issued even after 31<sup>st</sup> March. For the purpose of accounts of the previous financial years, such orders will be of little significance as neither expenditure incurred in excess of the previous years budget provisions, nor the sanctioned advance can be reduced below the amount already spent out of the advance in the previous financial year. Hence, though the sanctions issued during one financial year may be considered to be operative even after the close of that financial year, any modification or amendment made to such sanctions after the close of the previous financial year will have to be ignored for the purpose of the accounts of the previous financial year.

(Based on C&AG's letter No.444-AC/71-65, dated 20.05.1967).

REGULARISATION OF ADVANCE FROM THE CONTINGENCY FUND REMAINING UN-RECOUPED AT THE END OF THE FINANCIAL YEAR.

- 4.15 Rule 8 of the Contingency Fund of India rules prescribes that supplementary estimate for expenditure met by drawing advance from the Contingency fund of India shall be presented to Parliament at the first Session meeting immediately after the advance is sanctioned. As soon as Parliament has authorised the additional expenditure by including it in any Supplementary Appropriation Act the Advance made from the Contingency Fund of India shall be resumed to the Fund. Under this Rule the advances from the Contingency Fund of India used to be regularised by placing supplementary demands before Parliament either during the same year or in a subsequent year.
- 4.16 It has been clarified by the Comptroller and Auditor General that no separate Appropriation Act for withdrawal from the Consolidate Fund is necessary, whenever an additional amount is required for enhancement of the corpus of the Contingency Fund. It is enough if an enactment of the Contingency Fund (Amendment) Act is passed.
- 4.17 No account adjustment will be necessary at the time of the grant of advance from the Contingency Fund as the amount continues to remain physically a part of the Fund and does not go out of it till it is actually withdrawn and spent on the purposes for which the advance is sanctioned. The actual expenditure incurred out of advances from the Contingency Fund will be recorded under the Major Head "Contingency Fund" in the same detail as it would have been recorded if it had been out of the Consolidated Fund. For this purpose, each Major Head of expenditure will be treated as minor head subordinate to the Major Head "Contingency Fund".
- 4.18 When unforeseen expenditure not covered by the Appropriation Act has to be incurred and there is no time to summon the Legislature and also the Contingency Fund is exhausted, the issue of an ordinance by the Governor may be necessary but its purpose would be limited to increasing the amount of the Contingency Fund. The expenditure in any case will have to be regularised by a subsequent vote of the Legislature.
- The provision of Article 213 cannot be utilised for the purpose of issuing an ordinance sanctioning a supplementary grant and thus obviating the need for a subsequent excess Vote.

- 4.19 (Based on C&AG's letter No.1633-Rep/117-55, dated 30.11.1955).  
Expenditure on "New Service" for which advances are sanctioned from the Contingency Fund pending provision of funds by the Vote of the Legislature should not exceed the amount so advanced until funds are Voted by the Legislature for the purpose. In case it is found that the expenditure cannot be limited to the advance before the Vote of Legislature is taken, a further advance from the Contingency Fund should be taken.  
(Based on C&AG's letter No.358-AC/335-58 dated 09.03.1959)

At the end of the year, V.L.C. (SS) Section should prepare a list of items remaining un-recouped to the Contingency Fund and furnish to Appropriation Accounts Section the details of expenditure relating to these items for incorporation in the Appropriation Accounts and Finance Accounts



**ANNEXURE**

*(Vide Rule-4)*

**APPLICATION FORM FOR ADVANCE FROM THE ORISSA  
CONTINGENCY FUND**

1. The authority to whom the application should be made
2. Name of the Departments applying for the advance.
3. Proposal (In full)
4. Whether the purpose for which advance is required is emergent unforeseen and inescapable.
5. (i) Whether Proposal is a "New Service" for which normally prior vote (Token or otherwise) of the Legislature is necessary.  
(ii) Does it involve any embarrassing commitment?  
(iii) Special reason for anticipating the vote of the Legislature.
6. The circumstances under which the expenditure could not be included in the current year's Budget Estimate.
7. Reasons for which the expenditure cannot be postponed till funds are provided by means of Supplementary Demand.
8. Full cost involved in the proposal for remaining part of the year and for the subsequent years.
9. (i) Amount required to be advanced from the Fund  
(ii) Period for which the advance is necessary.
10. Amount available by re-appropriation from the savings within the Grant to meet the full or part of the advance.
11. The Major, Minor, Sub-head and Primary Units of appropriation to which the expenditure to be met from the advance is finally debitable.
- \*12. Whether the proposal has been previously examined and agreed to by the Finance Department.

*Signature of the Secretary  
Department applying for advance*

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\*(In case the proposal is agreed to by the Finance Department the relevant file or extracts of the views recorded by them with the minutes of Minister or Deputy Minister concerned, if any, should be furnished along with the application).

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## CHAPTER-V

### APPROPRIATION ACCOUNTS OF THE GOVERNMENT OF ORISSA

#### Para No.

5.1 In accordance with the requirements of Article 149 of the Constitution of India read with Section 11 of Comptroller and Auditor Generals' (D.P.C.) Act, 1971, the Comptroller and Auditor General has to prepare for the Central Government, each State Government and the Government of each of the Union Territories provided with separate Legislative Assemblies under the Government of Union Territories Act, 1963, Appropriation Accounts, that is accounts of the expenditure (both voted and *charged*) of the Government for each financial year compared with the accounts of voted grants and charged appropriations for the different purposes as specified in the schedules appended to the Appropriation Acts passed by the Legislature. The responsibility is confined to grants/appropriations in respect of which the accounts are maintained by the Indian Audit and Accounts Department.

5.2 The purpose of the Appropriation Accounts is to indicate:-

- (a) Whether the amount shown in the accounts as having been disbursed were legally available for and applicable to the service or purpose to which they have been applied or charged.
- (b) Whether the expenditure conforms to the authority which governs it and
- (c) Whether re-appropriations have been made in accordance with the provision made in this behalf under rules framed by competent authority.

5.3 The Appropriation Accounts include:-

- (a) A summary of the Appropriation Accounts showing the total amount of funds (Original and Supplementary) provided by the Legislature under each Voted Grant and Charged Appropriation, the actual expenditure incurred against each and the saving or excess thereof and

The audit certificate of the Comptroller and Auditor General of India will be recorded on a new page immediately following the page where the Summary of Appropriation

Accounts ends and

- (b) Appropriation Accounts of each grant/appropriation separately indicating the original grant/appropriation, additional funds provided during the year by supplementary grant/appropriation, total grant/appropriation, Actual expenditure saving or excess in the grant/appropriation as a whole and the amount surrendered during the year under the grant/appropriation.

This is followed by “Notes and Comments” which will bring to the notice of the Legislature (giving relevant particulars of the sub-heads) excess over, grants/appropriations requiring regularization, expenditure booked against the grant/appropriation but not really debitable to it, expenditure incurred on a “New Service” without specific authority of the Legislature, unjustified or excessive provision of funds leading to large savings and lapses and also cases of defective control over expenditure e.g., excessive irregular or unjustified re-appropriation or surrenders within the grant/appropriation

[Based on the Para 1.2 of M. S. O. (A&E)-Vol-II]

5.4

After the Appropriation Accounts for individual grants/appropriations have been prepared, a Summary of Appropriation Accounts in the prescribed form should be compiled. The figure should be checked carefully with those of the detailed Appropriation Accounts and with those in the statement of actuals prepared by Book Section, especially with one, showing the distribution between “Voted and Charged” expenditure of the Government under each Major Head.

**NOTE:** The form in which the Summary of Appropriation Accounts and Appropriation Accounts of each grant/appropriation are prepared are given in Appendix-I to the Comptroller & Auditor General’s Manual of Standing Orders (Account & Entitlements), Vol-II. In the summary of Appropriation provision is made for:-

- (i) indicating the expenditure met out of advances from the Contingency Fund which were not recouped to the fund during the year by authorization of the Legislature
- (ii) reconciliation of the total expenditure according to Appropriation Accounts with that shown in the Finance Accounts after taking into account recoveries of expenditure; and
- (iii) drawing attention to cases of excess over grants/appropriation requiring regularization.

(Based on Para 1.3 of M. S. O. (A&E)-Vol-II).

- (iv) depiction of figures in the Appropriation Accounts will

be as follows:-

- (a). Summary of Appropriation : In thousands of rupees  
Accounts
- (b). Reconciliation between : In thousands of rupees  
Finance Accounts and  
Appropriation Accounts
- (c). Grant-wise Appropriation : In thousands of rupees  
details
- (d). Notes and Comments : In lakhs of rupees

- (v) The conversion of figures from Rupees to thousands should be to the nearest thousand of rupees and should be shown as follows:-

Rs.9999,99,99,99,99 thousands

(C&AG's letter No.286-AC/MIS/287-2003 KW dated 10.06.2004 and No.316-AC-MIS/287-2003 dated 18.06.2004)

- (vi) The rounding up of figures in thousands would also be applicable for the Appendices relating to the "details of expenditure met from advances from Contingency Fund which were not recouped to the fund before the close of the year" and "details of recoveries which have been adjusted in the Accounts in reduction of expenditure" in the Appropriation Accounts.
- (vii) In the Summary of Appropriation Accounts, the details of excess expenditure in all the Grants should be shown in brackets in Actual Rupees for the purpose of regularisation of excess expenditure.

(C&AG's letter No.395-AC/MIS/287-2003 KW dated 21.07.2004)

5.5

The general rule is that a grant/appropriation is voted/authorised for the gross expenditure required for each service. The expenditure shown against each grants/appropriation in the Appropriation Accounts will thus exclude recoveries adjusted in the accounts as reduction of expenditure in the respective grants/appropriations. The Finance Accounts, on the other hand, will show the net expenditure after taking into account the recoveries. A reconciliation statement showing:

- (i) total expenditure according to Appropriation Accounts
- (ii) total recoveries and
- (iii) net total expenditure as shown in Statement No.10 of the Finance Accounts showing distribution between charged and voted expenditure is included below the summary of Appropriation Accounts. A detailed statement showing

recoveries relating to each grant/appropriation will also be included as an Appendix to the Appropriation Accounts.

The form in which grant-wise details of estimates and actuals in respect of recoveries adjusted in the accounts in reduction of expenditure is given in Appendix-II of the Comptroller & Auditor General's Manual of Standing Orders (Account & Entitlements), Vol-II.

**NOTE:** Minus sign should not be given before the figures of Budget Estimates and Actuals of the statement of recoveries.

## 5.6

### *Detailed Procedure*

The work concerned with the Appropriation Accounts should be taken up by the 3<sup>rd</sup> week of April each year. The accounts should be prepared by sub-heads in form M. S. O. (T) 134. The original grant/appropriation, supplementary grant/appropriation and the net of re-appropriation and surrenders should be noted in Column-1 against each sub-head and the resultant final grant/appropriation note in Column-II thereof. The total for the entire Grant or Appropriation should then be worked out and agreed with the total shown in the Grant or Appropriation Audit Register vide para-3.5 of the Manual. It should be seen that the total Original and Supplementary provision agree with the relevant Appropriation Act passed by the Legislature. At this stage itself, the re-appropriation/surrender orders and Supplementary grants should be carefully scrutinized and necessary information such as particulars of schemes not implemented and the reasons there of, or particulars of schemes, works, etc, for which additional provision was made and the reason for their non-inclusion in the Original Budget should be called for and all other important cases likely have merit for inclusion in the notes and comments in the Appropriation Accounts should be called for. It should also be seen that the explanatory notes for modification given in the re-appropriation orders are accurate and fully informative. If any ambiguous expressions such as "probably/presumably due to", "covered by re-appropriation", "original provision proved inadequate", "based on actual requirements" etc. are used in the re-appropriation orders, specific reasons for such modification have to be ascertained.

## 5.7

The grant statements with Column-I and 2 filled in by Appropriation Accounts Section should be sent to the Administrative Departments/Controlling Officers by 2<sup>nd</sup> week of

June for acceptance of figures.

Any discrepancy in the grant statement as pointed out by the Administrative Departments/Controlling Officers supported with copies of relevant re-appropriation and surrender orders within one week from the date of receipt of the same be carefully scrutinized and action taken accordingly.

**NOTE:-** Consequent upon computerisation of Accounts, the Grant statement as generated by V.L.C. is sent to the Government.

- 5.8 As soon as the March (Supplementary) accounts are closed, the actuals to the end of March (Supplementary) should be posted in Column-3 of the grant statement and Column-4 worked out. The totals of actual expenditure should then be squared up minor head wise. As the Appropriation Accounts are prepared for gross expenditure, the Minor head-wise figures of actual expenditure should tally with the net figures of Finance Accounts after taking in to account recoveries. The Detailed Appropriation Accounts so prepared should be sent to the Government Departments for furnishing of reasons for wide variation, if any, within a week of receipt of the same for necessary inclusion in the Summarised Appropriation Accounts.
- 5.9 Modifications to the appropriation accounts or the explanatory notes necessitated by journal entries/notes of error, if any, subsequently proposed, should be communicated to A. A. Section in the form of a correction statement, as soon as the journal entries are closed.
- 5.10 The detailed instructions regarding the preparation of Appropriation Accounts have been outlined in Appendix-III to Comptroller & Auditor General's Manual of Standing Orders (A&E), Vol-II.
- 5.11 **Preparation of Summarised Appropriation Accounts.**  
The form in which the Appropriation Accounts of each grant/appropriation Summary of Appropriation Accounts is prepared and detailed instructions regarding notes and comments to be included in Appropriation Accounts are given in Appendices-I, II and III of the Comptroller & Auditor General's MSO (A&E), Vol-II. Explanations for variations under individual sub-heads are framed keeping in view the instructions contained in Appendix-III of the Comptroller & Auditor General's MSO (A&E), Vol-II.
- 5.12 The monetary limits to be adopted for selection of heads for comments in the Appropriation Accounts are as follows:-

- a) Cases where the savings or excesses exceed 10 percent of the provision under the four sub-divisions of the grant viz. Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged. In exceptional cases, even if the savings/excesses are less than 10 percent but considered by the Accountant General as significant specially in cases where the savings/excesses are a recurring feature.
- b) **Revenue –Voted:** Where the saving/excess is in excess of 10 percent under the grant and under individual sub heads is more than Rs.10 lakhs.
- c) **Capital-Voted:** Where the saving/excess is in excess of 10 percent and under individual sub-heads, it is more than Rs.15 lakhs.
- d) **Revenue /Capital-Charged:** Where the saving/excess is more than Rs.1 lakh/5 lakhs respectively.
- e) Where expenditure is incurred without budget provisions Rs.1 lakh in respect of establishment and Rs.5 lakhs in other cases.

The above limits suggested by us were approved by the Orissa Public Accounts Committee in the meeting held on 02.03.1987 and communicated to this office vide letter No.5085/LA dated 02.03.1987 of the Orissa Legislature Assembly, Bhubaneswar.

The above revised limitations is adopted from 1986-1987 onwards.

(This office letter No.AA-1-4-(1986-87)-110 dated 21.04.1987 addressed to the C & A. G. of India)

**NOTE:-**Suggestion for upward revision of monitory limit sent to Headquarters Office for approval vide this office letter No.AA-1-4 (2002-03)-785 dated 16.04.2004)

5.13

Only important cases of savings/excess, which are likely to be of interest to the Public Accounts Committee, need be included in the Appropriation Accounts. In cases where the percentage of excess/saving on the original provision is large, it has to be seen whether similar large excess/savings had occurred under the same sub-heads in the earlier years also compared with the original provision for those years. If the variations are due to several factors, only the more important of them need be mentioned with the approximate amount attributable to each cause. Cases of provision of large funds by re-appropriation should be examined with a view to ascertaining how far funds for large increase in expenditure under any item are, year after, provided for by re-appropriation instead of making provision of funds in the Original Budget Estimates.

5.14 Comments on such cases where excess occurred by surrender which was not available, or where a saving was converted into an excess can also be made in the notes below the grants.

5.15 The following further instructions should be carefully borne in mind in drafting explanations for variations:

(a) Explanation for Excess

- (i) Unless the excess is nominal, it would be preferable to give in brief the reasons for excesses in all cases for the information of legislature.
- (ii) In the case of substantial excess “under grant/sub-heads, it should be mentioned when the excess was first noticed and reported to the department and how far timely action was taken to obtain supplementary grant/appropriation or an advance from the contingency fund.
- (iii) Before selecting the sub-heads, the grant as a whole should be analysed to see where exactly the additional expenditure not contemplated at the time of original/supplementary budget was incurred.
- (iv) Sometimes excesses are explained as due to “More expenditure on pay and allowances than anticipated” or “original provision proving inadequate”. Such expressions hardly explain the position. In such cases, the items on which actual expenditure was more than anticipated and the reasons therefore should be analysed. If excess under a sub-head is explained by the department as due to non-sanction of additional funds applied for by it the views of Finance Department should also be obtained and incorporated.
- (v) While explaining excess under charged appropriations due to payment of decrimal amount the date of actual payment and the date when the decree was received may also be incorporated to bring out the delay, if any, in arranging funds.
- (vi) In cases where excess occurs under “Suspense” heads and reasons for excess are not furnished by a Department, the sub-divisions of “Suspense” under which excess mainly occurred should be brought out and this will show the nature of the excess expenditure.



(b) Explanation for savings.

- (i) Savings caused in particular sub-heads merely due to a post budget decision to record expenditure under other sub-heads are not cases of real savings. These may, therefore, not be included in Appropriation Accounts.
- (ii) Where savings under a sub-head is substantial and is due to more than one cause, amount attributable to each of the causes should be mentioned
- (iii) While explaining savings, the sub-heads should generally be arranged in the order in which they appear in the budget. In the case of substantial savings under a grant the sub-heads that account for the major portion of the savings should be mentioned at the beginning of the notes and comments, the other sub-heads being arranged in subsequent notes.
- (iv) As in the case of excess, savings are sometimes explained as due to "Provision proving excessive". The savings in such cases should be analysed and items under which provision was not utilised brought out along with reasons therefor.
- (v) In cases where savings are explained as due to "Less expenditure on petty executive establishment" reasons for less expenditure should be incorporated.
- (vi) While explaining savings, sometimes a tabular form is adopted with two columns for "provision" and "savings". The form will not be suitable for those cases where the department anticipated a portion of the saving and re-appropriated/surrendered it as this fact will not be brought out by the tabular form. In such cases, therefore, the figure for 'O', 'S' and 'R' should be given as usual.

(Based on C&AG's letter No. 826-Rep/102-70 dated 5.4.1970)

5.16

A separate sub-para regarding the expenditure met from Contingency Fund but not recouped to the fund before the close of the financial year should be given in the following form below the summary.

The expenditure shown in Coloumn-4 &5 of the above summary does not include Rs.....met out of advances from the Contingency Fund, which were not recouped to the Fund till the close of the year. The details of this expenditure are below.

Grant No. and Major Head of Account	Amount of Expenditure in thousand	Date of sanction of Advance	Date of Recoupment
---	---	-----------------------------------	-----------------------

Similarly a suitable note should be given below the Appropriation Accounts of the grant concerned indicating the expenditure made from the Contingency Fund which were not recouped to the Fund during the year.

- 5.17 The audit certificate of the Comptroller and Auditor General of India in the form given below is recorded on a separate page immediately following the page where the Summary of Appropriation Accounts ends.

**Page (N)**

**Certificate of the Comptroller and Auditor General of India**

*The Appropriation Accounts have been prepared and examined under my direction in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. On the basis of the information and explanations that my officers required and have obtained, I certify that these accounts are correct, subject to the observations in my Report(s) on the accounts of the Government of Orissa being presented separately for the year ended 31 March .....*

( **NAME** )

***Comptroller and Auditor General***

New Delhi,

The.....

(Authority-C&AG's No.141-AC-I/MIS/287-03 K.W. dated 9.04.2007)

5.18 After compilation, Draft Appropriation Accounts and Draft Finance Accounts duly checked by ITA will be sent to the Accountant General (Audit) where an independent check will be exercised on these accounts with reference to initial records and the accounts will be finally cleared for printing.  
(Para-1.6 of the M.S.O. (A&E), Vol-II)

5.19 The following time schedule for the preparation of Draft Appropriation Accounts and Draft Finance Accounts by the Accountant General (A&E) and the completion of their checks by the Accountant General (Audit) has been prescribed:-

- |       |  |  |
|-------|--|--|
| (i)   | Transmission of Draft Finance Accounts duly checked by ITA to Accountant General (Audit)       | 5 <sup>th</sup> October<br>each year   |
| (ii)  | Transmission of Draft Appropriation Accounts duly checked by ITA to Accountant General (Audit) | 25 <sup>th</sup> October<br>each year  |
| (iii) | Return of Draft Finance Accounts by Accountant General (Audit) duly checked                    | 25 <sup>th</sup> October<br>each year  |
| (iv)  | Return of Draft Appropriation Accounts by Accountant General (Audit) duly checked              | 16 <sup>th</sup> November<br>each year |

The observations/comments of the Accountant General (Audit) will be attended to and settled within one week of the receipt of checked copies of Finance Accounts and Appropriation Accounts and finally the compilations will be made over to Press for printing by the dates indicated Below:-

- |      |                        |   |
|------|------------------------|---|
| (i)  | Finance Accounts       | 5 <sup>th</sup><br>November<br>each year  |
| (ii) | Appropriation Accounts | 25 <sup>th</sup><br>November<br>each year |

{Para-1.9 of the M. S. O. (A&E), Vol-II}

NOTE:-Consequent upon introduction of VLC, the above time schedule for finalisation of Finance Accounts and Appropriation Accounts have been preponed as per Annexure 'A' and instructions in this regard is being received from Headquarters Office from time to time.

(D.O. No.44-AC-MIS/212-2008 dated 31.01.2008)

**ANNEXURE – 'A' to Chapter-V**

**Time Schedule for finalisation of Annual Accounts.**

<b>Description of Accounts</b>	<b>Submission of Statements by A.G. (A&amp;E) to A.G. (Audit)</b>	<b>Return by A.G.(Audit)</b>	<b>Finalisation A.G.(A&amp;I)</b>
Finance Accounts	17 <sup>th</sup> July	31 <sup>st</sup> July	7 <sup>th</sup> August
Appropriation Accounts	24 <sup>th</sup> July	8 <sup>th</sup> August	18 <sup>th</sup> August

Signatory copies of printed accounts should reach Headquarters office by 15<sup>th</sup> September.

\* \* \* \* \*

## **CHAPTER-VI**

### **FINANCE ACCOUNTS OF THE GOVERNMENT OF ORISSA**

**Para No.**

- 6.1 As per the provisions of Articles-149 and 151 of the Constitution of India read with the Comptroller and Auditor General's DPC Act 1971, the Comptroller and Auditor General has to prepare the annual Financial Accounts of the State Government. These Accounts present the accounts of receipts and outgoings of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, the accounts of the public debt and the liabilities and assets of the Government as worked out from the balances recorded in the accounts.
- 6.2 The Finance Accounts which present the general accounts are intended to supplement the accounts separately presented in the form of Appropriation Accounts for each voted Grant or charged Appropriation included in the Appropriation Acts passed by the Legislature. Proforma accounts bringing out the financial results of commercial and trading activities of Government are not included in the Finance Accounts. These are incorporated in the concerned Audit Reports to the extent considered necessary. The detailed instructions regarding the form and arrangements of the materials to be included in the Finance Accounts are given in Chapter-2 of the Comptroller and Auditor General's Manual of Standing Orders (Accounts and Entitlements) Vol-II.
- 6.3 The work relating to preparation of the Finance Accounts should be taken up by the Appropriation Account Section soon after the March (Supplementary) Accounts are closed. The VLC Sections are required to furnish the material needed for the compilation of the Finance Accounts. The materials received from VLC should be checked for arithmetical and factual accuracy. It should be seen that proper explanations are given by VLC sections for minus figures under heads other than deduct heads and for plus figures under deduct heads. It should also be seen that the authority of the Controller General of Accounts is quoted for new minor heads, if any, exhibited in the statement and that there is no discrepancy between the figures incorporated in the Finance Accounts and those incorporated in the Appropriation Accounts.

6.4 The form of the different statements and the details to be incorporated in each part of the Finance Accounts are given in Appendix-IV of Comptroller & Auditor General's MSO (A&E), Vol-II. Out of the 19 statements, statement No.4, 7, 8, 16, 17, 19 and Annexure to Statement No.17 and 19 are compiled by Book Section.

6.5 The Finance Accounts are compiled in two parts-

Part-I – Summarised statements. This part includes statements from 1 to 8 and

Part-II Section-A-Revenue and Expenditure contains statements from 9 to 15 and "Section-B Debt, Contingency Fund and Public Account contains statements from 16 to 19.

#### **Part-I-Summarized Statements**

The statements in this part are given in a Summarised form with information in regard to:-

- (i) Transactions of the year relating to the Consolidated Fund, Contingency Fund and the Public Account (Statement No. I: Summary of Transactions).
- (ii) Capital Outlay outside the Revenue Account (Statement No. 2- Capital Outlay outside the Revenue Account Progressive Capital Outlay to the end of the year.....)
- (iii) Financial Results of Irrigation Works and Electricity Schemes. (Statement No. 3: Financial Results of Irrigation Works and 3(ii) Financial Results of Electricity Schemes).
- (iv) Debt Position of Government including expenditure incurred on the Service of Debt (Statement No.4-Debt Position)
- (v) Loans and Advances, which includes a Statement of Loans, and Advances and Recoveries (Statement No.5- Loans and Advances by the State Government).
- (vi) Guarantees given by Government (Statement No. 6- Guarantees given by Government for repayment of loans, etc raised by Statutory Corporations, Government Companies, Joint Stock Companies, Local Bodies, Other Institutions and Private Parties).
- (vii) General Cash Balance and other Cash Balances and Investments. (Statement No.7- Cash Balances and Investment of Cash Balances)
- (viii) Statement-8- Summary of balances under Consolidated Fund, Contingency Fund, and Public Account The detailed statements included in this part contain: Section-A-Revenue and Expenditure

## **Part-II-Detailed Accounts and Other Statements.**

- (ix) Statement No. 9- Statement of Revenue and Expenditure for the year.....expressed as a percentage of Total Revenue/Total Expenditure
- (x) Statement No. 10- Statement showing the distribution between Charged and Voted Expenditure
- (xi) Statement No. 11- Detailed account of Revenue Receipts and Capital Receipts by minor heads.
- (xii) Statement No.12- Detailed Account of Expenditure by minor heads.
- (xiii) Statement No. 13- Detailed Statement of Capital Expenditure during and to end of the year.....and Annexure to Statement No.13:- Statement of Commitments-list of incomplete Capital Works
- (xiv) Statement No.14- Details of investments of Government in Statutory Corporations, Government Companies, Other Joint Stock Companies, Co-operative Banks and Societies, etc. to the end of.....
- (xv) Statement No.15- Statement showing Capital and other Expenditure (other than on Revenue Account) to end of the year and the principal sources from which funds were provided for that expenditure.

### **Section-B- Debt, Contingency Fund and Public Account**

- (xvi) Statement 16- Detailed Statement of receipts, disbursements and balances under heads of account relating to Debt, Contingency Fund and Public Account.
- (xvii) Statement No.17- Detailed Statement of debt and other interest bearing obligations of Government.
- (xviii) Statement No.18- Detailed statement of loans and advances by Government.
- (xix) Statement No.19- Statement showing the details of earmarked balances

Note:- Statements No.4, 7, 8, 16, 17 and 19 are prepared by Book Section and the rest of the Statements are prepared by Appropriation Accounts Section. The following Appendices are also included in the Finance Accounts in support of the Statements mentioned against each:-

Sl. No. of the Appendix	Details of the Appendix	Statement No. in support of which prepared.
1	Investment of Govt. at the end of _____, _____ and _____ and the dividend/interest received there from	Statement No.2
2	Important cases where details/information are awaited from departmental/Treasury Officers in connection with reconciliation of balances.	Statement No.8
3	Cases where verification and acceptances of balances have been unduly delayed	Statement No.8
4	Details of Grants-in-aid given by the State Government to the Local Bodies.	Statement No.12
5	Expenditure on Salaries organised by Major Heads during the year _____	Statement No.12
6	Expenditure on Subsidies disbursed during the year _____	Statement No.12
7	Maturity Profile of Internal Debt and Loans and Advances from the Central Government.	Statement No.17
8	Changes in the Financial Assets of the Government.	Statement No.5.7 & 14

6.6

The summarized statements in Part-I of the accounts are based on detailed accounts and other statements in Part-II. These should be complete and self-contained and the figures contained therein (rounded to lakhs/crores of rupees and other statements duly qualified by foot-notes where necessary. It should be seen that the figures in lakhs/crores of rupees in the various summarised statements for the same items are uniform and there is no difference on account of rounding adopted in different statements.



**Part-I-Summarised Statements**

Statement No. 1-Summary of Transactions.

In this statement, a comparison of the receipts and disbursements of the current year with those of the previous year is made. Major heads are given with their respective code numbers and totals for each sub-sector, sector, section, division and part are indicated. The figures are in lakhs of rupees.

*Notes:*(1) The figures under the section “F-Loans and Advances” and Expenditure Heads (Capital Account) are not given Major head wise.

(2) Under Public Account, the figures are indicated only sector and sub-sector wise without indicating figures by major heads.

(3) A reconciliation statement between the figures under Deposits with Reserve Bank as reflected in the accounts and those intimated by the Reserve Bank is given in Statement No. 16 and a reference to this reconciliation is given in the form of a footnote below this statement.

Brief explanatory notes may be added to explain the important features of the accounts. Some of the explanatory notes which are useful for a proper appreciation of the figures included in the summary are:

(i)a-comparison of the over all deficit/surplus during the year compared to that of the previous year after taking in to account the transactions under the Consolidated Fund, Contingency Fund and Public Account together with the opening and closing of cash balances. This is prepared in the form of a tabular statement and the figures against the various items are indicated in cores of rupees

(ii) The nature and quantum of receipts from the Government of India during the year.

(iii) Taxation charges during the year. This paragraph brings out fresh taxes /charge in the rate of existing taxes levied during the year. The details of taxes levied, estimated yield and actual realisation are obtained from the Finance Department.

(iv) Large and important variations (along with the reasons thereof) under revenue and expenditure on Revenue Account by major heads as compared with the actuals of the previous year are given in this statement. Reasons for variations may be collected from the explanatory memorandum to the Budget Estimates. In case they are not readily available, the minor heads under which large variations occurred may be specified.  
(In the explanatory notes the amounts are given in crores of rupees)

6.8 Statement No. 2-Capital Outlay-out side the Revenue Account  
Progressive Capital outlay to end of.....

In this statement the details of expenditure by major heads under capital account to end of the previous year, expenditure during the year and the progressive expenditure to end of the current year is furnished. The figures are given in lakhs of rupees. Any difference between the figure of progressive expenditure in the accounts of the last year and the opening balances in the current year is to be suitably explained in the form of footnotes. The differences may be due to rounding and dropping part of progressive expenditure to end of the progressive year, adding some amount to the progressive expenditure to end of the previous year on account of proforma corrections in rectification of misclassification in a previous year. The figures in this Statement are arrived from detailed Statement No. 13

Explanatory notes on the following points may be incorporated below the statement.

(i) Details of expenditure met out of Contingency Fund during the year but not recouped to the fund before the close of the year

(ii) Details of expenditure met out of contingency fund during a previous year and recouped to the fund during the year.

(iii) The progressive capital expenditure on the multipurpose River schemes.

(iv) In case where proforma accounts are maintained, the return obtained by Government on the investments of Government in the particular schemes

(v) Investment of Government in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Institutions and the dividends received there from;

(vi) Settlement of assets and liabilities between Government and the State Electricity Board

(vii) Any important charges in the classification of expenditure and the financial effect in Government accounts as a result of change in classification.

(viii) Minus figures should be explained suitably.

6.9 Statement No. 3: Financial results of Irrigation works/Electricity schemes

Financial results of irrigation works for which capital and revenue accounts are kept brings out financial results of those irrigation canals/schemes which have been opened for service and their capital and revenue accounts being maintained. Accordingly those irrigation canals/schemes which are still under construction should be excluded from the statement.

(Based on C&AG's letter no. 4382-Rep/454-59 dated 30.12.1959)

Financial results of minor irrigation schemes are excluded in this statement.

In the explanatory notes below the statement, paragraphs are included on the following points:-

- (a) Classification of irrigation of canals/schemes in to "productive" and "unproductive works", test of productivity and details of works coming under each category. (Based on C&AG's letter no. 2027-Rep/340-62 dt. 12.10.1962)
- (b) Arrears in the assessment and collection of water rates together with canal wise/scheme wise and year wise analysis of outstanding revenue. (Based on C&AG's letter no. 1075-Admn.II/52-57 dt. 20.3.1957 and no. 2027/Rep/340-62 dated 12.10.1962)
- (c) The position of levy and realisation of betterment charges should be suitably brought out in the Finance Accounts as a part of the Para "Financial results of irrigation works" if the situation so

warrants.(Based on C&AG's D.O No. 2907/Rep/430-58 dt. 9.12.1958 received with-C&AG's D.O No. 296-Rep/430-58 dt. 2.2.1959)

6.10 In respect of Electrical schemes declared as commercial which have not been taken over by the Electricity Boards, the Accountant General will obtain yearly a statement from the Divisional Officers showing separately year wise for each undertaking the monthly assessment and realisation of receipts under each category. The statement should be consolidated after exercising proper check and the outstanding demands with their break up by years included in the report on the Finance Accounts as a regular measure. The total outstanding may be indicated as a separate sub Para on "Financial results on Electricity schemes". Details thereof showing the break up by years may be given as an appendix to the Accounts. (Based on C&AG's letter no. 2132-Admn-II/52-57 dt. 10.10.57)

6.11 The material in the statement should be furnished by Puri Branch Office in the following proforma along with the required explanatory notes:-

Sl. No.	Name of the Project	Capital outlay during.....		
		Direct Charge	Indirect charges	Total
1	2	3	4	5
Capital out lay to the end of .....		Revenue receipts during.....		
<u>Direct charges</u>		<u>Indirect charges</u>	<u>Total</u>	
6	7	8	9	10
		<u>Direct receipt</u>		<u>Indirect receipt</u>
		11		11

Revenue foregone or remission of revenue during.....	total revenue during the year	Working expenses and maintenance Charge during.....		
		Direct	Indirect	Total
12	13	14	15	16

Net revenue excluding interest

Surplus of revenue Over Col. 13-16	Rate percent on Capital outlay to the end of the year....	Net interest on direct capital outlay @ 7% during.....
17	18	19

Net profit or loss after meeting interest

Surplus of Revenue over expenditure(+)or Excess of expenditure over revenue (-)	Rate percent on Capital outlay to the end of the year.....	Remarks
20	21	22

The Statement is prepared in three sections (i) Statement of Borrowings (ii) Other Obligations and (iii) Service of Debt.

(i) The statement of borrowings will be followed by a factual mention as to whether or not any law has been passed by the Legislature of the state under the provision of the Constitution (Article-293) laying down the limits within which Government may borrow on the security of the Consolidated Fund of the state. The explanatory notes below the statement of borrowings give information on the following points:

- (a) Purpose for which the borrowings have been made from various sources like, public, Central Government, statutory corporations like LIC, etc. and Government servants.
- (b) Amortisation arrangements for repayment of Debt and the extent to which they have been actually implemented together with the information regarding the amounts at credit of Sinking Funds and the extent to which the accumulation in the Funds have been invested.
- (c) Delay, if any, in the repayment of debt,
- (d) Extent to which repayment of loans has been effected from revenues or from borrowed funds.
- (e) How far loans raised during a year were realised (a) in cash (b) by conversion of earlier loans falling due for repayment.
- (f) Arrears, if any, in repayment of interest on loans or of installments, which have fallen due and also cases where terms and conditions have not been decided will be indicated.

**NOTE:-** Prior to closure of March (Sy) Accounts reconciliation of the figures of Loans and Advances from the Central Govt. as appearing in the books of this office with the State Govt. will be made and a certificate of agreement of figures will be obtained from the Finance Department

(Based on C & A G's letter No.227-AC-III/CFR-ROB/440-2000/Misc. dated 29.03.2006 on devolution of Funds to State Govts. and Accountant General's order on the above issue).

(ii) Other obligations: The liability on account of the balances at the credit of the earmarked and other funds as also deposits to the extent they have not been invested but merged with the general cash balance of Government will be indicated in the form of a statement.

(iii) Service of Debt: The outstanding gross debt and other obligations at the end of the previous year and at the end of the current year and the total /net amount of interest charges met from Revenue during the previous year and the current year are indicated in the form of a statement. Explanatory notes indicating the reasons for abnormal increase/decrease in the net interest charges may be given. How the addition of the interest received from commercial departments, interest on arrears of revenue, etc to the net interest charges mentioned in the statement will effect the burden of interest on revenue may be commented upon. Dividends on investments in commercial concerns may also be indicated. The burden of interest charges on revenue is exhibited in the manner indicated below:-

- (A) Interest paid by Government:-
  - (a) On public Debt and unfunded Debt
  - (b) On other obligations.
  
- (B) Deduct
  - (a) Interest received on loans and advances given by Govt.
  - (b) Interest capitalised (outside the revenue account)
  - (c) Interest realised on investment of cash balances
  
- (C) Net amount of interest charges
- (D) Percent of gross interest to total revenue receipts.
- (E) Percentage of net interest to total revenue receipts.

In addition to the above, there were certain other receipts and adjustments totaling Rs..... such as interest received from commercial departments. If these receipts are also taken in to account, the net burden of interest on the revenue will be Rs..... working out to.....percent of the revenue.

During the year, Government also received a sum of Rs..... by way of dividends on investments in their commercial undertakings, etc. These investments were made mainly out of borrowed funds.

6.13 Statement No. 5-Loans and Advances by the State Government

This statement consists of two parts.

(i) Statement of Loans and Advances and (ii) Recoveries in arrears.

(i) Statement of loans and Advances:- Here details are given under the headings (i) Loans for General Services, (ii) Loans for Social Services (iii) Loans for Economic Services (iv) Loans to Government servants, etc. and (v) Loans for

Miscellaneous Services, etc.. Under Loans for social services further details by sub sections as (a) Education, Sports, Art and Culture, (b) Water Supply, Sanitation, Housing and Urban Development, (c) Information and Broadcasting, (d) Welfare of SC, ST and OBC, (e) Social Welfare and Nutrition and (f) Others are indicated. Similarly under loans for Economic Services, further details by sub-Sections as (a) Agriculture and Allied Activities, (b) Rural Development, (c) Irrigation and Flood Control, (d) Energy, (e) Industry and Minerals, (f) Transport and Communications and (g) General Economic Services are also indicated. Material for this statement is gathered from detailed Statement No.18.

The Statement of Loans and Advances may be arranged with the following columns:-

1. Category of Loans and Advances
2. Outstanding on 1<sup>st</sup> April \_\_\_\_\_
3. Paid during the year
4. Repaid during the year
5. Outstanding on 31<sup>st</sup> March \_\_\_\_\_
6. Net additions during the year

- (ii) Recoveries in arrears:- Information may be given separately regarding the extent of recoveries in arrears (both principal and interest) in respect of categories of loans, the detailed accounts of which are maintained by the departmental officers and those in respect of which the detailed accounts are kept in the office of the Accountant General (A&E). The loans and advances in respect of which the terms and conditions of repayment have not been settled may be indicated, short notes may be added indicating the state of initial loan accounts maintained by the departmental officers.

Material for statement is obtained from the VLC sections and from Government departments.

6.14 Statement No. 6- Guarantees given by the Govt. in respect of loans, etc raised by Statutory Corporations, Local Bodies and Other Institutions.

The statement will be preceded by a preamble indicating the nature of guarantees given by Govt. and a factual mention as to whether or not any law has been passed by the State Legislature under the provisions of the Constitution (Articles 293) laying down the limits within which Government may give guarantees on the security of the Consolidated Fund of the State. The Public or other bodies may be classified into the following categories:-

- (i) Statutory Corporations and Boards
- (ii) Municipal Corporations and Municipalities
- (iii) Government Companies
- (iv) Other Joint Stock Companies
- (v) Co-operative Banks and Societies
- (vi) Other Institutions

The guarantees falling under categories '1' to '3' above should be given by totals under each category. A further analysis within these categories may be attempted according to the nature of the guarantees given e.g. under Govt. Companies, guarantees may be (a) for payment for supplies received from abroad and (b) for cash credit facilities extended by banks to such Companies.

Guarantees relating to Co-operative Societies should be categorised under different categories of C-operative Societies such as Marketing Societies, Co-operative Credit Societies, etc.

Details of guarantees given to Other Joint Stock Companies and Other Institutions should be given in respect of each Company.

Short descriptive notes on the nature of the guarantee given, any unusual features regarding such guarantees, conditions attached by Government while giving guarantees and how far they have been implemented and guarantee invoked during the year will be added in the above Statement where necessary. If for any reason, payments for honouring the guarantees have not been made by Government during the year, the total amount of such guarantees should be ascertained from the State Government and mentioned in the Finance Accounts.

In considerations of the guarantees given by Government, in some cases, the institutions are required to pay guarantee commission. The amount of guarantee commission due for recovery at the end of the financial year from these institutions is also mentioned.

This Statement is prepared after ascertaining the required information from the State Government by issue of a circular letter during first week of April. Also the information contained in the Explanatory Memorandum of the Budget Estimates is used in preparing this statement.

6.15

Statement No. 7 Cash Balances and Investments of Cash Balances: Explanatory notes may be given elucidating the technical terms or other points requiring clarification. Some of the points on which notes may be included are:-



(i) Difference between the cash balance according to the accounts and that reported by the Reserve Bank of India, indicating the factors responsible for such difference.

(ii) The amount, period and rate of interest paid in respect of Treasury Bills and Ways and Means Advances and Over Drafts, etc.

(iii) The nature of cash balance investments and the amount of interest realised thereon.

The amount of overdraft outstanding at the commencement of the year, the overdraft obtained by Government during the year, the amount cleared and the balance outstanding at the end of the year together with interest paid on overdraft should be given. If for clearing the overdraft, the Government had obtained loans or advances of dues (such as State's share of Union Excise Duties, Grant-in aid etc.,) from the Government of India, that fact also should be mentioned.

6.16

Statement No. 8 Summary of Balances under Consolidated Fund, Contingency Fund and Public Account:-

Besides explaining the technical term "Government Account" and indicating how the amount under this head at the end of the year have been arrived at, the explanatory notes should bring out that it has been verified that debits and credits during the year to the various Reserve Funds and Deposit Accounts of grants, etc., were for amounts authorised by the relevant Acts or Rules of the Funds or Accounts, and that there were no diversions of funds for purposes other than those for which the respective funds were constituted or the grants were made.

The explanatory notes should also indicate- (i) how far the balances under each head have been duly verified and found to agree with those shown in the separate registers or other accounts maintained in the accounts office/departmental offices for the purpose in accordance with the prescribed rules, and (ii) how far they have been accepted as correct by the departmental officers concerned, where necessary.

**Notes:-**The broadsheet figure that is reported to the departmental officers for acceptance should form the basis for exhibition of figures.

Cases where acceptances of balances have been delayed and the amounts involved are considerable, should also be mentioned. The earliest year for which the acceptance is due should be indicated in each case. When the acceptance of departmental officers in respect of the latest balance is received, the outstanding acceptance of that item relating to earlier years may be treated as settled. In case the number of items is considerable, the information may be given in the form of an Appendix after a brief mention in the statement.

## **Part-II Detailed Accounts and Other Statements**

### **A. Revenue and Expenditure**

- 6.17 Statement No. 9 – Statement of Revenue and Expenditure for the year \_\_\_\_\_ expressed as a percentage of total Revenue/total Expenditure:--

This Statement brings out the percentage, which the revenue/expenditure under particular head bears to the total revenue/expenditure. While receipts under “Tax revenue” are given by major heads, receipts under “Non-Tax Revenue” are given sector and sub-sector wise. Similarly, while expenditure under ‘Fiscal services’ is given by major heads, expenditure under the other services is given sector and sub-sector wise. Expenditure on Capital Account which has no relation to the revenues does not figure in this statement

- 6.18 Statement No. 10 – Statement showing the distribution between charged and voted expenditure:-

In this statement break up of the total expenditure under Consolidated Fund by Revenue Account, Capital Account and Public Debt and Loans and advances is given, expenditure being distributed between the ‘charged’ and ‘voted’ sections. In case, there are transactions during the year under ‘Inter-state settlement’, they also may be included and the grand total agreed with the total for Consolidated Fund in the Civil Account. Break-up for Public Debt by Internal Debt of the State Government and Loans and Advances from the Central Government may be given in the form of a note below the main Statement. Similarly in the same note, break-up for the expenditure under ‘Loans and Advances’ may be given by exhibiting expenditure under Loans to Government servants as a separate item and expenditure under other major heads in this section may be grouped together. Figures from this statement are

compared with the gross expenditure and recoveries shown in the Appropriation Accounts under the Summary of Appropriation Accounts.

6.19 Statement No. 11 – Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads:

Details of revenue receipts under each major head may be given by minor heads (finding a place in the list of Major and Minor heads of Account). The total of each major head and sub-major head may be given as also the total amount under each sub sector/sector. The total of revenue receipts under all the major heads may be given at the end of the Statement. Capital Receipts Head-4000-Miscellaneous Capital Receipts may be given at the end of the Statement and the total receipts struck finally.

**NOTE:-** (i)-Under the Sector (A) Tax Revenue, the figures shown under the minor heads are net after taking in to account the refunds. Therefore, the head ‘Deduct Refunds’ should not appear as one of the details under Major heads falling within Tax Revenue’ This may suitably be indicated in the form of a footnote at the appropriate place (in the first page of the statement).

(ii)-Prior to closure of March(SY) Accounts, reconciliation of figures of States Share of Union Taxes and Duties received from the Central Government as appearing in the Books of this office with the State Government will be made and a certificate of agreement of figures will be obtained from the Finance Department.

(Based on C&AG’s letter No.227-AC-III/CFR-ROB/440-2000/Misc. dated 29.03.2006 on devolution of Funds to State Government and Accountant General’s order on the above issue).

6.20 Statement No.12-Detailed Account of Expenditure by Minor Heads.-Details of Expenditure under each Major head falling within the Revenue section may be given by authorised minor heads. The capital expenditure may be exhibited only by Major heads instead of by Major and Minor heads as Minor head-wise details are given in Statement No. 13. To this effect a footnote may be given at the appropriate place (in the first page of the details of expenditure heads (Capital Account). Intermediate total should be given for sub-sector/sectors before arriving at total Revenue Expenditure and Total Capital Expenditure. At the end of Grand-Total-Expenditure also should be indicated. The figures in the column ‘Non-Plan’, State Plan, Central Plan and Centrally Sponsored Plan may indicate

the break-up of the expenditure into charged and voted under each minor head, wherever necessary. Suitable footnotes may be given to indicate (i) expenditure met out of Contingency Fund in a previous year and recouped during the year and (ii) expenditure met out of the Contingency Fund during the year, but not recouped to the fund before the close of the year

Footnotes should be added to explain the transactions if any under the head "Transfer to/from Reserve Funds and Deposit Account" stating the names of the Funds, the amount transferred to the Fund and the amount transferred from the Fund. These figures should tally with those in Statement No.16 if they have been distinctly shown in that Statement.

Information on the following points will be given in the shape Appendices and Foot note in support of this Statement:-

- (a) The details of Capital assets created by the Local Bodies and Panchayati Raj Institutions out of the Grants-in-aid given by the State Government

This is included as appendix to the Finance Accounts (The proforma in which it is to be prepared is given in Appendix-VII to this Manual)

(Based on C&AG's D.O. No. 168-AC-I/SP-II/07-2003 dated 17.04.2003 and letter No.157-AC-I/SP-II/07-2003 dated 19.04.2003)

- (b) Expenditure on Salaries organised by Major Heads during the year \_\_\_\_\_. This will be included as appendix to the Finance Accounts. This will be prepared in the same manner as of Statement No.12.

- (c) Expenditure on Subsidies disbursed during the year \_\_\_\_\_. This will be included as appendix to the Finance Accounts. This will be prepared in the same manner as of Statement No.12.

- (d) The number of different categories of State live pensioners drawing pension as on 31<sup>st</sup> March \_\_\_\_\_ is to be shown as a foot note under the major head-2071-Pensions and Other Retirement Benefits. (Based on C&AG's D.O. No.438-AC-I/SP-II/Gr-II/60.2005 dated 07.11.2005 and D. O. No.246-AC-I/SP-II/60-2005 dated 02.08.2006)

6.21

Statement No. 13 – Detailed Statement of Capital Expenditure during and to end of the year:-

This Statement shows the progressive expenditure under individual schemes/works costing more than rupees one crore under a minor head. The expenditure on other schemes/works under each minor head is shown in lump as the last item under each minor head. In addition to the major head totals, totals for sub-sectors/sectors also are to be given before arriving at the total capital expenditure.

The expenditure on Non-Plan, State Plan, Central Plan and Centrally Sponsored Plan may be mentioned with order in which it is shown in Statement No.12. The charged and voted figures may be combined in this Statement. The head “Deduct Receipts and Recoveries on Capital Account” where authorised as a minor head such as Government Trading Schemes, the recoveries should be shown distinctly against the “Deduct” head with minus sign before the figure, in other cases, only the net figures, after deducting the recoveries if any, will be mentioned against the minor head concerned. Where the balances under the head of account in operation till 1973-74 have been brought under the revised heads of account and the details of the recoveries (recorded as a minor head) under the old head of account are not available, the figures may be retained and shown under “Deduct-receipts and Recoveries on Capital Account” also in the revised set up, pending allocation to the concerned minor heads on receipt of details.

If expenditure relating to ‘Revenue’ has been misclassified under ‘Capital’ and vice versa in the account of a year and the misclassification is noticed only after the accounts of the year are closed, such misclassifications can be rectified by proforma corrections (additions to or deductions from) to the progressive capital expenditure. These proforma corrections are also permissible between two capital major heads or two minor heads within the same major head. Suitable footnotes are to be given in support of proforma corrections under the revised figures in the Statement. Minus figures are to be suitably explained giving reasons for the minus figures and steps taken to rectify them. Expenditure during the year under each major head should agree with major head total given in Statement No. 12.

Suitable foot notes regarding exclusion of expenditure met from Contingency Fund during the year but not recouped to the fund till the close of the year and inclusion of expenditure met from Contingency Fund in the previous year(s) and recouped to the Fund during the year may be given.

Under a number of schemes, when there is no expenditure during the year and the progressive expenditure is also small in certain cases, it should be examined whether the schemes are still in operation and, if not, whether proforma accounts have been prepared and necessary reconciliation and allocation of balances have been completed so that the accounts of the scheme could be closed and the items removed from the Finance Accounts.

If investments in a particular Institution is specifically mentioned as minor/sub-heads under more than one major head, suitable foot notes may be furnished reconciling the figures in Statement No.14.

A "Statement of Commitments-list of incomplete Capital Works" is to be prepared which would be appended as an additional financial statement to Finance Accounts (not forming part of the accounts) in the following proforma. This will be an annexure to the Statement No.13.

**Annexure to Statement No.13**

Statement of Commitments – List of Incomplete Capital Works

(In crore of Rupees)

Name of Project	Cost of Work and Sanction Order No. and Date.	Date of Commencement	Target date of completion	Revised cost if any	Expenditure up to March...	REMARKS
1	2	3	4	5	6	7

(Based on C & A. G.'s letter No.1-DG(Audit)/27-97 dt. 10.03.1997)

6.22

Statement No.14-Details of investments of Government in Statutory Corporations, Government Companies, Other Joint Stock Companies, Co-operative Banks and Societies, etc. to end of .....

Investments up to the end of the previous year may be given as a consolidated entry and those during the current year may be given distinctly and total struck. The statement will show in detail, the

investments in Statutory Corporations, Government Companies and Other Joint Stock Companies. In regard to investment in Co-operative Banks and Societies, the information will be categorised under different classes of societies, such as' Marketing Societies, Processing Societies, Multipurpose Societies, etc., and only the total investments in each of these categories, indicating the total number of societies in a class in which Government have made investments, need be given.

If the dividend paid during the year under review actually pertains to the earlier years or the dividend declared during the year has not yet been paid to Government, that fact may be mentioned in the 'Remarks' column. The 'Remarks' column may also contain other relevant information, e.g., purchase of shares at a discount, reasons for not declaring any dividend, losses incurred by the concerns, transfer of shares by Government to other parties, concerns under liquidation etc. The difference between the figures of actual amount invested and those calculated with reference to the number of shares and the face value of shares should suitably be explained in the 'Remarks' column wherever necessary.

The exact and full nomenclature of the institutions should be mentioned.

The figures against the period up to the last year should agree with the figures shown in the Finance Accounts of the previous year and if there is any difference, it should be explained by foot notes. Proforma correction carried out on the progressive expenditure should also be explained by foot notes.

The amount invested shown in this statement is the actual account figure. The total should therefore, tally with the total of the amounts of investments booked under the various Capital Major Heads, which is furnished under Statement No.2. If the account figures vary from the amount of investment communicated by Government, the difference should be explained by foot note.

If any Institution mentioned in the previous year has been omitted this year, the reasons there of should be given by foot notes.

Merger of any Institution with another Institution should also be mentioned in the foot note.

The totals of the dividends received should tally with the booked figure shown in Statement No.11 against the Major Head "0050-Dividends and Profits". The difference, if any, should be explained by foot notes.

Brief particulars regarding the adverse working results of the Institution for the year may be mentioned in the remarks column. In the case of continuous losses, the accumulated loss to the end of the year and the first year of loss may also be mentioned.

In the case of investment from Cash Balances and Sinking Funds, the figures should be reconciled with those mentioned in Statement No.4 (under arrangements for amortisation) and Statement No.7 (under details of Cash Balances Investment Account). Details of investments are collected from the expenditure recorded in the Grant Audit Register under different Capital Major heads and noted in a Register. Details of investments are also called for from the Government Departments by issue of a circular letter early in April or May and the information obtained from them is used for preparing the statement after a comparison with the noting made in the Register. Discrepancies, if any are taken up promptly with the Government Departments and settled. Misclassifications in the accounts, if any, are also rectified before the statements are prepared.

Investments to end of the previous year of the same face value are to be combined and the investments during the year of account should be shown separately.

6.23

Statement No. 15- Statement showing Capital and Other Expenditure (other than on Revenue Account) to end of the year and the principal sources from which funds were provided for that expenditure.

In this statement "Capital and Other Expenditure" means the net Capital Expenditure, net expenditure under Loans and Advances and Transfer to Contingency Fund, which are indicated with columns for figures at the beginning of the year, during the year and at the close of the year. Under the heading 'Principal sources of funds' revenue surplus/deficit during the year and the balances under public Debt, Contingency Fund and public Account are furnished. From the total of debt and other receipts, cash balances and investments are deducted and net total of principal sources of funds arrived at. Also net provision of funds to end of the year is worked out and agreed with the net capital and other expenditure.

The amount of difference between the net capital and other expenditure at the end of the year and total of the principal sources of funds at the end of the year is explained in the form of an



explanatory note.

**B. Debt, Contingency Fund and Public Account:**

6.24 Statement No. 16-Detailed Statement of Receipts, Disbursements and Balances under Heads of Account relating to Debt, Contingency Fund and Public Account:-

In the case of major heads falling under the Sectors, E-Public Debt, F-Loans and Advances and I-Small Savings, Provident Funds, etc, details by minor heads need not be given as these details are given in Statements 17 and 18.

The figures of total receipts and disbursements of the Major Heads, which close to Government Account and falling under Consolidated Fund and Public Account may be shown for the current year only and the total receipts and disbursements during the year agreed at the end of the Statement. The difference appearing in the closing balance may be qualified with foot note saying that the heads close to Government Account (vide note.....under Statement No.8)

Performa corrections to opening balances and adjustments under Inter-State Settlement and also consequent on the reorganization of states under heads closing to balance should be reflected in the books of the concerned Accountant General in the same year.

The figures in the column 'Disbursements' against the various minor heads under 'Contingency Fund' should tally with the figures shown in the Appropriation Accounts in respect of expenditure met out of Contingency Fund during the year but not recouped to the fund till the close of the year.

The figures in this Statement should exclude expenditure met from advances from the Contingency Fund but not recouped to the Fund before the close of the year. But the figures should include expenditure met out of advances taken during the previous year(s) and recouped to the Fund during the current year. Suitable foot note may be given to explain the position.

An explanatory note reconciling the difference between the figures reflected in the accounts and those intimated by the Reserve Bank regarding Deposits with Reserve Bank included in the cash

balances also may be furnished.

Minus debits/credits and minus balances should be explained suitably in the form of footnotes.

6.25 Statement No.17-Detailed Statement of Debt and other Interest-bearing obligations of Government: -

Details of individual loans included under the various minor heads forming part of the major head-6003 Internal Debt of the State Government and -6004-Loans and Advances from the Central Government may be given in a separate annexure to this statement.

Loans notified for discharge during a financial year should be retained in the section 'Loans bearing Interest' during the year in which they are notified for discharge and all claims paid during the year also shown in the same section. However, in order to show the balances correctly in the Finance Accounts the unclaimed balances left after making all payments during the year should be transferred to the Section 'Loans not bearing Interest' by proforma corrections in the closing balances of the two sections at the end of the year with suitable footnotes.

The totals should tally with figures in Statement No.16. Footnotes explaining expenditure met out of Contingency Fund as given in Statement No.12 should be given, if necessary. Minus figures should be explained suitably.

Differences between the closing balances of the previous year and the opening balances of the current year also may be explained in the form of suitable foot notes, wherever necessary.

The information on "Maturity Profile of Internal Debt of the State Government" and "Loans and Advances from Central Government" be given as an appendix to the Finance Accounts (Appendix-VII). The format of the Appendix is given in Appendix-VIII to this Manual.

(Based on Director General's D.O. No.321-AC-I/SP-II/60-2005-Vol-IV dated 10.08.2007)

6.26 Statement No.18- Detailed Statement of Loans and Advances made by Government:-

The details of Loans and Advances should be shown by minor head-wise. The individual loans and advances may be mentioned only when the balances at the end of the year exceeds Rs.25 lakhs or any higher amount fixed by Headquarters Office. The other items are included in lump against the head "Other Loans". The details of Loans to Government Servants (Major head-7610) shall, however, be shown only by minor heads without further details. It will be sufficient to indicate only by major heads, the details of loans and advances for 'Plan' purposes at the end of the statement. Suitable footnotes for expenditure met out of Contingency Fund should be given as shown in Statement No.12.

The transactions shown in this Statement as "Balance on 1<sup>st</sup> April....." should agree with the Closing Balance shown in the corresponding Finance Accounts of the previous year. Minus expenditure should be explained.

If loans outstanding from an institution is specifically mentioned in the Statement under more than one Major Head, suitable foot note may be given to co-relate the loans.

Details of interest credited to Revenue shown in column 7 of the Statement should tally with the figures shown under "0049-Interest Receipts" in Statement No.11.

6.27 Statement No.19 – Statement showing the details of earmarked balances:-

Loan-wise details of the transactions under Sinking Funds (Main Account and Investment Account) may be given as an annexure. Details by Minor heads of the Reserve Funds (and Deposit Accounts, if any) may be given. While net credit balances are shown in Statement No.16, balances by details of cash and investment separately are shown in statement No.19.

The total cash investments for "A. Sinking Funds" and "B. Other Funds" should agree with the gross figures for Reserve Funds shown in Statement No.8. Similarly the investment total for "A.-Sinking Funds" and "B.-Other Funds" should agree with the investment figures shown in Statement No.8 against Reserve Funds.

The Reserve Funds bearing Interest and Reserve Funds not bearing Interest may be shown separately. Similarly the Deposits bearing Interest and Deposits not bearing Interest may show separately. The name of the Reserve Fund or Deposit may be given under relevant Major/Sub-Major/Minor Head of account.

6.28 As per direction of the Headquarters Office received with their D.O. No.321-AC-I/SP-II/60-2005/Vol-IV dated 10.08.2007 information on "Changes in the Financial Assets of the Government" will be included in the Finance Accounts 2007-2008 in the shape of an appendix (Appendix-VIII). The format of this appendix is shown as Appendix-IX to this manual.

6.29 The following instructions should be borne in mind by VLC and other concerned sections while furnishing materials to A. A. Section for the purpose of compiling the Finance Accounts:-

- (i) The material should be in the prescribed form, on the same lines as exhibited in the Finance Accounts.
- (ii) The figure should be agreed with the major head totals of Book section and a certificate of agreement with the figures of Book Section should be recorded on the Statement. Corrections to the Statement on account of further adjustments in the accounts should be furnished promptly, wherever necessary.
- (iii) The nomenclature of the Major and Minor heads should be in accordance with the List of Major and Minor Heads of Account as amended from time to time.
- (iv) The sections should review and take up all items of minus expenditure for investigation and rectification immediately after they are noticed. In case, it is found that the minus figures are inevitable, suitable footnotes should be given explaining the reasons for the minus figures and how it is proposed to rectify them.
- (v) Corrections to Statements other than Statements 16 to 19 necessitated by Journal Entries and notes of error may be intimated direct to A. A. section together with approved copies of the adjustments with a certificate that the corrections have been incorporated in the Consolidated

Abstract. The Departmental Compilation Sections are showing in the Consolidated Abstract, the expenditure incurred by Public works Divisions in respect non-public works Major Heads is lump without indicating the details for the purpose of agreement of the major head totals with that of Book Section. Any transfer entry proposed by the Works Accounts Officer affecting such Public Works expenditure should also be exhibited only against the lump expenditure referred to above but not against the relevant minor head in the Consolidated Abstract of the V.L.C Sections. The posting of these transfer entries will be done in the functional, Consolidated Abstract maintained by Works Accounts sections for the expenditure on public Works under those major heads. Therefore, while furnishing materials for Statements 12 and 13, the V.L.C sections should collect the details of expenditure from works Accounts and incorporate them by merging them with the corresponding minor head figures (details of which are given in their Consolidated Abstracted and furnish material to A. A. Section in complete shape for these Statements. Similarly, Works Accounts Section should obtain the details of expenditure recorded in the Departmental Compilation Sections under public works Major heads and render a consolidated Statement to A. A section as material for Statements 12 and 13.

- (vi) Explanatory notes should be got approved by Deputy Accountant General (Accounts) before they are forwarded to A.A Section. All other statements may be sent to A. A. Section over the signature of the Branch Officer.
- (vii) Material for Statement No.12 and 13 should be furnished separately for capital major heads. In respect of capital major heads, details on individual schemes in all cases where the sanctioned estimate/ expenditure (progressive exceeds Rs.1 crore) also should be given under the relevant minor heads, all the other items under minor head being exhibited by a lump sum. In respect of expenditure on 'Public Works' under a non-Public Works Major head, details therefor should be collected by the Compilation Section from Works Accounts and incorporated in the material for Statement No.13. Full details for proforma corrections to the progressive expenditure wherever made, should be furnished to A.A

Section. As details of the figures relating to “Deduct-Receipts and Recoveries on Capital Account” (Which was a minor head to end of 1973-74 and has been treated as sub-head from 1974-75 onwards) were not readily available they were distributed prorata among the different Major/Minor heads as per the revised classification as a temporary measure. Even after, this, some figures were allowed to remain under Deduct-Receipts and Recoveries on Capital Account as details were not available. Sections should arrange to collect the details in respect of these amounts and furnish them to A.A section for reallocation to the concerned heads, thereby eliminating the exhibition of figures under Deduct-Receipts and Recoveries on Capital Account.

- (viii) The due dates prescribed on the office order issued by A.A section for compilation of the Finance Accounts every year should be noted in the Calendar of Returns and strictly adhered to. In case of anticipated delay, orders of the Deputy Accountant General (Accounts) should be taken and communicated to A. A. Section promptly.
- (ix) All notes of error proposed after the closure of March (Final Accounts) should be sent to A. A. section for prior concurrence before incorporation in the accounts.

6.30

Statements should be prepared in A. A. Section based on the material furnished by VLC Section taking into account instructions issued from time to time by the Headquarters’ office regarding preparation of the Statements. The correct nomenclature of all heads of accounts should be adopted and arithmetical accuracy is to be ensured. The heads of accounts should be arranged in the same order as given in the List of Major and Minor Heads of Account. Corrections to figures after finalisation of the draft accounts should be avoided as far as possible and in rare cases when it becomes necessary to correct the figures, corrections should be done in the line of instruction contained in Para-1.13 of the M.S.O. (A&E), Vol-II. Adverse balances are to be suitably explained in an intelligent and convincing manner.

The statements, after finalisation, should be sent to I.T.A for check in convenient batches and review remarks of I.T.A. if any attended to promptly. These statements should then be sent to Audit Office as per the time schedule.

6.31 In order to improve the accuracy of Finance Accounts checklist consisting of two parts, namely (i) general checks to be exercised as per MSO (A&E), Vol-II and (ii) statement of specific checks has been received from the Headquarters Office which is given in Appendix X to this manual. This can be used during preparation of Finance Accounts and by Audit Office during check.

The checklist is only illustrative in nature and the checks mentioned are in addition to those prescribed in MSO (A&E), Vol-II

(Based on C&AG's letter No.339-AC-II-341/2006 dated 15.05.2007

6.32 As per the decisions taken by Headquarters Office for improvement in depiction of figures in the Finance Accounts communicated in their letter No.286-AC/MIS/287-2003/KW dated 10.06.2004, the Statement Nos.8, 10, 11, 12, 13, 14, 16, 17, 18 and 19 of the Finance Accounts will be shown in thousands of rupees, where as there will be no change so far as other Statements are concerned, which will be shown in the line of instruction given in M.S.O. (A&E)-Vol-II.

The conversion of figures from rupees to thousands should be to the nearest thousand of rupees and should be shown as follows:-

Rs.9999,99,99,99,99 thousands

The Appendices in the Finance Accounts should be Changed to thousands of rupees, which were earlier being shown in rupees. For the Appendices, which had been shown in lakhs or crores, the same may be continued to be shown as usual.

(Based on C&AG's letter No.395-AC/MIS/287-2003 dt. 21.7.2004)

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## **CHAPTER-VII**

### **Printing of the Appropriation and Finance Accounts**

**Para No.**

7.1                   The Appropriation and Finance Accounts are publications of the Govt. of Orissa and it is obligatory on their part to supply these publications to the Accountant General free of cost for purposes connected with their audit, etc functions (Based on C&AG's No. 1077-Rep/168-50 dated 30.9.1954)

The Govt. of Orissa have agreed to the apportionment of the cost of printing of 1000 copies of Finance and Appropriation Accounts of the Government of Orissa for use of the State Government as well as for meeting the requirement of the Accountant General for audit purposes. However, presently 1000 copies of each of the publications are being printed at Orissa Government Press, the cost of which is borne by the State Government.

(Based on Govt. of Orissa, Finance Department letter No. AR-73/59/35572/F dated 5.12.59)

7.2                   The following instructions have also been issued by the Comptroller & Auditor General of India in connection with the printing of these Accounts.

- (i)     The printing of the Accounts should be done with top secrecy till their placement in the State Legislature.
- (ii)    The size of document should be as prescribed by the Headquarters.
- (iii)   All the statements should be printed vertically and not horizontally.
- (iv)    Expenditure charged on the revenues of the State should be printed in Italics
- (v)     Different distinctive types should be employed in printing the headings and sub-headings.
- (vi)    Index letters for foot-notes should be printed in the definite orders from the top to the bottom of the columns and from left to right of the statement.

(Based on C&AG's letter No. 319-Rep/12-38 dated. 20.8.1938 and No. 265-Rep/1-39 dated 1.8.39)



- (vii) A continuous liaison with the Govt. press, Finance Department and Commerce Department is required for expeditious printing of the Accounts. In case of serious delay, the Governor's Secretary and Chief Secretary of the Government of Orissa may be kept informed of the delays. To keep the Headquarters Office informed periodically of the progress in printing, the Accountant General should send a weekly status report on every Friday beginning from the date of sending the statements of Finance Accounts and Grants Files of Appropriation Accounts to the Accountant General (Audit) till the printed copies are sent to Headquarters Office for signature of the Comptroller & Auditor General of India. The Status Report will be sent in the format given in the Annexure "A" to this Chapter.

{Based on C&AG's letter No.529-Dir(A/cs)/Mis/2006-07 dated 26.07.2007}

- (viii) In case of any special circumstances necessitating urgent printing by the Accountant General and the costs of printing are likely to be borne by the I. A. & A. Department, the Principal Director (Staff) may be intimated for obtaining prior approval before undertaking such printing work.

(Based on C&AG's General circular No.1 communicated to the Accountant General (A&E), Orissa in D.O No. 80-AC-MIS/212-205 dated 15.2.2005)

7.3 Five printed copies each of the Finance Accounts and Appropriation Accounts have to be got bound with thick cover, preferably leather bound. These printed copies are to be submitted to the Comptroller and Auditor General by the 31<sup>st</sup> January to facilitate the presentation of the Accounts to the State Legislative Assembly during its Budget Sessions. The total number of copies required for the Headquarters Office is twenty four, five copies are sent at the time of submission for signature and 19 copies are forwarded after presentation of the Accounts to the State Legislature. {Para 1.11 of M.S.O. (A&E), Vol-II}.

7.4 In the final printed copies, the date of signature of the Comptroller and Auditor General should be left blank, the actual date being inserted at the time when the copies are signed by him. The station "New Delhi" should, however, be printed in all the copies. The name of the Comptroller and Auditor General has to be printed within brackets first below the place meant for his signature

leaving sufficient space (3/4") for his signature. The date on which the Accounts have been signed will be intimated by the Headquarters Office as soon as they are forwarded to Government for incorporation in all the remaining copies by means of a rubber (date) stamp.

7.5 The cost of copies of the Appropriation Accounts and Finance Accounts supplied to the State Government should be borne by the State Government. The cost of copies supplied to the Headquarters Office and the Accountant General for use in his office also should be borne by the State Government. The cost of copies supplied to the Audit and Accounts offices of other states on an exchange basis should be borne by the Central Government. However, as a convention, the cost of all copies is borne by the State Government, as the number of copies supplied on an exchange basis is relatively small compared to the total number of copies printed.

7.6 The copy right of the Appropriation Accounts and Finance Accounts which are prepared by the Indian Audit and Accounts Department rests with the Comptroller and Auditor General. It would, therefore, be appropriate that the following are printed on the back page of the publications:-

### **Comptroller & Auditor General of India**

(Year of publication)

7.7 No more copies of the document than are really necessary should be printed. The number required for use of the Government and for sale to public should be ascertained from Government before hand. The number of copies required in this office for office library, for circulation among different Sections/Branches/Groups and for supply to the officers with whom exchange of publication is done should be estimated prior to printing.

Annexure-‘A’ to Chapter-VII

**STATUS REPORT**

<b>Particulars</b>	<b>Total No. Statements/ Grants</b>	<b>No. of Statements/ Grants sent to Audit</b>	<b>No. of Grants/Statements/returned by Audit</b>	<b>Balance Grants/Statements to be sent to Audit</b>	<b>Balance Grants/Statements to be returned by Audit.</b>
<b>Finance Accounts</b>					
<b>Appropriation Accounts</b>					

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## CHAPTER – VIII

### MISCELLANEOUS

#### Para No.

#### **8.1 Delinking of presentation of Accounts to the Legislature:-**

- (i) The presentation of Finance and Appropriation Accounts to the State Legislature was delinked from the Audit Report from 1997-1998.
- (ii) Consequent upon delinking of their submission to the State Legislature with Audit Report, the Accountant General (A&E) will send the signatory copies to Report (s) wing of the Headquarters Office for submission to Comptroller and Auditor General for signature.
- (iii) The signed copies would be returned by Report(s) wing to the Accountant General (A&E) who would forward these to the State Government/Governor for presentation in the earliest Session of the Legislative Assembly and keep the Audit Counterpart and Headquarters informed of the same.
- (iv) A press note on the transmission of Annual Accounts to State Government for presentation in the Legislature would be issued by the Accountant General (A&E) under intimation to Audit Counterpart. The form of the press note is given below:-

#### **OFFICE OF THE ACCOUNTANT GENERAL (A&E)**

#### **ORISSA : BHUBANESWAR**

#### **PRESS NOTE**

In accordance with Article 151 of the Constitution, the Comptroller and Auditor General of India is required to submit the Finance Accounts and Appropriation Accounts of the State Government to the Governor who shall cause them to be laid on the table of State Legislatures. The Comptroller and Auditor General of India compiles the Finance Accounts and the Appropriation Accounts of the State Governments which are examined by the concerned Accountant General (Audit) under the overall direction of the Comptroller and Auditor General in accordance with the requirements of the Comptroller and Auditor General of India's (Duties, Power and Conditions of Service) Act, 1971.

Accordingly, the Finance Accounts and Appropriation

Accounts relating to the Government of Orissa for the year.....  
have been forwarded to the State Government on.....which  
were laid on the table of the Orissa Legislative Assembly on .....

Accountant General (A&E)

Memo No.AA-Fin-1-3-(.....).....

Dated:

Copy forwarded to:-

- (1) The Editor, The New Indian Express, Express Publications ( Madurai ) Ltd., At-25-A, Janpath, Unit-III, Bhubaneswar-1
- (2) The Editor, The Samaj, Satyabadi Press, Cuttack-1
- (3) The Editor, The Dharitri, Navajyoti Printers, B-15, Industrial Estate, Bhubaneswar
- (4) The Editor, The Prajatantra, Prajatantra Prachar Samity, Prajatantra Press, Cuttack-753002.
- (5) The Editor, The Sambad, Nayapalli, Bhubaneswar
- (6) The Editor, The Statesman, The Statesman Printing Press, Plot 3A, Zone B, Sector A, Mancheswar Industrial Estate, Bhubaneswar-751 010
- (7) The Editor, The Samaya, Ashirbad Prakashan (P) Ltd., Plot No. 44 & 54, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar-17
- (8) The Editor, The Times of India, Plot No. 35, Satya Nagar, Bhubaneswar

Sr. Accounts Officer :Orissa

- (v) Immediately after presentation of Annual Accounts in the State Legislature, the date of presentation shall be intimated by the Accountant General (A&E) to the Principal Director (R-S) and Audit Counterpart.
- (vi) In this revised arrangement, the certificates of the

Comptroller and Auditor General of India in the Finance Accounts and Appropriation Accounts have been slightly modified. The modified certificates are as follows:-

**CERTIFICATE OF THE COMPTROLLER &  
AUDITOR GENERAL OF INDIA**

This compilation containing the Finance Accounts of the Government of Orissa for the year ..... presents the accounts of the receipts and outgoings of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, the accounts of the public debt and the liabilities and assets as worked out from the balances recorded in the accounts. The Appropriation Accounts of the Government for the year for Grants and Charged Appropriations presented separately supplement this compilation.

These accounts have been prepared and examined under my direction in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. According to the best of my information, as a result of audit of these accounts, the accounts now presented read with the observations in this compilation, are correct statements of receipts and outgoings of the Government of Orissa for the year ended 31 March ..... Points of interest arising out of the study of these accounts as well as test audit conducted during the year or earlier years are contained in my Report(s) being presented separately for the year ended 31 March ....., Government of Orissa.

New Delhi

( NAME )

The  
India

*Comptroller and Auditor General of*

**Certificate of the Comptroller and Auditor General of India**

The Appropriation Accounts have been prepared and examined under my direction in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. On the basis of the information and explanations that my officers required and have obtained, I certify that these accounts are correct, subject to the observations in my Report(s) on the accounts of the Government of.....being presented separately for the year ended 31<sup>st</sup> March.....

New Delhi

( NAME)

The

*Comptroller and Auditor General of India*

(Based on Comptroller & Auditor General's Circular No.2/99 issued with letter No.60-AC-I/SP-II/96-98 dated 12.02.1999 and Comptroller & Auditor General's U. O. No.334-AC-MIS/224-99 dated 07.07.2000).

## 8.2

### **Certificates of the Accountant General (A&E) and Accountant General (Audit) while sending printed copies to Headquarters Office:-**

While forwarding the signatory copies to the Headquarters for signature of the Comptroller & Auditor General, the following certificates signed by the Accountant General (A&E) and Accountant General (Audit) should be enclosed.

- (i) a certificate that the printed Accounts are the true version of the approved and certified accounts by the Accountant General (A&E)
- (ii) a certificate by Accountant General (A&E) that sufficient number of copies of the printed Finance and Appropriation Accounts are available in this office for presentation to the State Legislature

(Based on Headquarters General Circular No.07-Report(s)/95-No.637/Report(s)/91-95 dated 17.08.1995)

- (iii) Certificate on Finance Accounts by Accountant General (A&E) as required under para-2.9 of M.S.O. Form of (A&E)-Vol-II
- (iv) Certificate on Appropriation Accounts by Accountant General (A&E) as required under Pare-1.12 of M.S.O.

- Form of (A&E)-Vol-II
- (v) Certificate by Accountant General (Audit) on Finance Accounts as required under Para-2.9 of M.S.O. Form of (A&E)-Vol-II
  - (vi) Certificate by Accountant General (Audit) on Appropriation Accounts as required under Para-1.12 of M.S.O. Form of (A&E)-Vol-II

### **8.3 Block Facsimile Signature of the Comptroller & Auditor General of India:-**

The block facsimile signature of the Comptroller & Auditor General of India should be kept in the personal custody of the Accountant General (A&E) to avoid any misuse.

The blocks of facsimile signatures of the former Comptroller & Auditor General should be got destroyed by the Accountant General (A&E) in his presence and the fact of destruction intimated to the office of the Comptroller & Auditor General of India.

(Based on Comptroller & Auditor General's letter No.147-Rep/350-66 dated 28.01.1967 and D. O. No.627-Rep(C)/52-78/ dated 16.05.1978)

### **8.4 Preparation of "Accounts at a Glance":-**

It was decided by Comptroller & Auditor General to publish an annual publication "Accounts at a Glance" in respect of State Government Accounts and Finances by the State Accountant General (A&E), each year.

This publication is to be issued under the signature of the Accountant General (A&E) and to be printed in the same manner and for the same number of copies as that of the Finance and Appropriation Accounts. This is to be circulated immediately after the Annual Accounts are placed before the State legislature. It may be circulated in the same manner as the "Brochure on Important Audit Findings" (What the reports of Comptroller & Auditor General say – A birds eye view of the Audit Report of the Comptroller & Auditor General of India).



The size of the publication, font size and spacing should be the same as that of the brochure for Audit Reports. Formatting should be creating style. The critical styles which need to be created are given below:-

Name of the Style	Formatting features	To be applied for
Chapter heading	14 bold with auto space.... etc.,	Chapter
Para heading-1	13 bold-left aligned space before 36 pt.....etc.	Title/Caption of the Paragraph/Review
Para heading-2	12 bold and italic keep with, keep together..... etc.,	Title of Sub-para of the same para/review

Where possible, the contents of the publication will be illustrated by graphs, Computer graphics, etc. Such illustration should be need based and not of ornamental nature. The illustration and presentational feature used in the brochure for Audit Report may be used as a guideline.

The first publication of Accounts at a Glance was published for the year of accounts 1998-1999 on the basic of the skeleton model draft prepared by Headquarters Office and approved by the Comptroller & Auditor General of India.

(Based on Comptroller & Auditor General's No.724-AC-I/SP-I/10-99 dated 15.12.1999)

#### **8.5 Check of "Accounts at a Glance" by I. T. A.:-**

The compilation "Accounts at a Glance" should be checked by I. T. A. for accuracy and consistency of data. I. T. A. has also to verify that the publication has been prepared in accordance with the instructions issued by Headquarters.

(Based on Comptroller & Auditor General's letter No.644-AC-I/SP-I/10-99 dated 09.10.2001)

#### **8.6 Check of "Accounts at a Glance" by Audit:-**

- (i) The "Accounts at a Glance" would be vetted by the concerned Audit Offices for further reassurance of correctness of figures.
- (ii) The table of "Highlights of Accounts" in Chapter-II of the Accounts at a Glance should be prepared as per the checklist given in Appendix-XI of this Manual.

(Based on Headquarter D. O. No.461-AC-I/SP-I/10-99 -/KW dated 31.08.2004)

### **8.7 Uploading of Finance and Appropriation Accounts in Comptroller and Auditor General's website:-**

After their presentation in the State Assembly , the Finance and Appropriation Accounts are required to be uploaded in the Accountant General's website and Comptroller and Auditor General's website. So a soft copy of the PDF Version of the Accounts is required to be sent to Headquarters Office with a certificate over the signature of the Accountant General to the effect that the soft copy (Compact Disc).exactly matches with the printed version of the said Accounts.

(Based on C&AG's letter No.472-AC—MIS/356-2006 dated 04.07.2007)

### **8.8 Combined Finance and Revenue Accounts:-**

The work of compilation of Combined Finance and Revenue Accounts has been entrusted to the Accountant General (A&E), Punjab with effect from 2004-2005 accounts. So materials for preparation of Combined Finance & Revenue Accounts is to be sent to the Accountant General (A&E), Punjab in the revised format as circulated by Headquarters Office in their letter No.4-AC-III/CFR-ROB/407-99-KW dated 04.01.2006. A copy of the State Finance Accounts will have to be sent along with the materials. In case the Finance Accounts are not presented to the State Legislative Assembly these may also be sent doubly sealed and marked confidential with a note to Accountant General (A&E), Punjab to maintain confidentiality of the documents.

(Based on C&AG's letter No.26-AC-III/CFR-ROB/420-2006 dated 12.01.2007)

### **8.9 Government Accounting Standards Advisory Board:-**

The Government of India supported the establishment of the Government Accounting Standards Advisory Board for the Union and State Government by the Comptroller and Auditor General of India amongst others, to formulate and propose standards that improve the usefulness of financial reports based on the needs of the financial report users.

The Government Accounting Standards Advisory Board is developing accounting standards to be followed in the preparation of financial statements for the Union Governments and State Governments in India. Government Accounting Standards Advisory Board recognises the significant benefits of achieving consistent and comparable financial information available across Governmental Accounting frame work through implementation of Indian Government Accounting Standards (I.G.A.Ss).

It is the firm belief of the Board that implementation of Indian Government Accounting Standards will improve both the quality and comparability of financial information reported by the Union Government and State Governments. The Board strongly encourages all stakeholders to engage in the development of its standards by commenting on the proposals set out in different Exposure Drafts floated by the Board.

The comments on different Exposure Drafts as and when received from the Board will have to be sent within the time frame. Comments on the Exposure Drafts should be made on the line of instruction set out in it.

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## **APPENDIX-I**

*(Refer to Para-1.3 of Chapter-I)*

### **Detailed work of Appropriation Accounts Section**

- i) Appropriation audit of all the grants included in the demands for grants appropriations for the year and any new grant/appropriation in the demands for supplementary Grants/Appropriations placed before the Legislature in the course of a financial year i.e. scrutiny of all orders of appropriation, re-appropriation orders, orders for resumption of saving etc., maintenance of Grant/Appropriations Register (in form MSO (T)-94), issue of warning slips to the Controlling Officers pointing out apparent mistakes and misclassifications in the accounts noticed in the course of appropriation audit for immediate rectification, etc.
- ii) The preparation and forwarding of Grant Statements in two stages to the Controlling Officers, the first stage with figures in Col. 1 and 2 of the Grants Statement (in form M.S.O. (T)-134) and the second stage with figures in all the four columns for acceptance and for furnishing reasons for variations wherever necessary between the actual expenditure and the provision made by the Legislature (as modified by the orders of re-appropriation and orders for resumption of Surrender of savings from the Finance Department)
- iii) Classification check of the transfer entries at belated stage, its consolidation and incorporation both in the Draft Appropriation Accounts and Working Sheets.
- iv) Compilation of the Summarised Appropriation Accounts by various Grants/Appropriations together with appropriate comments.
- v) To get both the Finance and Appropriation Accounts checked by I.A.D. and Audit.
- vi) Preparation of Summarised Statements and detailed Statements of the Finance Accounts (Statement No.4, 7, 8, 16, 17, 17-A, 19 and Annexure to Statement No.19 are to be prepared by Book Section).
- vii) Preparation of "Accounts at a Glance".
- viii) Preparation and supply of materials for Combined Finance and Revenue Account.
- ix) Printing of Finance Accounts, Appropriation Accounts and Accounts at a Glance and their submission in the Legislature.
- x) Sending of printed copies of Finance & Appropriation Accounts for signature of C. & A. G. of India.

- xi)** Attending to all correspondences in connection with the preparation of Summarised Statement No.5, 6 and detailed Statement No.14.
- xii)** Seeing generally that the relevant rules and orders in the Comptroller and Auditor General's Manual of Standing Orders form of (Accounts and Entitlement) in regards to the preparation of Finance and Appropriation Accounts and the provisions in the Orissa Budget Manual are duly observed.
- xiii)** Scrutiny of cases involving financial irregularities worth inclusion in the Audit Reports, which might be, referred to it by Audit Office.
- xiv)** Scrutiny of doubtful cases of 'New Service' and of matters relating to classification.
- xv)** Distribution of printed Accounts to all offices of IA & AD after placement in the State Legislature.
- xvi)** Watching of action taken by the State Government on the recommendations of the Public Accounts Committee on the Annual Accounts.
- xvii)** Preparation and submission of comments on the "Exposure Drafts" floated by Government Accounting Standard Advisory Board (GASAB) Office of the C. & A. G. of India, New Delhi.

## APPENDIX-II

(Refer to the paragraph 1.5 of Chapter-I)

### Items in the Calendar of Returns of Appropriation Accounts Section.

<u>Sl. No.</u>	<u>Name of Return</u>	<u>To Whom Due</u>	<u>When Due</u>	<u>Authority</u>
(1)	(2)	(3)	(4)	(5)
	<b><u>BY-WEEKLY</u></b>			
1.	In ward diary register of reminder	Branch Officer	Monday	<u>OOB-305</u> 12.2.48  <b><u>OOB-757</u></b> 25.9.50
	<b><u>WEEKLY</u></b>			
2.	Inward Letter Diary Register of D.O. Express /Telegram	Branch Officer	Monday	Para-206/GPM
3.	Inward Letter Diary Register of letter (In-ward)	-do-	-do-	OOB-195/26.9.51
4.	Inward Diary Register of Other Section letters	-do-	-do-	OOB-483/26.9.51
5.	Calendar of Returns	-do-	-do-	Para-250/GPM
6.	Transit Register (see item 33 quarterly)	Section Officer	-do-	Para-188/GPM
7.	Register of IAD Review Notes/Reports (See under item 24 Monthly)	Branch Officer	-do-	OOB-764/17.11.58
8.	Report of the C&AG's letters (C&AG Dairy)	AG's Secretariat through Branch Officer	Last working day of the week	OOC-737/25.11.80
9.	Report of outstanding letters	AG's Secretariat Monthly	5 <sup>th</sup> of each month	Cordn. Memo No.8-124(4c)-456 (3) 24.8.87
10.	Dairy Register of U. O. Cases	Branch Officer	Monday	OOA-5713/24.4.67
11.	Weekly Report on the Status of Finance Accounts and Appropriation Accounts after closing of March (S) Accounts till signatory copies are sent to C & A G's office	Dy. C &AG	Friday	DO No.44-AC-Misc./212-2008 dated 31.01.2008

<u>Sl. No.</u>	<u>Name of Return</u>	<u>To Whom Due</u>	<u>When Due</u>	<u>Authority</u>
(1)	(2)	(3)	(4)	(5)
	<b><u>FORTNIGHTLY</u></b>			
*12.	A Report regarding printing of Finance and Appropriation Accounts to (CAG) Headquarters.	To C.A.G.	5 <sup>th</sup> & 20 <sup>th</sup> of each month after handing over of typed copy for printing.	Ltr. No.897/Ref(S) 54.84 dated 5.7.84 CAG's circular letter No.1769-Rep/62-81 Dt.18.11.81 and 4.12.81
*13.	Report regarding monitoring of Monthly Accounts and Finance and Appropriation Accounts. (AA-CAG-13-90-91)	To C.A.G. through T.M. (Local) (for consolidation)	5 <sup>th</sup> & 20 <sup>th</sup> of each month	C.A.G.'s General Circular No.23-AC-II/1990 No.873-AC-II/10-90 dated 17.9.90.
	<b><u>MONTHLY</u></b>			
14.	Register of pending cases	Branch Officer	1 <sup>st</sup> Monday	Para-200/G.P.M..
15.	General Note Book	Section Officer	3 <sup>rd</sup> Monday	OOA-1526/11-9-54
16.	Progress Report	A. G. )through Branch Officer)	5 <sup>th</sup>	OOB-440/12.1.50
17.	Attendance Register	Branch Officer	5 <sup>th</sup>	Para-23/G.P.M.
18.	Casual Leave Register	S.O., Monthly B.O. Quarterly	5 <sup>th</sup>	Para23/G.P.M.
19.	Diary Register of Outward letters	Branch Officer	10 <sup>th</sup>	Para203/G.P.M.
20.	Register of items of Expenditure on New services	A.G.	10 <sup>th</sup>	OOB-418/27.7.80
21.	Register of watching Restricted Holidays availed	S.O., Monthly	5 <sup>th</sup>	OOB-818/19.1.50
22.	Report on general state of cleanliness of section and arrangement of records.	Branch Officer	3 <sup>rd</sup>	OOB-842/21.7.60
23.	Register showing volume of work done.	Branch Officer	15 <sup>th</sup>	OOA-1528/11.9.54
24.	Register of IAD review notes/reports (See also item No.7 of Weekly).	Branch Officer	Last Monday	OOB-764/7.11.59
25.	Duty List Register	Branch Officer	5 <sup>th</sup>	OOB-815/8.5.61
26.	Proforma Regarding person on leave (Absentee Statement)	O.E./Admn-I	16 <sup>th</sup>	OOB-730/26.6.70 and No . dated.
27.	Register of Recording bad work/good work done by employees.	Branch Officer Admn.-II	5 <sup>th</sup>	DAG(P)27(Vol-II)/25.1.72

\* *In view of the introduction of Weekly Status Report as at item No.11, this report on printing is not found necessary which was being monitored through T. M. Section.*

<u>Sl. No.</u>	<u>Name of Return</u>	<u>To Whom Due</u>	<u>When Due</u>	<u>Authority</u>
<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>
<b><u>MONTHLY</u></b>				
28.	Return regarding attendance of Trainees for Hindi Classes	Hindi Cell	5 <sup>th</sup>	OOB-705/8.2.72
29.	Monthly report on arrears of stitching and arrears regarding transmission of files to Old Records.	Branch Officer	2 <sup>nd</sup>	No.Rec-2-PR-229 dt.2.8.79
30.	Timely action for unauthorised absence from duty, Monthly return to be submitted to Admn-I in the prescribed proforma.	Sr.D.A.G.(Admn)	20 <sup>th</sup> each month	OOB-1958/3.3.89
<b><u>QUARTERLY</u></b>				
31.	Register of sectional dead stock & furniture.	Branch Officer	15 <sup>th</sup> April 15 <sup>th</sup> July 15 <sup>th</sup> October 15 <sup>th</sup> January	OOB-526/10.2.58
32.	Verification of Sectional Library Books	Branch Officer	20 <sup>th</sup> April 20 <sup>th</sup> July 20 <sup>th</sup> October 20 <sup>th</sup> January	OOB-654/25.3.56
33.	Transit Register (See item 6 of Weekly)	Branch Officer	1 <sup>st</sup> Monday of March, June, September & December	Para-188/G.P.M.
34.	General Note Book	Branch Officer	3 <sup>rd</sup> of March, June, September & December	OOA.1332/12.10.60
35.	Adverse/Minus Balances in the Finance Accounts	C&AG	1 <sup>st</sup> week of January, April, July & October	Hqrs. D.O. No.273-AC-I/38-91 dt.16.4.1992
36.	Materials for inclusion in quarterly Audit Bulletin	Secretary to A.G.(A&E)	5 <sup>th</sup> of January, April, July & October	OOA- 5914/17.5.67
37.	Report of the performance of duties by persons for further studies outside the office hours	Sr. DAG(Admn) through Branch Officer	March, June, September & December	Admn.Con- Misc.II-657 dt.17.5.67



<u>Sl. No.</u>	<u>Name of Return</u>	<u>To Whom Due</u>	<u>When Due</u>	<u>Authority</u>
<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>
<b><u>QUARTERLY</u></b>				
38.	Application for transfer on unilateral basis	Sr. DAG(Admn) through Branch Officer	15 <sup>th</sup> March 15 <sup>th</sup> June 15 <sup>th</sup> September 15 <sup>th</sup> December	OOB-1264/9.5.69
39.	Register of recording bad and good work done by employees	Sr. DAG(Admn) through Branch Officer	15 <sup>th</sup> April 15 <sup>th</sup> July 15 <sup>th</sup> October 15 <sup>th</sup> January	Sr. DAG(Admn) File No.27 Vol-II. 3876-Dt.25.1.71 issued on 25.3.71
40.	Register of watching Restricted Holidays availed.	Branch Officer	5 <sup>th</sup> March 5 <sup>th</sup> June 5 <sup>th</sup> September 5 <sup>th</sup> December	OOB-818/19.1.50
<b><u>HALF-YEARLY</u></b>				
41.	Register of verification of sectional library Books. Report of missing Books with value.	T. M.	15 <sup>th</sup> April & October	OOB-1042/6.6.68
42.	Digest of important and interesting cases.	T. M.	September & March	OOA-4428/3.12.62 OOA-6012/18.12.68
43.	Printing of jobs executed by various Ministries/Department through private presses.	T. M.	15 <sup>th</sup> October/ April for period ending 30.9 and 31.3	OOC-6343/5.10.70 Dy.AA-1554, File1-12 for period ending 31.3
44.	Retention of staff in the same seat/section for more than the prescribed period vide para-296 of M.S.O.(A)	Admn.-I	15 <sup>th</sup> January and July	OOB-1329/9.12.70 OOB-1389/1.8.72
<b><u>ANNUAL</u></b>				
45.	Statement of supply of materials relating to temporary estimate for preparation of Budget.	Admn.-I	Middle of July	OOA-851/7.6.60
46.	Statistics showing volume of work done with March Final and Supplementary figures.	T. M. through Branch Officer	15th August	OOA-3760/15.7.72 OOA-4010/24.12.64

<u>Sl. No.</u>	<u>Name of Return</u>	<u>To Whom Due</u>	<u>When Due</u>	<u>Authority</u>
<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>
	<b>ANNUAL</b>			
47.	Recommendation of issue of merit Certificate to the persons deserving for outstanding and good work.	Sr. DAG(Admn)	5 <sup>th</sup> April	Sr. DAG(Admn) 2876 dt.25.1.73 & 25.3.73.
48.	Reconciliation statement of investment figure in Statement No.13 & 14 of Finance Accounts.	C & A.G.	Along with Draft Finance Accounts C&AG's letter. No.1454	Rep/180-66-Dy-C&AG-12 of 65-66
49.	Transmission of Finance Accounts by A.G.(A&E) duly checked by I.T.A. to A.G. (Audit).	A. G. (Audit)	17 <sup>th</sup> July	C&AG's Gen. Cir. No.with D.O. No.44-AC-Misc/212-2008 Dt. 31.1.08 Dy-AA-CAG-3-AA-10.2.89-90
50.	Return of Finance Accounts duly checked by A.G. (Audit)	From A. G. (Audit)	31 <sup>st</sup> July	C&AG's Gen. Cir. No.with D.O. No.44-AC-Misc/212-2008 Dt. 31.1.08 Dy-AA-CAG-3-AA-10.2.89-90
51.	Date of handing over of DTP copy of Finance Accounts for printing.	State Government/ Government Press	30 <sup>th</sup> August	C&AG's Gen. Cir. No.with D.O. No.44-AC-Misc/212-2008 Dt. 31.1.08 and AG's order Dt.10.04.07 in file n No.AA-10-2 (2006-07) (Time Schedule)
52.	Grant Statement	All Controlling Officers	12 <sup>th</sup> June	A.G.'s Order dated 10.04.07 in file No.AA-10-2(90-91) (Time Schedule)

<u>Sl. No.</u>	<u>Name of Return</u>	<u>To Whom Due</u>	<u>When Due</u>	<u>Authority</u>
<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>
	<b><u>ANNUAL</u></b>			
53.	Draft Appropriation Accounts	All Controlling Officers/Administrative Departments	6 <sup>th</sup> July	A.G.'s Order dated 10.04.07 in file No.AA-10-2(06-07) (Time Schedule)
54.	Transmission of Appropriation Accounts by A.G.(A&E) duly checked by I.T.A. to A.G. (Audit).	A. G. (Audit)	24 <sup>th</sup> July	C&AG's Gen. Cir. No.with D.O. No.44-AC-Misc/212-2008 Dt. 31.1.08 Dy-AA-CAG-3-AA-10.2.89-90
55.	Return of Appropriation Accounts duly checked by A.G. (Audit)	From A. G. (Audit)	8 <sup>th</sup> August	C&AG's Gen. Cir. No.with D.O. No.44-AC-Misc/212-2008 Dt. 31.1.08 Dy-AA-CAG-3-AA-10.2.89-90
56.	Submission of Summarised Appropriation Accounts to State Government.	State Government	31 <sup>st</sup> August	-do-
57.	Date of handing over of DTP copy of Appropriation Accounts for printing.	State Government	2 <sup>nd</sup> September	-do-
58.	Final Printed copy of Finance Accounts	C. & A. G.	13 <sup>th</sup> September	Para-42(T), A.G.'s order dtd.10.04.07
59.	Certificate regarding verification of balance in case of investment and agreement certificate regarding Reserve Funds and Deposits/C.S. vide C&AG's Letter No.1278/Rep/1100-66 dt.16.6.66 (DY-AA-DAG-1.3.9 file-AA-1-3.)	C. & A. G.	Along with final copy of Finance Accounts	C&AG's No.1278-Rep/100-67 dt.16.6.68 DY-AA-1.3.9.
60.	Final printed copy of Appropriation Accounts	C. & A. G.	13 <sup>th</sup> September	A.G.'s order dated 10.4.07
61.	Materials for Combined Finance and Revenue Accounts	A.G. (A&E), Punjab	7 <sup>th</sup> September	C&AG No.258-AC-III/CFR-ROB/407-99/KW dated 20.08.2007

### Appendix-III

(Refer to Para-1.7 of Chapter-I)

#### List of Standard File Headings

Sl. No.	File No.	File Heading	REMARKS
1.	AA-FIN-1-1-(Year)	Material and correspondence on Finance Accounts	
2.	AA-FIN-1-2-(Year)	Time Schedule for finalisation of Finance & Appropriation Accounts	
3.	AA-FIN-1-3-(Year)	Materials & Correspondence on Accounts at a Glance	
4.	AA-FIN-1-4-(Year)	Materials & Correspondence on Combined Finance & Revenue Account	
5.	AA-FIN-1-5-(Year)	Correspondence on New and Additional Taxation Measures.	
6.	AA-FIN-1-6-(Year)	Miscellaneous Correspondence on Receipt/Distribution of Finance Accounts, Appropriation Accounts, Accounts at a Glance & Report(s) of the C. & A. G. of India.	
7.	AA-FIN-1-7-(Year)	Audit Observation on Finance Accounts & Compliance there of.	
8.	AA-FIN-1-8-(Year)	Important Circulars/Instructions of the C. & A. G. of India on preparation of Finance Accounts.	
9.	AA-FIN-1-9-(Year)	Correspondence on Govt. Accounting Standard Advisory Board (GASAB).	
10.	AA-FIN-1-10-(Year)	Correction Slips to the List of Major & Minor Heads of Account (LMM).	
11.	AA-FIN-1-11-(Year)	Accounting Procedure of Different Reserve Funds.	
12.	AA-FIN-1-12-(Year)	Correspondence on Printing of Finance Accounts & Appropriation Accounts & their submission to Headquarters.	
13.	AA-FIN-2-1-(Year)AMB	Adverse/Minus Balances appearing in the Finance Accounts – Quarterly Report to the Headquarters Office	
14.	AA-FIN-2-2-(Year)	Guarantees given by the Govt. of Orissa in respect of Loans raised by the Co-operative Societies, Co-operative Stores, Banks & Companies etc.	
15.	AA-FIN-2-3-(Year)	Investment of the State Govt. in the Share of the Statutory Corporations, Govt. Companies, Joint Stock Companies, Co-operative Banks & Co-operative Societies.	
16.	AA-FIN-2-4-(Year)	Outstanding Loans and Advances made by the State Govt.-Materials for Finance Accounts (Statement No.5 and Statement No.18)	
17.	AA-FIN-2-5-(Year)	Correspondence on Statement No.2 and	

		Statement No.13 of the Finance Accounts.	
18.	AA-FIN-2-6-(Year)	Correspondence on Statement No. 3 of the Finance Accounts.	
19.	AA-3-1-(Year)	General Correspondence on Appropriation Accounts	
20.	AA-3-2-(Year)	Correspondence on Orissa Contingency Fund	
21.	AA-3-3-(Year)	Correspondence on Report on Expenditure & Issue of Warning Slips.	
22.	AA-3-4-(Year)	Scrutiny of Budget Documents	
23.	AA-3-5-(Year)	Audit Observation on Appropriation Accounts & Compliance there of.	
24.	AA-3-6-(Year)	Sanction of Honorarium to the staff of A. A. Section.	
25.	AA-3-7-(Year)	Guard File	
26.	AA-4-1-(Year)	Sanction of Leave to the Staff of A.A. Section.	
27.	AA-4-2-(Year)	Transfer/Posting and staff disposition.	
28.	AA-4-3-(Year)	P. A. C. Meeting	
29.	AA-4-4-(Year)	Miscellaneous Reports, Circular and Orders.	
30.	AA-4-5-(Year)	D. I. Inspection/Peer Review	
31.	AA-4-6-(Year)	Sending of Files/Books/Records to Old Record Section.	
32.	AA-4-7-(Year)	AAO/Section Officer's Note Book	
33.	AA-5-1-(Year)-R to AA-5-38-(Year)-R. and AA-5-2048-(Year)-R AA-5-2049-(Year)-R AA-5-6003-(Year)-R AA-5-6004-(Year)-R	Correspondence on Re-appropriation Orders in respect of Grant No..... for the year .....	Separate files will have to be opened for individual Grants/ Appropriations
34.	AA-5-1-(Year)-S to AA-5-38-(Year)-S. and AA-5-2048-(Year)-S AA-5-2049-(Year)-S AA-5-6003-(Year)-S AA-5-6004-(Year)-S	Correspondence on Surrender Orders in respect of Grant No..... for the year .....	Separate files will have to be opened for individual Grants/ Appropriations
35.	AA-6-1-(Year) to AA-6-38-(Year). and AA-6-2048-(Year) AA-6-2049-(Year) AA-6-6003-(Year) AA-6-6004-(Year)	Draft Appropriation Accounts in respect of Grant No..... relating to the..... Department for the year.....	Separate files will have to be opened for individual Grants/ Appropriations

(Approved by Accountant General (A&E) on dated 24.12.2007 - Effective from 01.01.2008)

## **APPENDIX-IV**

*( Refer to Para-3.5 (c) of Chapter-III )*

The rules on “New Service”/”New Instrument of Service” as considered by the Public Accounts Committee in Para-27(1) of the 7<sup>th</sup> Report of the P.A.C, 1969-70.

### **Rules on “New Service/New Instrument of Service”**

Article 205(1) of the Constitution requires that “when a need has arisen during the current financial year for supplementary or additional expenditure upon some new service not contemplated in the Annual Financial Statement for that year”, another statement showing the estimated amount of that expenditure should be laid before the Legislative Assembly and necessary appropriation law got enacted in the terms of Article 205(2).

2. The term “New Service” has not been defined in the Constitution. It is either (i) a new form of Service, or (ii) a new instrument of service. Broadly, expenditure arising out of a policy decision, not brought to Assembly’s notice earlier including new activity or a new form of investment should be regarded as an item of “New form of Service”. Similarly, substantial expenditure arising from an important extension of an existing activity should be treated as a “New Instrument of Service”.

3. The following items of expenditure should constitute New form of Service/New Instrument of Service requiring approval of the Legislative Assembly.

(i) Expenditure arising out of a policy decision, not brought to Assembly’s notice earlier including a new activity or a new form of investment;

(ii) Substantial expenditure arising from an important extension of an existing activity.

4. As subsidies reflect in monetary terms the result of some important policy decisions of Government or contractual obligations entered into by Government all new items of subsidies should be treated as “New form of Service” and like-wise additional items of subsidies requiring augmentation in the existing provision exceeding the monetary limit prescribed in Rule-7 should be treated as “New Instrument of Service”. All subsidies paid by Government should be shown distinctly in the demands for grants and reported to the Legislature through explanatory notes on the demands for grants.

5. The execution of new works exceeding the limit prescribed in Rule-7 should be undertaken only after obtaining approval of the Legislative Assembly.

6. Transfer or a gift of Government assets to Public Corporations/Boards/Companies, Autonomous Bodies, Private Parties, Institutions, etc. exceeding the limit prescribed in Rule-7 should be made only after such cases are specifically brought to the notice of the Legislative Assembly through the explanatory notes on demands for grants. In cases of urgency, where it may not be possible to wait till the matter is brought to the notice of the Legislature, arrangements may be made by entrusting the management of the property to the body or institution by the formal transfer of the title to the property should be effected only after a mention is made in the explanatory notes on the demands for grants.

7. In deciding cases relating to “New form of Services/New Instrument of Service” the main criteria will be the magnitude and importance of the expenditure. If expenditure on particular items exceeds the monetary limits prescribed below, these items should be considered to involve expenditure on “New form of Service/New Instrument of Service” for which prior approval of the Legislature is necessary.

Nature of transactions	<u>Monetary limits</u>	
(a) Expenditure on staff.		
1. (i) Employment of additional staff which it arises out of the adoption of a new policy by the Government, i.e. the sanction or increases of cadres on service or number of posts of particular kind e.g. sanction of additional Revenue Inspectors or Accountants in each of the Tahasil Office, consequent on the introduction of a new scheme of Government activity like Land Reforms.	Rs.1,00,000 per annum.	
(ii) Employment of additional staff for the extension of an existing service, eg. expenditure on a new Instrument of service like opening of a new school or starting up a new scheme in the Industries/Agriculture Department, etc. though similar schemes are already under operation.		
(iii) Employment of additional staff for re-organisation of an existing administrative unit such as bifurcation of Revenue or a Police district or creation of new administrative unit eg. Public Works/Irrigation, etc., Circle/Division/Sub-division.		
2. Revision of scales of pay and allowances involving additional liabilities	Rs.5,00,000 per annum for the entire state for each such revision.	
(b) <u>Contingencies.</u>		
Purchase of new machinery Plant, dead stock, live stock of large scale for Government offices/Institutions.	Rs.1,00,000 per annum.	
(c) <u>Expenditure on new works including schemes for extension and improvement.</u>		
(i) Projects, buildings, Electrical and Public Health Installations, acquisition of lands, augmentation of minor works grants.	Rs.1,00,000 per annum. <b>Note: 1</b> -Works of similar character where of individual cost is below the limit of Rs.1,00,000 but which forms part of schemes exceeding Rs.5,00,000 having continuity of purposes and time should also be treated as New form of Services	
(ii) Maintenance and repair of Buildings, Roads, Irrigation Projects, etc.	<b>Note: 2</b> -See also Rule -5	

(d) Scholarship and stipend		Rs.25,000 per annum
(e) Grants-in-aid, contribution and subsidies to Statutory and other Public Institutions/Private Parties/Local Bodies.		Recurring Rs.25,000 non-recurring Rs.50,000 <b>Note: 1</b> -These limits would apply with reference to moneys disbursed by an individual department and not by Government as a whole. <b>Note: 2</b> -As regards new and additional items of subsidies provision of rule 4 are to be observed.
(f) Compensation for damage or loss maintained by individuals or Institutions		Non-recurring Rs.50,000/-.
(g) Assignment and compensation each are of the nature of compensation for surrendering rights or privileges or the Guarantee.		Rs.1,00,000
(h) Investment to be made for the first time.		All cases.
(i) Additional investments in the existing Statutory Boards/Corporation/Govt. Companies/Departmental Undertakings/Private Sector Companies /Private Institutions and Co-operative Institutions.		Rs. 1,00,000 Note:-While applying this limit, loans and capital investments are to be taken together.
(j) Setting up of new Government Companies/Splitting up of an existing Government Company or amalgamation of for more Government Companies and taking up of a new activity by the existing Government Company of a Departmental undertaking or new investments in Private Sector Companies.		All Cases.
(k) Loans to be advanced for the first time		All Cases.



(l) Additional short-term or long-term loans to the existing Statutory Boards Corporations/Government Companies/Private Companies/Private Institutions individuals and Government servants.	Rs.2,00,000. <b>Note: 1-</b> While applying this limit loans and capital investments are to be taken together. <b>Note: 2-</b> Where there is no budget provision prior approval of the Legislature will be necessary in cases of loans exceeding Rs.25,000. <b>Note: 3-</b> Short-term loans (working capital) of duration not exceeding one year need not be treated as 'New Instrument of Service'
(m) Transfer to:- (i) Depreciation Reserve Fund. (ii) Amenities Reserve Fund. (iii) Sinking Funds	Rs.5,00,000.
(n) Payment of interest on loans from Government of India, Reserve Bank of India, etc.	Rs.5,00,000.
(o) Repayment of loan to Govt. of India open market loan, Reserve Bank of India and others Ways and Means Advances and over-draft from Reserve Bank of India.	Rs.10,00,000.
(p) Suspense-Debit relating to Public Works Department.	Rs.5,00,000.
(q) Advances/Suspense-Debit of Personal Ledger Account relating to State Trading Schemes/Departmental undertakings.	Rs.2,00,000.
(r) Establishment of Committees and Commissions for new objects and purpose.	When the expenditure is estimated to exceed Rs.25,000 recurring or Rs.50,000 non-recurring.
(s) Transfer or a gift of Government assets to public Corporations/boards/Companies Autonomous Bodies, Private Parties/Institutions, etc.	Rs.25,000 Note- Vide Rule-6
(t) Irrecoverable loans and advances written off	Rs.1,00,000

8. Other cases of Government expenditure (i.e. other than those detailed under Rule-7 above for which limits have already been prescribed which can not be classified under well defined categories and for which it would be difficult to lay down any definite criterion or a guiding limit for treating any individual case as a 'New form of Service' or a 'New Instrument of Service' the general instructions that expenditure arising out of new policy decisions or new activities should be treated as 'New form of Service' and expenditure on important extensions of existing activities as 'New Instrument of Service' will continue to be observed, each case being considered on merits.

9. Expenditure on an existing service under one Demand but involving provision of funds under a different head in the same Demand due to change in classification of expenditure need not be considered as an expenditure on a 'New form of Service'.

10. If a scheme coming under 'new form of Service' or a 'New Instrument of Service' not contemplated in the Annual Financial Statement is required to be introduced during the course of the year a supplementary or a Token Demand is put forward for the vote of Legislative Assembly before the expenditure is authorised. If, however, the scheme is considered urgent and unforeseen and its execution can not wait till the vote of Legislature, advance can be obtained from the Contingency Fund to be recouped by obtaining Supplementary Grant in due course.

11. Notwithstanding any thing contained in the above Rules, the decision as to whether a particular item constitutes a 'New Service'/'New Instrument of Service' or not, rests with the Finance Department of the State Government and the Audit may, if it disagrees, bring the matter to the notice of the Public Accounts Committee.

## APPENDIX-V

(Refer to paragraph 4.2 of Chapter-IV)

### ORISSA ACT-18 OF 1967 THE ORISSA CONTINGENCY FUND ACT, 1967

*[Received the assent of the Governor on the 28<sup>th</sup> July 1967, first published in an extraordinary issue of the Orissa Gazette, dated the 30<sup>th</sup> July 1967]*

#### AN ACT TO PROVIDE FOR THE ESTABLISHMENT AND MAINTENANCE OF A CONTINGENCY FUND FOR THE STATE OF ORISSA

Be it enacted by the Legislature of the State of Orissa in the Eighteenth Year of the Republic of India, as follows:-

- \*1. (1) This Act may be called the Orissa Contingency Fund Act, 1967  
(2) It extends to the whole of the State of Orissa  
(3) It shall come into force at once.
2. (1) There shall be established for the State of Orissa a Contingency fund called "the Contingency Fund of Orissa" and consisting of a sum of two crores of rupees transferred from the Consolidated Fund of the State.
- (2) Such Contingency Fund shall be at the disposal of the Governor of Orissa and he shall have authority to make advances there from for the purpose of meeting any unforeseen expenditure, pending authorisation of such expenditure by the Legislature of the State under appropriation made by law.
- (3) As often as any such expenditure is authorised by law as aforesaid, the State Government shall recoup to the Contingency Fund an amount equal to the advance taken from such Fund to meet the expenditure.
3. The State Government may make rules for the purpose of carrying into effect the provisions of this Act.
4. (1) The Orissa Contingency Fund (No.2) Ordinance, 1967 hereby replaced.
- (2) Notwithstanding such repeal, the Contingency Fund established under the said Ordinance and anything done, any action taken or any rules made there under shall be deemed to have been established, done, taken or made under this Act as if this Act were in force on the day on which such Fund was established, such thing was done, such action was taken or such rules were made.

## APPENDIX-VI

(Refer to paragraph 4.2 of Chapter-IV)

PART-III THE ORISSA GAZETTEE, SEPTEMBER 22, 1967 1151

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### GOVERNMENT OF ORISSA FINANCE DEPARTMENT

#### NOTIFICATION

*The 13<sup>th</sup> September 1967*

**No.31721-BI-156/67-F** :-In exercise of the powers conferred by section 3 of the Orissa Contingency Fund Act, 1967 (Orissa Act 18 of 1967), the State Government do hereby make the following rules in supersession of the Orissa Contingency Fund Rules, 1959:-

#### **THE ORISSA CONTINGENCY FUND RULES, 1967**

1. *Short title*-These rules shall be called "The Orissa Contingency Fund Rules, 1967".

2. The Orissa Contingency Fund (hereinafter referred to as the Fund) shall be held on behalf of the Governor by the Secretary to the Government in the Finance Department.

3. Advances from the Fund shall be made for the purpose of meeting unforeseen and emergent expenditure pending authorisation by the Legislature.

4. All applications for advances from the Fund shall be made to the Secretary to the Government in the Finance Department with the particulars contained in the form enclosed to these rules (Annexure).

5. Even in cases where savings are available within a grant, token advances from the Fund for meeting a part or whole of the expenditure from savings, should not be taken. Advances taken from the Fund shall be for the full amount required for expenditure.

6. (a) The Finance Department shall maintain an account of the Fund and shall see that the sum total of the advances sanctioned from the Fund does not exceed the balance in the Fund at any time.

(b) In all cases Supplementary grants shall be obtained by the Controlling Officers and Administrative Departments concerned for the recoupment of advances sanctioned from the Fund at the first session of the Assembly in which Supplementary Estimates will be presented, immediately after the advance is sanctioned, but in no case later than the close of the year.

(c) As soon as the Supplementary Appropriation Act passed, steps shall be taken by the Administrative Department concerned to issue an order for recoupment of the advance and a copy of the order which shall give reference to the number and the date of the order in which the advance was originally sanctioned and to the Supplementary Appropriation Act, shall be forwarded to the Accountant General, Orissa and to the Finance Department.

7. All orders sanctioning advances from the Fund shall be issued from the Finance Department and copies of such orders specifying the amount of advances and the grant or appropriation to which they relate shall be forwarded to the Accountant General, Orissa.

8. The Controlling Officers shall see that the actual expenditure out of the advances from the Fund does not exceed the sanctioned amounts under any circumstances.

9.(a) In the schedules of the Supplementary Demands prepared and presented for the vote of the Legislature for the recoupment of advance sanctioned from the Fund, the following note shall be appended to the explanatory notes thereto:-

“A sum of Rs.....has been advanced from the Contingency Fund in .....and a corresponding amount is required to enable repayment to be made to that Fund”.

(b) If the expenditure met out of the advances from the Fund is covered, wholly or partly, from the savings available within the authorised appropriation, the note appended to the Supplementary Demand shall be in the following form:-

“A sum of Rs.....has been advanced from the Contingency Fund in .....and an equivalent amount is required to enable repayment to be made to that Fund”.

The	amount,	viz.,	
Rs.....			Can be found by
<hr/>			
A part of that amount,		viz.,	
Rs.....			

re-appropriation of savings within the grant and  
A token vote only is now required Viz., Rs.....only.

A vote required for the balance.

10. If at any time, after the order sanctioning an advance from the Fund has been issued in accordance with Rule-7, it is found that the advance sanctioned will remain wholly or partly unutilized, an application shall be made to the sanctioning authority for canceling or modifying the sanction, as the case may be.

11. All advances sanctioned from the Fund to meet the expenditure in excess of the provision for the service included in an Appropriation (Vote on Account) Act shall be repaid to the Fund as soon as the Appropriation Act in respect of the expenditure on the service for the whole year, including the excess met from the advances from the Fund, has been passed.

12(a) Separate accounts relating to the transactions of the Fund shall be maintained and verification of expenditure shall be carried on by the Controlling Officers. Actual expenditure incurred against advances from the Fund shall be recorded in the account relating to the Fund in the same detail as it would have been shown if it had been paid out of the Consolidated Fund.

(b) The Accountant General shall furnish to the Finance Department a quarterly report showing actuals of expenditure incurred out of the advances sanctioned from Fund as soon as possible after the end of each quarter.

(c) The Accountant General shall be furnished with an account of the Fund as soon as possible after the close of each year by the Finance Department for verification with Audit office books.

By order of the Governor

*K. S. BAWA*

*Secretary to Government*



## APPENDIX -VIII

(Refer Para 6.25 of Chapter VI)

### Maturity Profile of 6003-Internal Debt of the State Government and 6004-Loans and Advances from Central government.

Financial Year	6003-Internal Debt Amount (Rupees in Crore)	6004-Loans and Advances Amount (Rupees in Crore)	Total Amount (Rupees in Crore)
<i>1</i>	<i>2</i>	<i>3</i>	<i>4=(2+3)</i>
Maturing in and prior to 2006-07			
Maturing in 2007-08			
Maturing in 2008-09			
Maturing in 2009-10			
Maturing in 2010-11			
Maturing in 2011-12			
Maturing in 2012-13			
Maturing in 2013-14			
Maturing in 2014-15			
Maturing in 2015-16			
Maturing in 2016-17			
Maturing in 2017-18			
Maturing in 2018-19			
Maturing in 2019-20			
Maturing in 2020-21			
Maturing in 2021-22			
Maturing in 2022-23			
Maturing in 2023-24			
Maturing in 2024-25			
And so on till the last year of maturity			
Miscellaneous (**)			
<b>Grand Total</b>			<b>X</b>



**APPENDIX-IX**

*(Refer to para 6.28 of Chapter-VI)*

**Changes in the Financial Assets of the Government of .....for the year.....**

<b>Sl. No.</b>	<b>Particulars (Rupees in Crore)</b>	<b>Balance as on 1<sup>st</sup> April... (Rupees in Crore)</b>	<b>Balance as on 31<sup>st</sup> March.... (Rupees in Crore)</b>	<b>Change (+) Increase (-) Decrease (Rupees in Crore)</b>
1.	F-Loans and Advances	Total F loans and advance from Statement No.5 or 18		
2.	Investments held in Cash Balance Investment Account	From Statement No.17		
3.	Investment of Government in Statutory Corporations, Government Companies, Other Joint Stock Companies, Co-operative Banks and Societies (*)	Grand total of Statement No.14 of last year	Grand total of Statement No.14 current year	
4.	General Cash Balance			
	(i) Cash in Treasuries	From Statement No.7		
	(ii) Deposits with Reserve Bank	From Statement No.7		
	(iii) Remittances in transit-Local	From Statement No.7		
	Total-General Cash Balance			
5.	Other Cash Balance and Investments			
	(i) Cash with Departmental Officers	From Statement No.7		
	(ii) Permanent Advances for Contingent Expenditure with Departmental Officers	From Statement No.7		
	(iii) Investments of Earmarked Funds	From Statement No.7		
	Total-Other Cash Balance and Investments			
	<b>GRAND TOTAL</b>			

*(\*) Footnote:- disclosure about the amount of investment held by Companies, Corporations which have been referred to BIFR or declared sick (details of which are available in Statement No.14 of Finance Accounts) may be provided.*

## **APPENDIX-X**

*(Refer to Para-6.31 of Chapter-VI)*

### **General check to be exercised while preparing Finance Accounts**

As per MSO (A&E)-Vol.II

1. The nomenclature of the Head of Account should conform to the classification given in the list of Major and Minor Heads of Accounts.
2. No authorised head of account should be exhibited in the Accounts.
3. Reconciliation of figures in the Finance Accounts and the draft Appropriation Accounts should be effected completely for all the heads of accounts
4. Per Contra adjustments wherever carried out should be linked at different places.
5. Figures exhibited in the summarised statements e.g. No.1, 2, 4, 5, and 8 must tally with those given in the detailed statements and those taken in Chapter-I of the Audit Report.
6. Minus balances wherever occurring in the Finance Accounts should be suitably explained by means of a footnote and should be investigated for reconciliation/rectification as they may throw up misclassification of transactions in Accounts.
7. Opening balance in the Finance Accounts should invariably agree with the closing balances of previous years' accounts and any difference should be suitably explained by means of a footnote.
8. Updated position in respect of difference in the accounts figures of Deposits with the Reserve Bank and those intimated by the R.B.I. should be exhibited in the Report, and these should be the same at all these places.
9. The totals and calculations of percentages in statements should be checked and correctness ensured.
10. Advances from the Contingency Fund and their subsequent recoupment should be carefully watched so as to ensure that they are properly accounted and that there is no omission.
11. It has to be ensured that all statements forming part of the Finance Accounts are attached.
12. Difference between Accounts figures and R.B.I. Deposit figures should be reconciled. It should be ensured that payments made by R.B.I. through daily scrolls are properly accounted for by Treasuries and that there is no omission requiring rectification.
13. Discrepancies between Statement 13 and 14 should be checked and corrected.
14. No anomalies and obvious mistakes of classification do no exist.
15. Wide variation between Revised Estimates and actuals has to be properly examined to ensure that no serious misclassifications have occurred.
16. There are no abnormal transactions of receipts/disbursements requiring investigation, rectification or insertion of suitable footnotes.
17. Broad checks over 'adverse' balances under several Debt/Deposit/Remittance heads should be carried out with a view to ensure that a correct explanation is given for the existence of the adverse balances wherever it is not possible to rectify such balances at the stage of finalising the draft Finance Accounts of a particular year.
18. It should be ensured that the entire balance under "8782-Cash remittances etc.-cash remittances between Treasury and Currency chests" has been transferred to "8999-Cash Balance-Remittances in Transit" leaving no balance under the former head. If balances are shown under both these heads in Statement No.16, these should be investigated to ensure necessary corrections and observance of the prescribed procedure.

19. Similarly, no balance should appear in statement No.16 against the head "8675-Reserve Bank Deposits", the entire account balance being shown against "8999-Cash Balance Deposits with Reserve Bank.
20. In respect of the major head "8680-Miscellaneous Government Account", there is a minor head "Write-off from heads of account closing to balance". The figures appearing against this head in Statement No.16 (current debits/credits), should be verified with reference to the sanctions issued by Comptroller & Auditor General or by Accountant General in certain cases.

**Statement wise checks to be exercised:**

**Statement No.1-Summary of transactions:-**

- (1) If the closing of cash balance is a minus figure a suitable note may be added to explain the reason for the minus balance.
- (2) If the closing cash balance with R.B.I. mentioned in the Finance Accounts differs from the figure intimated by the Reserve Bank, a footnote should be added.
- (3) A suitable footnote may be given in the Accounts if "*Grants-in-Aid*" is booked under Capital Expenditure instead of Revenue Expenditure.
- (4) Suitable footnotes may be given about:
  - (a) Expenditure met out of advance from the Contingency Fund during earlier years and recouped to the Fund during the current year against 8000-Contingency Fund on receipt side.
  - (b) Expenditure met out of Advances from Contingency Fund during current year but not recouped to the Fund till the close of the year against 8000-Contingency Fund on payment side.
  - (c) Any book transfer between Revenue Receipt and Revenue Expenditure heads i.e., receipts shown under 0049-Interest receipts by booking expenditure under 2701-Medium Irrigation and 2711-Flood Control.
- (5) In the Explanatory notes the following checks need to be exercised:
  - (a) If the amount of extraordinary receipts realised by any Government every year is considerable and appears to be a continuous source of revenue, the nature of the receipts and the important factors affecting the revenue under this head may be elucidated.
  - (b) Any significant variations in Receipt and Expenditure figures should be suitably analysed and reasons explained.

**Statement No.2-Capital Outlay outside the Revenue Account:-**

- (i) **Progressive Capital Outlay to end of year**
- (ii) **Explanatory Notes**

1. If balances shown in the column "expenditure up to previous year" differ from the figures in Statement No.2 of the previous years Finance Accounts, reasons should be explained giving guide marks and footnotes.
2. Minus figure should be explained suitably

**Statement No.3 (i) Financial Results of Irrigation Works:-**

**(iii) Financial Results of Electricity Schemes**

1. The irrigation schemes which have been declared as commercial need alone be included.
2. Information in respect of both financial results of irrigation works and electricity schemes should be given. If the information has not been received from the State Government, the fact of the same need to be mentioned. If there are no departmentally run and managed electricity generating organisation under the direct control of the Government the same need to be mentioned.

**Statement No.4-Debt Position:-**

1. Figures shown against Public Debt, Small Savings and Provident Fund and other obligations should tally with the figures appearing in these heads in Statements 1, 16 and 17.
2. Interest paid by the Government should tally with 2049-Interest Payments head appearing in other Statements.
3. Interest realised columns should tally with 0049-Interest Receipts head appearing in other Statements.
4. Dividend received figures should tally with 0050-Dividend and Profits heads appearing in other Statements.

**Statement No.5-Loans and Advances by state Government:-**

1. Footnote to explain the reasons for minus balances
2. The figures given in this Statement should tally with the figures available in Statement No.18
3. Information may be given separately regarding extent of recoveries in arrears; both principal and interest, in respect of categories of loans, the detailed accounts of which are maintained by the Department Officers and those in respect of which the detailed accounts are kept by the Accounts Office.
4. The loans and advances in respect of which the terms and conditions of repayment have not been settled may also be indicated.
5. Short notes may be added indicating the state of initial loan accounts maintained by the Departmental officers. Details of concerns which have gone under liquidation and from which the recovery of loan is outstanding may be stated.

**Statement No.6-Guarantees given by the Government of.....in respect of loans, etc., raised by Statutory Corporations, Government Companies, Local Bodies and other Institutions:-**

1. The information provided in the Statement should be current.
2. The Guarantee Commission taken as receipt in the accounts should agree with the receipts shown in the Statement No.11.
3. Guarantee Commission outstanding for recovery should be mentioned.

**Statement No.7-Cash Balances & Investments of Cash balances:-**

1. The interest realised on Cash balances Investment made during the year shown in this Statement should tally with figure shown in Statement No.11 against head of account 0049-04-110-Interest realised on Investment of Cash Balances. If the figures are not tallying suitable footnotes need to be given in both the Statements.
2. The figures appearing in the Statement should tally with the figures appearing in Statement No.16 and Statement No.19.

3. Interest charged in respect of Ways and Means Advances shown in the Statement should tally with amount booked against head of account 2049-01-115-Interest on Ways and Means Advances from Reserve Bank of India appearing in Statement No.12.
4. Explanatory notes on difference between the Cash Balance according to books of Government and that reported by Bank, indicating also the factors responsible for such difference.
5. The details of the Investments held in the Cash Balance Investment Account given in Explanatory Note should tally with figure indicated in the Statement.

**Statement No.8-Summary of Balances under Consolidated Fund, Contingency Fund and Public Account:-**

1. Explanatory notes to bring out how far the balances under each head agree with those shown in the separate Register or other accounts maintained in the Accounts Office/Departmental Offices for the purpose in accordance with the prescribed rules, and how far they have been accepted as correct by the Departmental Officers concerned where necessary.
2. The Sectoral totals appearing against the DDR heads should tally with the closing balance figures appearing in Statement No.16.

**Statement No.9-Statement of Revenue and Expenditure for the year.....expressed as a percentage of total revenue/total expenditure:-**

The figures mentioned in the Statement should tally with the figure given in Statement No.1.

**Statement No.10-Statement Showing the Distribution between Charged and Voted Expenditure:-**

The Charged and Voted figures given in this Statement should tally with the Net figures of Charged and Voted in the Appropriation Accounts.

**Statement No.11-Detailed Accounts of Revenue and Capital Receipts by Minor heads:-**

1. The actuals shown under Sector-A-Tax Revenue should be the net figure taking into account the refunds under the minor head concerned. Under other sectors the refunds are to be mentioned separately against the specified minor head Deduct-Refunds.
2. The share of net proceeds assigned to States should tally with the year end figures relating to the proceeds transferred to State Governments provided by the Finance Department. No amount is kept under 8658-110-Reserve Bank Suspense-Central Accounts Office.
3. Grants-in-aid from Central Government figures should tally with G-I-A figures given by different Ministries of Government of India. No amount is kept under 8658-110-Reserve Bank Suspense-Central Accounts Office.
4. Footnotes in respect of minus figures, book transfers and any unadjusted amounts.

**Statement No.12-Detailed Account of Expenditure by Minor Heads:-**

1. The figures in this Statement should exclude expenditure met from advances from the Contingency Fund but not recouped to the Fund before close of the year. But the figures shown include expenditure met out of advances taken during the previous year(s) and recouped to the Fund during the current year. Suitable footnotes should be added to explain the position.

2. Footnotes should be added to explain the transactions, if any, under the head "Transfers to/from Reserve Funds and/Deposit Accounts" stating the names of the Funds, the amount transferred to the Fund and the amount transferred from the Fund. These figures should tally with those in Statement No.16 if they have been distinctly shown in that Statement.
3. Minus expenditure figures should be explained suitably.
4. Suitable footnotes should be given about the notional book adjustments carried out in the accounts.
5. Include suitable footnote about the number of pensioners.
6. Include appendix regarding the details of assets created out of Grants-in-Aid given to Local Bodies by the State.
7. Ensure correct booking of expenditure under minor heads "Direction and Administration" and "Collection Charges" specially relating to major heads 2029-Land Revenue, 2030-Stamps and Registration, 2039-State Excise, 2040-Taxes in Sales, Trade, etc., 2041-Taxes on Vehicles and 2045-Other Taxes and Duties on Commodities and Services so that the cost of collection of state taxes could be worked out correctly.
8. Suitable footnote may be included in case the Grants-in-Aid given to Local Bodies and classified Capital Section.

**Statement No.13-Detailed Statement of Capital Expenditure during and to the end of the year**

1. The charged and voted figures may be combined in this Statement.
2. The figures of expenditure during the year by major heads mentioned in this Statement should agree with those in Statement No.12.
3. The expenditure to the end of the year mentioned in this Statement should agree with the total of the corresponding figure in the Finance Accounts of the previous year plus the expenditure during the year. If there is any difference, the reason therefore should be mentioned in suitable footnotes.
4. The expenditure to the end of the year by major heads mentioned in this Statement should agree with those in Statement No.2.
5. The figures in this Statement should exclude expenditure met from the Contingency Fund but not recouped to the Fund before the close of the year. But the figures should include expenditure met out of advances taken during the previous year(s) and recouped to the Fund during the current year. Suitable footnotes may be added to explain the position.
6. Minus expenditure figures should be explained suitably.
7. The investment figures appearing under minor head 190 across different major heads should tally with the investment figure appearing in the Statement No.14 against Statutory Corporations, Government Companies, etc.
8. Suitable footnote may be included in case the Grants-in-Aid given to Local Bodies are classified under Capital Section.

**Statement No.14-Details of investments of Government in Statutory Corporations, Government Companies, Other Joint Stock Companies, Co-operative Banks and Societies, etc., to the end .....:-**

1. Investment up to the end of the previous year may be given as a consolidated entry and those during the current year may be given distinctly and total struck.

2. If the dividend received during the current year actually pertained to the earlier years or the dividend declared during the year has not yet been paid to Government the fact may be mentioned in the Remarks column.
3. The remarks column may also contain other relevant information e.g., purchase of shares at a discount, reasons for not declaring any dividend, losses incurred by the concerns, transfer of shares by Government to other parties concerns under liquidation. etc.
4. The exact and full nomenclature of the institutions may be mentioned.
5. The figures against the period up to the last year should agree with the figures shown in the Finance Accounts of the previous year and if there is any difference, it should be explained by footnotes. Proforma corrections carried on the progressive expenditure should also be indicated by footnotes.
6. The product obtained by multiplying the number of shares by the face value of each share should agree with the amount shown as investment. The difference, if any should be explained in the remarks column or by footnotes. The details of bonus shares received may also be indicated by footnotes.
7. The amount invested shown in Statements is the actual account figure. The total should, therefore tally with total of the amounts of investments booked under the minor head '190-Investments' in Statement No.13 and to the major head figures in Statement No.2 and 13. If the account figures vary from the figures mentioned in this Statement, the difference should be explained by footnotes.
8. If any institution mentioned in the previous year has been omitted this year, the reasons therefor should be given by footnotes.
9. The total of dividends received should tally with the booked figure shown in Statement No.11 against Major Head 0050-Dividend and Profits. The difference if any, should be explained by footnotes.
10. Brief particulars regarding the adverse working results of the institution for the year may be mentioned in the remarks column. In the case of continuous losses, the accumulated loss to the end of the year and the first year of loss may also be mentioned.
11. In the case of Investments from Cash Balances and Sinking Funds the figures should be reconciled with those mentioned in Statement No.4 (under arrangements for amortisation) and Statement No.7 (under details of Cash Balance Investment Account).

**Statement No.15-Statement showing Capital and Other Expenditure (other than on Revenue Account) to the end of .....and the Principal sources from which funds were provided for that expenditure:-**

1. The expenditure on Capital Outlay and Loans and Advances during the year considered for mention in the Statement (i) includes the expenditure spent from out of advances obtained from Contingency Fund during the year but not recouped till the close of the year but (ii) excludes the expenditure spent from out of advances obtained from Contingency Fund during the previous years but recouped to the Fund during the current year.
2. The total figure of "Net-Capital and Other Expenditure" should tally with total figure of "Net-Provision of Funds". Any difference in the "during the year figures" and "closing balance figures" should be explained with suitable footnotes.

**Statement No.16 -Detailed Statement of Receipts, Disbursements and Balances Under heads of accounts relating to Debt, Contingency Fund and Public Account:-**

1. Figures may be given in Statement by Minor heads of Accounts, except in the case of Public Debt and Small Saving PF etc. and Loan and Advances in respect of which the minor head wise details are given in the Statement No17 and 18.
2. At the beginning of the Statement Part-I Consolidated Fund:- A to C Receipt Heads (Revenue Account), A to D Expenditure Heads (Revenue Account) and A to D Expenditure Heads (Capital Account) should be furnished. The figures should agree with totals mentioned in Statement Nos.1, 11 and 12. For these heads figure will appear for the current year only.
3. Under Major Head 8680 Miscellaneous Government Accounts, there will be figures for the current year only.
4. The figures in this Statement should exclude expenditure met from advances from Contingency Fund but not recouped to the Fund before the close of the year. But the figures should include expenditure met out of advances taken during the previous year(s) and recouped to the Fund during the current year. Suitable footnotes be added to explain this position.
5. Minus figures should be explained suitably.
6. Difference between Cash Balance according to books of Government and that reported by Bank, indicating the factors responsible for such difference, may also be mentioned in a suitable footnote.

**Statement No.17-Detailed Statement of Debt and Other Interest Bearing Obligations of Government:-**

1. The figures in this Statement should exclude expenditure met from advances from the Contingency Fund but not recouped to the fund before the close of the year. But the figures should included expenditure met out of advances taken during the previous year(s) and recouped to the Fund during the current year. Suitable footnotes may be added to explain this position.
2. Adverse Balances should be explained.
3. The Opening Balance shown in this Statement should tally with Closing Balance of the previous year. If not, explain with suitable footnotes.
4. The major headwise totals should tally with totals appearing in Statement No.16. The grand totals should agree with totals appearing in Statement No.4.
5. Include details of individual loans/bonds included under the minor heads below major heads 6003-Internal Debt of the State Government and 6004-Loans and Advances from Central Government in the Annexure to this Statement.

**Statement No.18-Detailed Statement of Loans and Advances by Government:-**

1. Details of Loans and Advances by State Government are shown minor head wise. The individual Loans and Advances may be mentioned only when the balances at the end of the year exceed Rs.25 lakhs. The other items are included in lump against the head "Other Loans".
2. The figures in this Statement should exclude expenditure met from advances from Contingency Fund but not recouped to the Fund before the close of the year. But the figures should include expenditure met out of advances taken during the previous year(s) and recouped to the Fund during the current year. Suitable footnotes may be added to explain this position.



3. The Opening Balance shown in this Statement should tally with Closing Balance of the previous year. If not, explain with suitable footnotes.
4. The Adverse Balances should be explained suitably.
5. The amount of interest received and credited to revenue shown in the Statement should be tallied with the figures shown under different minor heads below major head 0049- "Interest Receipts" in Statement No.11.
6. The major head wise totals should tally with totals appearing in Statement No.16. The sector wise and grand totals should agree with totals appearing in Statement No.5.
7. At the end of this Statement detail of Loans and Advances during the year for "Plan" purposes needs to be included.

**Statement No.19-Statement showing the details of Earmarked Balances:-**

1. Include as annexure to Statement No.19 (i) Sinking Fund for amortisation of Loans and (ii) Sinking Fund for depreciation of Loans. Also, include a Statement of Sinking Fund Investment Account.
2. The "total" figures in the investment columns (for both Opening and Closing Balances) of this Statement should tally with the figure shown against investments of Earmarked Funds (both Opening and Closing Balance) in Statement No.7.
3. The major head wise figures shown in this Statement should tally with the corresponding major head wise figures appearing in Statement No.16

**Appendices to be included in the Finance Accounts:-**

1. Statements of Commitments- list of Incomplete Capital Works
2. Details of assets created out of Grants-in-Aid given to Local Bodies by the State Government
3. Expenditure on salaries organised by major heads, during the year.
4. Expenditure on subsidies disbursed during the year
5. Statement showing items where acceptance of balances is awaited.
6. Other appendices as referred in the Finance Accounts Statements.

**APPENDIX – XI**  
(Refer to Para 8.6 of Chapter-VIII)  
**Check list for Highlights of Accounts**

1.	Tax Revenue	Statement No.1, Total A-Tax Revenue
2.	Non-Tax Revenue	Statement No.1, Total B-Non-Tax Revenue
3.	Grants-in-aid and Contributions	Statement No.1, Total C-Grants-in-aid and Contributions
4.	<b>Revenue Receipts (1+2+3)</b>	
5.	Recoveries of Loans and Advances	Statement No.5-Loans and Advances, Grand total of column-Amount repaid during the year
6.	Other Receipts	Receipts under Major Head 4000-Miscellaneous Capital Receipts
7.	Borrowing and other liabilities	Statement No.17-Net of Public Debt excluding temporary loans (net under minor head 107-Loans from SBI and other banks below Major Head 6003) + Net of Contingency Fund + Net of Public Account appearing in Statement No.16 + Net of opening and closing Cash Balance (decrease of Cash Balance over the year means that it has become a source for financing fiscal deficit hence it should be taken as a positive figure and vice versa for an increase in Cash Balance)
8.	<b>Capital Receipts (5+6+7)</b>	
9.	<b>Total Receipts (4+8)</b>	
10.	<b>Non-Plan Expenditure (NPE)</b>	
11.	Non-Plan Expenditure Revenue Account	Statement No.12-Total Expenditure under Revenue Expenditure Heads under Non-Plan.
12.	Non-Plan Expenditure on Interest Payments out of 12	Statement No.12-Total under Major Head 2049.
13.	Non-Plan Expenditure on Capital Account	Statement No.12-Total expenditure under Capital Accounts (Non-plan) and Loans and Advances paid during the year in Statement No.5.
14.	<b>Plan Expenditure (PE)</b>	
15.	Plan Expenditure on Revenue Account	Statement No.12 -Total expenditure under Revenue Expenditure Heads under State Plan + Central Plan + Centrally Sponsored Plan.
16.	Plan Expenditure on Capital Account	Statement No.12 -Total expenditure under Capital Expenditure Heads under State Plan + Central Plan + Centrally Sponsored Plan.
17.	<b>Total Expenditure (10 + 14)</b>	
18.	Expenditure on Revenue Account	Statement No.12- Grand total of Revenue Account
19.	Expenditure on Capital Account *	Statement No.13-Grand total of Capital Expenditure + Loans and Advances paid during the year in Statement No.5
20.	<b>Revenue Deficit (18-4)</b>	
21.	<b>Fiscal Deficit {17-(4+5+6)=7}</b>	

\* Expenditure on Capital Account includes Capital Expenditure (Rs.                      crores) and Loans and Advances Disbursed (Rs.                      Crores)