Government of Goa

Budget Manual

FINANCE (BUDGET) DEPARTMENT
SECRETARIAT, PORVORIM - GOA

GOVERNMENT OF GOA

BUDGET MANUAL

FINANCE (BUDGET) DEPARTMENT

SECRETARIAT,

PORVORIM - GOA

DR. PRAMOD SAWANT
CHIEF MINISTER, GOA

FOREWORD

"Annual Financial Statement" or "Budget" as largely referred-to; delivered in the Parliament and the State Assemblies is a subject matter of great curiosity and interest to the common man of this nation.

In my opinion, Budget Speech should resonate the sentiments and aspirations of the Common Man who exercises his adult franchise and elects law-makers to establish a desired Governance Model.

The Budget is also required to be thoroughly studied and debated upon by vigilant Opposition, which is an essence of our great Parliamentary Democracy.

For this to happen, there is a need of a document, that would make it easy for the elected representatives, students as well as general public; to understand the practices and procedures associated with drafting of the Budget Speech year after year.

Being the Finance Minister of the State of Goa, I am happy that, our Finance (Budget) Department has completed this task of creating the **BUDGET MANUAL 2023**.

With an authentic reference document in the form of this manual, Goa will have a much informed citizenry and a pool of informed stakeholders, which would make the budgeting process much more responsible and vigilant! This will in turn, do justice to the motto of Goa's Legislature which says, **"लोकशक्तिर्वीश्यते"** that is; **Power to the People!**

I congratulate the entire team associated with the compilation of this manual and complement them for their sincere and dedicated work.

Dr. Pramod Sawant
Chief Minister-Goa

Shaka, 1945
Ashwin, Shukla Dvitiya,
16.10. 2023

MINISTER'S BLOCK, SECRETARIAT COMPLEX, PORVORIM, GOA, 403 521, INDIA
PH: 0832-2419841/42 Fax: 0832-2419840/46 EMAIL: cm.goa@nic.in

DR. V. CANDAVELOU, IAS
PRINCIPAL SECRETARY (FINANCE)

FOREWORD

It gives me immense pleasure to know that Budget Manual for the State of Goa is being published. This Budget Manual is an outcome of the strenuous efforts of the Budget Section of Finance Department. The Manual has meticulously explained the various procedures and provisions pertaining to formulation of Budget. This Manual will not only be of help to the Government officials across various departments, but also allow common citizens understand the nuances of the complex budgeting process in the Government. Written in simple and lucid language, this Manual will serve as an important guide for Officials, accounts functionaries in the Government and general public to understand the Government budgeting process. I earnestly hope that this Manual will be found useful by all concerned.

DR.V.CANDAVELOU
Principal Secretary (Finance)

PREFACE

Budget is an important policy document of the Government highlighting the priorities and plans of the Government's spending. Although it is only the Budget Speech presented by Hon'ble Finance Minister that the citizens see, Budget is long exercise of seven to eight months, which involves consultations with various stakeholders, formulating policies by brainstorming, holding meetings with all the Heads of Departments, Corporations, Autonomous Bodies, finalizing of Budget Estimates, drafting of Budget Speech etc. Through this manual, efforts have been made to elaborate each and every aspect of formulation of Budget in the State of Goa along with the relevant Constitutional Provisions, Acts and Rules of the State Government.

I thank Dr. Pramod Sawant, Hon'ble Chief Minister, for being ever supportive towards all the initiatives undertaken by the Budget Division. I also thank Dr. Puneet Kumar Goel, Chief Secretary, Dr. V. Candavelou, Principal Secretary (Finance), Shri. Vikas Gaunekar, Additional Secretary (Finance) and Shri. Dilip Humraskar, Director of Accounts for their support and valuable suggestions. I would also like to thank Vinda, Prasad and Guru, staff of Budget section and Putu Shirodkar from Accounts Department for their efforts, without which this manual would not have been completed.

Dr. Pranab Gajanan Bhat
Under Secretary (Finance-Budget)

INDEX

ABBREVIATIONS

1.	AC	- Abstract Contingency
2.	AG	- Accountant General
3.	GFR	- General Financial Rules
4.	GFRBM	- Goa Fiscal Responsibility and Budget Management
5.	GLA	- Goa Legislative Assembly
6.	BE	- Budget Estimates
7.	C&AG	- Comptroller and Auditor General
8.	CF	- Contingency Fund
9.	CSS	- Centrally Sponsored Schemes
10.	DDO	- Drawing and Disbursing Officer
11.	DFPR	- Delegation of Financial Powers Rules
12.	EAP	- Externally Aided Project
13.	AO	- Accounts Officer
14.	FY	- Financial Year
15.	GFR	- General Financial Rules
16.	MEP	- Monthly Expenditure Plan
17.	PAC	- Public Accounts Committee
18.	PWD	- Public Works Department
19.	RBI	- Reserve Bank of India
20.	RE	- Revised Estimates
21.	SCSP	- Scheduled Caste Sub Plan
22.	SD	- Supplementary Demand
23.	GSDP	- Gross State Domestic Product
24.	TSP	- Tribal Sub Plan

Chapter 1

Introduction

1.1 Annual Financial Statement

The Budget process of our country predates the independence. Budget was first introduced on 7th April, 1860, two years after the transfer of Indian administration from East-India Company to British Crown. The first Finance Member, who presented the Budget, was James Wilson. Mr.Liaquat Ali Khan, Member of the interim Government presented the budget of 1947-48. After Independence, India's first Finance Minister Shri R.K. Shanmukham Chetty, presented the first Budget on 26th November, 1947.

The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. Although the Indian Constitution does not mention the term 'Budget', it provides that the Governor shall, in respect of every financial year, cause to be laid before the Legislative Assembly, a statement of the estimated receipts and expenditure of the Government for that year. This statement known as the 'Annual Financial Statement' is the main fiscal or budgetary document of the Government of Goa.

Under Article 202(1) of the Constitution of India, an Annual Financial Statement showing the estimated receipts and expenditure of the State for every year is laid before the State Legislative Assembly. So much of the estimates of gross expenditure as is not charged upon the Consolidated Fund of the State under the various articles of the Constitution is submitted, in the form of Demands for Grants, to the Assembly which can discuss the estimates, assent, or refuse to assent, to any demand or to assent to any demand subject to reduction of the amount specified therein. So much of the estimates as relates to expenditure charged upon the Consolidated Fund of the State shall not be submitted to the vote of the Assembly but nothing in this clause shall be construed as preventing the discussion in the Assembly of any of those estimates.

The duty of preparing these important Budget Estimates and proposals for grants is laid upon the Finance Department as per Business of the Government of Goa (Allocation) Rules, 1987 framed under Article 166 of the Constitution and it is empowered to obtain from the Departments concerned materials on which these estimates are arrived.

1.2 Financial Year

Financial Year for Government of Goa is from April to March in line with that for Government of India.

1.3 Meaning of the Budget

A State Government budget is defined as a legal document that is passed by the Assembly and assented by the Governor. The two basic elements of any budget are the revenues and expenditure. Unlike a pure economic budget, Government Budget is designed for optimal allocation of scarce resources taking into account larger socio-political considerations.

The main objective of financial management in Government is to determine how well the financial and resource management responsibilities have been discharged. This is based on a comparison of accomplishments against the fiscal policies and the time bound implementation of the Government programmes. These fiscal policies and programmes determine the Budget of the

Government, through which the amounts of revenue to be raised and the allocation of sums for the respective Government programmes and purposes are set. Budgeting therefore, involves determining for a future time period on what is to be done and achieved, the manner in which it is to be done and the resources required for the same. It requires the broad objectives of the Government to be broken down into detailed work plans for each programme and sub- programme, activity and projects for each unit of the Government organization.

Budget preparation in the State is an iterative process between the Finance Department and the administrative Departments. It is a combination of top-down approach with the Finance Department issuing guidelines or communicating instructions to spending Departments, and a bottom-up approach, wherein the spending Departments present requests for budget allocation. Some of the salient features of the Budget are as follows-

1. Budget is prepared on Cash Basis: Whatever is expected to be actually received or paid under proper sanction during a financial year (including arrears of the past years) should be budgeted in that year.

2. Lapse of Budget: All unutilized funds provided in the Budget lapse at the end of the financial year.

3. Realistic Estimation: It is essential that the provisions in the budget should be restricted to the amount required for actual expenditure. The Finance Department is interested in seeing that the Departments do not obtain either more or lesser money than what they really need. If a department has been allotted funds which it does not need, it will deprive some other Department from getting the required resources.

4. Form of Estimates to Correspond to Accounts: It is essential that the form in the Budget Estimates correspond to that of Government accounts as it is from these accounts, that the performance of the Government is judged and the estimation for subsequent year made. If these are prepared in different forms,

financial control and monitoring will also become difficult.

5. Estimates to be on Departmental Basis: Each Department prepares estimates for receipts and expenditure separately. Generally, one Demand or Grant is allocated in respect of each Department.

1.4 Scope of the Budget

The Budget is presented to the Goa Legislative Assembly in such form as the Finance Department may decide after considering the suggestions, if any, made by the other stakeholders. Broadly the Budget documents depict information relating to receipts and expenditure for three years i.e.-

i. Actuals of previous year
ii. Revised Estimates for the current financial year; and
iii. Budget Estimates for the next financial year.

Budget thus sets forth the receipts and the expenditure of the Government for three consecutive years. The Annual Financial Statement shows the receipts and expenditure of Government in three separate parts under which Government accounts are maintained viz. (i) Consolidated Fund of the State (ii) Contingency Fund of the State and the (iii) Public Account.

As per Constitutional provisions (Article 202), the Annual Financial Statement has to distinguish expenditure on revenue account from other expenditure. It, therefore, comprises of Revenue Budget and Capital Budget. Broad break-up of expenditure i.e. expenditure which is part of normal activities of the Government or maintenance expenditure, sectoral allocation, details of resources transferred to other Local Bodies etc. are also reflected in the budget documents.

The expenditure of certain categories, charged on the Consolidated Fund of the State and not being subject to the Vote of the Assembly are also indicated separately in the Budget. The Demands for Grants show separately the revenue and capital, and the charged and voted expenditure. Similarly, estimates of receipts are classified in the tax and non-tax receipts and also those which are on revenue account and others which are on capital account are showed separately.

The Statements presented to the Assembly under the Goa Fiscal Responsibility and Budget Management Act, 2006 (GFRBM) mandate, has further enhanced the scope of Budget to provide an assessment of the growth prospects of the economy, indicate the rolling targets for specific fiscal indicators as well as outline the strategic priorities of the State Government in the fiscal area for the ensuing year.

Chapter 2

Definitions and Glossary of important Budget related terms

1. "Accounts" or "Actuals" of a year – means the amounts of actual receipts and disbursements for the financial year beginning on 1st April and ending on following 31st March, as recorded in the finalized Accounts.

2. "Administrative approval" – means the formal acceptance by the Department concerned of the proposals for an original work to be undertaken for the Department by any administrative Department to which the work relates. It is the formal acceptance thereof by the competent authority for the purpose of incurring expenditure. Taken with the provision of funds in the budget, it operates as a financial sanction to the work during that particular year in which the Administrative Approval is issued.

3. "Administrative Department" - means the Secretariat Department to which the subject under consideration is assigned for disposal under the Business of the Government of Goa (Allocation) Rules, 1987.

4. "Appointing Authorities" - means officers of the State Government exercising the delegated authority of appointing persons to the posts under the State Government.

5. "Annual Financial Statement" - means the statement of the estimated receipts and expenditure of the State for a financial year to be laid before the Assembly in accordance with the provisions of Article 202 of the Constitution and the proposals for the grants and the appropriations included therein. It is commonly known as 'Budget'.

6. "Appropriation" - means the amount authorized by the Assembly for expenditure under different primary units of appropriation or part thereof placed at the disposal of a Disbursing Officer. Appropriation (Charged) means sums required to meet charged expenditure as specified in the Constitution during the financial year concerned, on the services and purposes covered by 'Charged Appropriation.' It does not include provisions for Voted Expenditure.

7. "Appropriation Act" - means the law made under provisions of Article 204 or Article 205 or Article 206 of the Constitution authorising the appropriation of moneys out of the Consolidated Fund of the State.

8. "Appropriation Accounts" – means the accounts of the State prepared by the Directorate of Accounts and finalized by the Comptroller and Auditor-General of India for each grant and charged appropriation in which the amount of the final grant and charged provision included in the Appropriation Acts relating to the financial year and the amount spent in that behalf is indicated. Important variations in the expenditure and the sanctioned grant are explained therein. Under Article 151(2) of the Constitution, the Comptroller and Auditor-General of India submits the Appropriation Accounts, Finance Accounts and the Audit Reports of the State to the Governor to be laid before the Assembly.

9. "Assembly" - means the Goa Legislative Assembly.

10. "Audit Report" – means the report of the Comptroller and Auditor-General of India which contains points of interest arising out of the Finance Accounts of a year, comments on the Appropriation Accounts, Civil Accounts etc. with particular reference to budgeting and control of expenditure, financial irregularities, losses, etc., noticed in audit of expenditure, financial results of Government Departments, Statutory Corporations, Government Companies, Government Commercial and Quasi-Commercial Undertakings, etc.

11. "Budget Estimate" – means the detailed estimates of receipts and expenditure for the Budget year.

12. "Capital Expenditure" - Capital expenditure is the expenditure to obtain, upgrade, manage, fix, or maintain physical assets of the such as plants, land, machinery, technology or buildings.

13. "Charged Expenditure" - means expenditure chargeable upon the Consolidated Fund of the State and provided for in the Appropriation Act without obtaining a vote of the Assembly.

14. "Consolidated Fund of the State" - is defined in Article 266 of the Constitution as "All revenues received by the Government of a State, all loans raised by that Government by the issue of treasury bills, loans or ways and means advances and all moneys received by that Government in repayment of loans shall form one consolidated fund to be entitled "the Consolidated Fund of the State." No moneys out of this Fund can be appropriated except in accordance with the law and for the purposes and in the manner provided in the Constitution."

15. 'Contingency Fund' – means the Contingency Fund of the State established under the Goa Contingency Fund Act, 1988, in terms of Article 267 (1) of the Constitution. Contingency Fund is in the nature of an imprest, the corpus of which is Rs. 100 Crore at present. The Contingency Fund is intended to provide advances to the executive/ Government to meet unforeseen expenditure arising in the course of a year pending its authorization by the Assembly. The amounts drawn from the Contingency Fund are recouped after the Assembly approves it through the Supplementary Demands.

16. "Constitution" - means the Constitution of India.

17. ‘Comptroller and Auditor General’ (C&AG) - means the Comptroller and Auditor General of India.

18. ‘Competent Authority’- means, in respect of the power to be exercised under any of these provisions, the Governor or such other authority to which the power is delegated by or under the General Financial Rules, Delegation of Financial Powers Rules, or any other general or special orders issued by the Government of Goa.

19. ‘Controlling Officer’/ ‘Head of Department’ - means authority for each Major Head or Minor Head, as defined in Goa Delegation of Financial Powers Rules, 2008. They are used in connection with the control of expenditure and receipt. Where the same authority is notified by the Government as Head of Department and Controlling Officer, he shall perform the functions of both.

20. ‘Department of the State Government’ - means a Department of the State Government as notified from time to time and listed in the Business of the Government of Goa (Allocation) Rules, 1987 as amended from time to time.

21. ‘Drawing and Disbursing Officer’ (DDO) – means a Head of Office and also any other Officer so designated by the State Government, to draw bills and make payments on behalf of the State Government. Drawing and Disbursing Officer can also be Head of Department where he himself discharges such function.

22. “Detailed Estimates” - means the consolidated estimates prepared by the Finance Department and included in Budget Estimates on the basis of departmental estimates of expenditure and receipts, combined with the schedules of new expenditure.

23. “Demand for Grant” - means a proposal made on the recommendation of the Governor presented before the Assembly by a Minister for the appropriation of State revenues and other moneys out of the Consolidated Fund of the State to a particular purpose.

24. "Departmental Estimates" - means estimates of receipts and expenditure of a Department submitted to the Finance Department as the material for preparation of the Detailed Estimates.

25. "Detailed Head" - means a division of accounts subordinate to the scheme head indicating object of classification such as salaries, travel expenses etc.

26. "Excess Grant or Appropriation" - means a provision included in an Appropriation Act, passed in accordance with the Constitution after the closure of a financial year, to cover expenditure incurred in excess of the amount previously included in the Appropriation Act or Acts for that year. This finds mention in Article 205(1) (b) of the Indian Constitution. Excess grant is regularized by obtaining approval of the Assembly after recommendation of Public Accounts Committee of the Goa Legislative Assembly.

27. "Finance Accounts' – means an audited presentation of the general accounts of the State Government to the Assembly. It comprises of the accounts of the State Government as a whole.

28. "Fiscal Deficit" - means the difference between the revenue receipts plus non debt capital receipts and the total expenditure including loans, net of repayments. This indicates the total borrowing requirements of Government from all sources.

29. "Fiscal Indicators" - means such figures, proportions, percentages as may be prescribed for evaluation of the fiscal position of the State Government.

30. "Financial sanction" - means the sanction of Government or of an authority to which power has been delegated, for incurring the expenditure of public money for a specified purpose subject to appropriation of funds.

31. “Financial Year” or “Budget Year” - means the year commencing on the 1st April of one calendar year and ending on the 31st March of the next calendar year.

32. ‘Grant’ - means the amount voted by the Assembly in respect of a demand for Grant on a specific service for specific purpose.

33. “Head of Department” - means an officer declared as such by the Government.

34. “Legislature” - means the Goa Legislative Assembly.

35. (i) ‘Major Head’ - means a Major Head of account for the purpose of recording and classifying the receipts and disbursements of the State. A Major Head, particularly the one falling within the Consolidated Fund, generally corresponds to a ‘function’ of Government such as Agriculture, Education, Health, etc.

(ii) “Sub-Major Head” - means an intermediate head of account introduced between a Major Head and the Minor Heads under it, when the Minor Heads are numerous and can conveniently be grouped together under such intermediate Head.

36. (i) ‘Minor Head’ - means a head subordinate to a Major Head or a Sub-Major Head. A Minor Head subordinate to a Major Head identifies a “programme” undertaken to achieve the objectives of the function represented by the Major Head.

(ii) “Sub-Head or Scheme Head” - means a unit of account next subordinate to a Minor Head which normally denotes the scheme or organisation under that Minor Head or programme.

37. (i) “Modified Grant or Appropriation” - means the sum allotted to any Scheme Head of Appropriation as it stands after Re-Appropriation or the sanction of an Additional or Supplementary Grant by competent authority.

(ii) “Supplementary or Additional Grant or Appropriation” - means a provision included in an Appropriation Act, during the course of a financial year, to meet expenditure in excess of the amount previously included in an Appropriation Act for that year.

38. ‘New Service’ - means new form of a service or a new form of expenditure which is contemplated for the first time arising out of a new policy decision and which was not contemplated at the time of preparation of the Annual Financial Statement.

39. ‘New Instrument of Service’- means relatively large expenditure arising out of important expansion of an existing activity.

40. ‘Performance Budget’- is the document prepared and presented annually to the Assembly, reflecting the purposes and objectives for which funds were provisioned, the cost of various programmes and activities proposed for achieving these objectives and quantitative projection of the work performed and services rendered under each programme and activity.

41. “Primary Deficit” – is measured by fiscal deficit less interest payments.

42. ‘Primary unit of appropriation’ – means a primary unit of appropriation referred to in Goa Delegation of Financial Powers Rules, 2008. It is the lowest unit of classification denoting the Objects of Expenditure.

43. ‘Public Accounts’- means the Public Accounts of State referred to in Article 266(2) of the Constitution. The receipts and disbursements such as deposits, reserve funds, remittances etc. which do not form part of the Consolidated Fund of the State are included in the Public Account of State. Disbursements from the Public Account are not subject to vote by the Assembly, as they are not issued out of the Consolidated Fund of the State.

44. ‘Public Accounts Committee’ - is a committee constituted by the Assembly for the examination of the reports of the Comptroller and Auditor General of

India relating to the appropriation accounts of the State Government, the Finance accounts of the State Government or such other accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinize.

45. "Re-Appropriation" - means the transfer, by a competent authority, of savings/ funds from one unit of appropriation to another unit of appropriation within the same Grant to meet the excess expenditure anticipated under the latter unit within the same Grant or Charged Appropriation.

46. "Recurring Charge" - means a charge, which involves a recurring liability for expenditure beyond the financial year in which it is originally incurred.

47. "Revenue Expenditure" - Revenue expenditure is expenditure for the normal running of government departments and various services, interest charges on debt incurred by government, subsidies and so on.

48. "Revenue Deficit" - means the excess of the revenue expenditure over the revenue receipts in a financial year.

49. "Revenue Surplus" - means the excess of revenue receipts over the revenue expenditure.

50. "Revised Estimate" - means an estimate of the probable receipts or expenditure for a financial year prepared in the course of that year with reference to the transactions already recorded for a part of the year and anticipated expenditure for the remainder of the year, in the light of the orders issued or any other relevant facts.

51. "Sanctioned Post" - means the posts which were created by a sanction of the State Government and has not been subsequently abolished or kept in abeyance by an order of the State Government.

52. "Schedule of New Expenditure" - means a statement of items of new expenditure proposed for inclusion in the Budget for the ensuing year.

53. "State Expenditure" - means and includes the following:

(a) Expenditure charged upon the Consolidated Fund of the State, and

(b) Other expenditure incurred from the Consolidated Fund or the Contingency Fund of the State, whether on revenue account or otherwise.

Note 1 — Disbursements under certain Debt, Deposit and Remittance heads in the Public Account as defined in Article 266 of the Constitution, although they involve temporary appropriation of Government Fund, are not regarded as "Expenditure" of the State within the meaning of Article 202 of the Constitution.

Note 2 —Charges classified as Refunds of Revenue are not to be regarded as moneys withdrawn from Consolidated Fund referred to in the Article 204 of the Constitution.

54. "Technical sanction" - means the technical sanction accorded by the competent authority to a properly detailed estimate for work to be done.

55. "Token demand" - means a demand made to the Assembly for a nominal or token sum when, for example, it is proposed to meet the entire expenditure on a new service from savings out of the sanctioned budget grant.

56. "Total Liabilities" - means liabilities upon the Consolidated Fund of the State and Public account of the State.

57. "Supplementary Demands for Grants"- means the statement of supplementary demands laid before the Assembly, showing the estimated amount of further expenditure necessary in respect of a financial year over and above the expenditure authorized in the Annual Financial Statement for that year. The demand for supplementary may be token, technical or substantive.

58. "Voted Expenditure" - means expenditure which is subject to the vote of the Assembly, under Article 203(2) of the Constitution. It is to be distinguished from 'Charged' Expenditure, which is not subject to voting, even though it can be discussed in the Assembly.

59. "Vote on Account" - means a Grant made in advance by the Assembly before the commencement of the ensuing financial year, in pursuance of Article 206(1) (a) of the Constitution in respect of the estimated expenditure for a part of new financial year, pending the completion of the procedure relating to the voting of the Demands for Grants and the passing of the Appropriation Act.

60. "Works Departments" – include Public Works Department, Electricity Department, Water Resources and other similar departments which carry out different kinds of work as per the CPWD Manual.

Chapter 3

Important Constitutional and Legal provisions related to Budget

3.1 Constitutional provisions relating to budget making process in the State of Goa Financial business in the Assembly consists of the Budget comprising of General Budget, Demands for Grant, Vote on Account, Supplementary Demands for Grant, Appropriation Bill and the Finance Bill. The salient Constitutional and legal provisions that shape and guide the budgeting systems and process in the State are outlined in brief as under-

Article 149- Duties and powers of the Comptroller and Auditor General

The Comptroller and Auditor General shall perform such duties and exercise such powers in relation to the accounts of the Union and of the States and of any other authority or body as may be prescribed by or under any law made by Parliament and, until provision in that behalf is so made, shall perform such duties and exercise such powers in relation to the accounts of the Union and of the State as were conferred on or exercisable by the Auditor General of India immediately before the commencement of this Constitution in relation to the accounts of the Dominion of India and of the Provinces respectively.

Article 150- Form of accounts of the Union and of the States

The accounts of the Union and of the States shall be kept in such form as the President may, on the advice of the Comptroller and Auditor General of India, prescribe.

Article 151(2)- Audit reports

The reports of the Comptroller and Auditor General of India relating to the accounts of a State shall be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State.

Article 198- Special procedure in respect of Money Bills

(1) A Money Bill shall not be introduced in a Legislative Council.

(2) After a Money Bill has been passed by the Legislative Assembly of a State having a Legislative Council, it shall be transmitted to the Legislative Council for its recommendations, and the Legislative Council shall within a period of fourteen days from the date of its receipt of the Bill return the Bill to the Legislative Assembly with its recommendations, and the Legislative Assembly may thereupon either accept or reject all or any of the recommendations of the Legislative Council.

(3) If the Legislative Assembly accepts any of the recommendations of the Legislative Council, the Money Bill shall be deemed to have been passed by both the Houses with the amendments recommended by the Legislative Council and accepted by the Legislative Assembly.

(4) If the Legislative Assembly does not accept any of the recommendations of the Legislative Council, the Money Bill shall be deemed to have been passed by both the Houses in the form in which it was passed by the Legislative Assembly without any of the amendments recommended by the Legislative Council.

(5) If a Money Bill passed by the Legislative Assembly and transmitted to the Legislative Council is not returned to the Legislative Assembly within the said period of fourteen days, it shall be deemed to have been passed by both the Houses at the expiration of the said period in the form in which it was passed by the Legislative Assembly.

Article 199- Definition of "Money Bills''

(1) A Bill shall be deemed to be a Money Bill if it contains only provisions dealing with all or any of the following matters, namely:-

(*a*) the imposition, abolition, remission, alteration or regulation of any tax;

(*b*) the regulation of the borrowing of money or the giving of any guarantee by the State, or the amendment of the law with respect to any financial obligations undertaken or to be undertaken by the State;

(*c*) the custody of the Consolidated Fund or the Contingency Fund of the State, the payment of moneys into or the withdrawal of moneys from any such Fund;

(*d*) the appropriation of moneys out of the Consolidated Fund of the State;

(*e*) the declaring of any expenditure to be expenditure charged on the Consolidated Fund of the State or the increasing of the amount of any such expenditure;

(*f*) the receipt of money on account of the Consolidated Fund of the State or the public account of the State or the custody or issue of such money or

(*g*) any matter incidental to any of the matters specified in sub-clauses (*a*) to (*f*).

(2) A Bill shall not be deemed to be a Money Bill by reason only that it provides for the imposition of fines or other pecuniary penalties, or for the demand or payment of fees for licences or fees for services rendered, or by reason that it provides for the imposition, abolition, remission, alteration or regulation of any tax by any local authority or body for local purposes.

(3) If any question arises whether a Bill introduced in the Legislature of a State which has a Legislative Council is a Money Bill or not, the decision of the Speaker of the Legislative Assembly of such State thereon shall be final.

(4) There shall be endorsed on every Money Bill when it is transmitted to the Legislative Council under article 198, and when it is presented to the Governor for assent under Article 200, the certificate of the Speaker of the Legislative Assembly signed by him that it is a Money Bill.

Article 202- Annual financial statement

(1) The Governor shall in respect of every financial year cause to be laid before the House or Houses of the Legislature of the State a statement of the estimated receipts and expenditure of the State for that year, in this part referred to as the “Annual Financial Statement”.

(2) The estimates of expenditure embodied in the Annual Financial Statement shall show separately—

(a) the sums required to meet expenditure described by this Constitution as expenditure charged upon the Consolidated Fund of the State; and

(b) the sums required to meet other expenditure proposed to be made from the Consolidated Fund of the State;

and shall distinguish expenditure on revenue account from other expenditure.

(3) The following expenditure shall be expenditure charged on the Consolidated Fund of each State-

(a) the emoluments and allowances of the Governor and other expenditure relating to his office;

(b) the salaries and allowances of 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 State is liable including interest, sinking fund charges and redemption charges, and other expenditure relating to the raising of loans and the service and redemption of debt;

(d) expenditure in respect of the salaries and allowances of Judges of any High Court;

(e) any sums required to satisfy any judgment, decree or award of any court or arbitral tribunal;

(f) any other expenditure declared by this Constitution, or by the Legislature of the State by law, to be so charged.

Article 203- Procedure in Legislature with respect to estimates

(1) So much of the estimates as relates to expenditure charged upon the Consolidated Fund of a State shall not be submitted to the vote of the Legislative Assembly, but nothing in this clause shall be construed as preventing the discussion in the Legislature of any of those estimates.

(2) So much of the said estimates as relates to other expenditure shall be submitted in the form of Demands for Grants to the Legislative Assembly, and the Legislative Assembly shall have power to assent, or to refuse to assent, to any demand or to assent to any demand subject to a reduction of the amount specified therein.

(3) No Demand for a Grant shall be made except on the recommendation of the Governor.

Article 204- Appropriation Bills

(1) As soon as may be after the Grant under Article 203 have been made by the Assembly, there shall be introduced a Bill to provide for the appropriation out of the Consolidated Fund of the State of all moneys required to meet—

(a) the Grants so made by the Assembly; and

(b) the expenditure charged on the Consolidated Fund of the State but not exceeding in any case the amount shown in the statement previously laid before the House or Houses.

(2) No amendment shall be proposed to any such Bill in 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 the State and the decision of the person presiding as to whether an amendment is inadmissible under this clause shall be final.

(3) Subject to the provisions of Articles 205 and 206, no money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of this article.

Article 205- Supplementary, additional or excess grants

(1) The Governor shall—

(a) if the amount authorized by law made in accordance with the provisions of Article 204 to be expended for a particular service for the current financial year is found to be insufficient for the purposes 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 the House or the Houses of the Legislature of the State another statement showing the estimated amount of that expenditure or cause to be presented to the Legislative Assembly of the State a demand for such excess, as the case may be.

(2) The provisions of Articles 202, 203 and 204 shall have effect in relation to any statement and expenditure or demand and also to any law to be made authorizing the appropriation of moneys out of the Consolidated Fund of the 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 authorization of appropriation of moneys out of the Consolidated Fund of the State to meet such expenditure or grant.

Article 206- Vote on Account, Vote of Credit and exceptional grants

(1) Notwithstanding anything in the foregoing provisions of this Chapter, 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 203 for the voting of such grant and the passing of the law in accordance with the provisions of Article 204 in relation to that expenditure;

(b) to make a grant for meeting an unexpected demand upon the resources of the State when on account of the magnitude or the indefinite character of the service the demand cannot 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 the Legislature of the State shall have power to authorize by law the withdrawal of moneys from the Consolidated Fund of the State for the purposes for which the said Grants are made.

(2) The provisions of Article 203 and 204 shall have effect in relation to the making of any Grant under clause (1) and to any law to be 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 authorization of appropriation of moneys out of the

Consolidated Fund of the State to meet such expenditure.

Article 207- Special provisions as to Finance Bill

(1) A Bill or amendment making provision for any of the matters specified in sub- clauses (a) to (f) of clause (1) of Article 199 shall not be introduced or moved except on the recommendation of the Governor, and a Bill making such provision shall not be introduced in a Legislative Council, Provided that no recommendation shall be required under this clause for the moving of an amendment making provision for the reduction or abolition of any tax.

(2) A Bill or amendment shall not be deemed to make provision for any of the matters aforesaid by reason only that it provides for the imposition of fines or other pecuniary penalties, or for the demand or payment of fees for licenses or fees for services rendered, or by reason that it provides for the imposition, abolition, remission, alteration or regulation of any tax by any local authority or body for local purposes.

(3) A Bill which, if enacted and brought into operation, would involve expenditure from the Consolidated Fund of a State shall not be passed by a House of the Legislature of the State unless the Governor has recommended to that House the consideration of the Bill.

Article 265- Taxes not to be imposed save by authority of law

No tax shall be levied or collected except by authority of law.

Article 266- Consolidated Funds and Public Accounts of India and of the States

(1) Subject to the provisions of Article 267 and to the provisions of this Chapter with respect to the assignment of the whole or part of the net proceeds of certain taxes and duties to States, all revenues received by the Government of India, all loans raised by that Government by the issue of

treasury bills, loans or ways and means advances and all moneys received by that Government in repayment of loans shall form one consolidated fund to be entitled “ the Consolidated Fund of India”, and all revenues received by the Government of a State, all loans raised by that Government by the issue of treasury bills, loans or ways and means advances and all moneys received by that Government in repayment of loans shall form one consolidated fund to be entitled “the Consolidated Fund of the State”.

(2) All other public moneys received by or on behalf of the Government of India or the Government of a State shall be credited to the public account of India or the public account of the State, as the case may be.

(3) No moneys out of the Consolidated Fund of India or the Consolidated Fund of a State shall be appropriated except in accordance with law and for the purposes and in the manner provided in this Constitution.

Article 267(2) - Contingency Fund

The Legislature of a State may by law establish a Contingency Fund in the nature of an imprest to be entitled “the Contingency Fund of the State” in to which shall be paid from time to time such sums as may be determined by such law, and the said Fund shall be placed at the disposal of the Governor of the State to enable advances to be made by him out of such Fund for the purposes of meeting unforeseen expenditure pending authorization of such expenditure by the Legislature of the State by law under Article 205 or Article 206.

Article 280- Finance Commission

The President shall, within two years from the commencement of this Constitution and thereafter at the expiration of every fifth year or at such earlier time as the President considers necessary, by order constitute a Finance Commission which shall consist of a Chairman and four other members to be appointed by the President. It shall be the duty of the Commission to make recommendations to the President relating to—

(a) the distribution between the Union and the States of the net proceeds of taxes which are to be, or may be, divided between them under this Chapter and the allocation between the States of the respective shares of such proceeds;

(b) the principles which should govern the grants-in-aid of the revenues of the States out of the Consolidated Fund of India;

(*bb*) the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats in the State on the basis of the recommendations made by the Finance Commission of the State;

(c) the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Municipalities in the State on the basis of the recommendations made by the Finance Commission of the State;

(d) any other matter referred to the Commission by the President in the interests of sound finance.

The Commission shall determine their procedure and shall have such powers in the performance of their functions as Parliament may by law confer on them.

Article 281- Recommendations of the Finance Commission

The President shall cause every recommendation made by the Finance Commission under the provisions of this Constitution together with an explanatory memorandum as to the action taken thereon to be laid before each House of Parliament.

Article 283(2)- Custody of Consolidated Funds, Contingency Funds and moneys credited to the public accounts

The custody of the Consolidated Fund of a State and the Contingency Fund of a State, the payment of moneys into such Funds, the withdrawal of moneys there from, the custody of public moneys other than those credited to such Funds received by or on behalf of the Government of the State, their payment into the public account of the State and the withdrawal of moneys from such account and all other matters connected with or ancillary to matters aforesaid shall be regulated by law made by the Legislature of the State, and, until provision in that behalf is so made, shall be regulated by rules made by the Governor of the State.

Article 284- Custody of suitors' deposits and other moneys received by public servants and courts

All moneys received by or deposited with—

(a) any officer employed in connection with the affairs of the Union or of a State in his capacity as such, other than revenues or public moneys raised or received by the Government of India or the Government of the state, as the case may be, or

(b) any court within the territory of India to the credit of any cause, matter, account or persons, shall be paid into the public account of India or the public account of the State, as the case may be.

Article 293- Borrowing by States

(1) Subject to the provisions of this article, the executive power of a State extends to borrowing within the territory of India upon the security of the Consolidated Fund of the State within such limits, if any, as may from time to time be fixed by the Legislature of such State by law and to the giving of guarantees within such limits, if any, as may be so fixed.

(2) The Government of India may, subject to such conditions as may be laid down by or under any law made by Parliament, make loans to any State or, so long as any limits fixed under Article 292 are not exceeded, give guarantees in respect of loans raised by any State, and any sums required for the purpose of making such loans shall be charged on the Consolidated Fund of India.

(3) A State may not without the consent of the Government of India raise any loan if there is still outstanding any part of a loan which has been made to the State by the Government of India, or by its predecessor Government or in respect of which a guarantee has been given by the Government of India or by its predecessor Government.

(4) A consent under clause (3) may be granted subject to such conditions, if any, as the Government of India may think fit to impose.

3.2 Provisions in the Business of the Government of Goa (Allocation) Rules, 1987

As per provisions in the Business of the Government of Goa (Allocation) Rules, the subjects “Budget”, “Contingency Fund”, “Goa Delegation of Financial Power Rules, 2008” shall be dealt by Finance (Budget) Division.

3.3 Provisions in the Rules of Business of Government of Goa, 1991

As per rule 7(1) Unless the case is fully covered by the power to sanction expenditure or to appropriate or re-appropriate funds conferred by any general or special orders made by the Finance Department, no Department shall, without the previous concurrence of the Finance Department, issue any order, which may

(a) involve any abandonment of revenue or involve any expenditure for which no provision has been made in the appropriation Act;

(b) involve any grant of land or assignment of revenue or concession, grant, lease or license in respect of mineral or forest rights or rights to water, power or any easement or privilege;

(c) relate to the creation or abolition of posts, fixation of strength of a service; or

(d) otherwise have a financial bearing whether involving expenditure or not.

(2) No proposal which require previous concurrence of the Finance Department under this rule, but in which the Finance Department has not concurred, may be proceeded with unless a decision to that effect has been taken by the Council.

(3) No re-appropriation shall be made by any Department, other than the Finance Department, except in accordance with such general delegation of power of re-appropriation as the Finance Department may have made.

(4) Every order of a Department conveying a sanction to be enforced in audit shall be communicated to the audit authorities by the sanctioning authority direct;

Provided that where the sanction is in respect of a matter which is not covered by power delegated to the Department under rules approved by the Finance Department, the number and date of the communication conveying the concurrence of the Finance Department shall be indicated in the sanction, and a copy of the sanction shall be endorsed to the Finance Department.

(5) Nothing in this rule shall be construed as authorizing any authority or Department, including the Finance Department-

(a) To make re-appropriation from one grant or Appropriation for charged expenditure to another grant of Appropriation for charged expenditure;

(b) To re-appropriate funds provided for charged expenditure to meet votable expenditure;

(c) To re-appropriate funds provided for voted expenditure to meet charged expenditure;

(d) To appropriate or re-appropriate funds to meet expenditure on a new service not contemplated in the budget as approved by the legislature Assembly.

Chapter 4

Organizational Aspects

In this Chapter, the role played by various organs of the State and organizations in the Budget making process is elucidated in brief.

4.1 Roles and responsibilities of the Goa Legislative Assembly

The Legislative control over public finances becomes operative primarily through the approval of the Annual Budget. This enormous responsibility of spending public funds falls upon the Government as well as the Legislative Assembly. While the Government is responsible for planning how public money should be spent, the Assembly's duty as the people's representative body is, to observe and scrutinize the Government's proposals and policies. For such Legislative control over the financial procedures, *Articles 202, 265 and 266 of the Indian Constitution* clearly vests "the power over the purse in the hands of chosen representatives" by providing that "no tax shall be levied or collected except by authority of law, no expenditure can be incurred except with the authorization of the Legislature; and Governor shall, in respect of every financial year, cause to be laid before the House of Legislature of the State, "Annual Financial Statement".

Thus, the Government of Goa is accountable to the Goa Legislative Assembly in its financial management. With the constitutional supremacy of the Legislative Assembly, every single financial act is processed and passed by the representatives of the people. However, proposals for the formulation of budget, levying taxes, determining Government accounts and expenditures, are prepared by the Government's Departments and consolidated in the Finance Department.

The Annual Financial Statement, presented before the Assembly, constitutes the Budget of the Goa Government. This statement takes into account a period of one financial year, which commences on April 1st each year. The statement embodies the estimated receipts and expenditure of the Government of Goa for the financial year. The Budget is conceptually divided into two sections, i.e. budget for current expenditures, known as the budget on revenue account, and a capital budget for infrastructure/ investment expenditure on economic and social development etc. The estimates of expenditure included in the Budget and required to be voted by the Assembly are presented in the form of Demands for Grants. These Demands are arranged Department-wise and a separate Demand for each of the major services is presented. Each Demand contains first a statement for the total grant and then a statement of the detailed estimates divided into items.

The Legislative procedures relating to the budgetary process are indicated in Chapter XIX (Rule 254 to 269) of Rules of Procedure and Conduct of Business of the Goa Legislative Assembly (Appended as Annexure –I).

4.2 Summary for the State Cabinet

Just before the presentation of the Budget in the Assembly, a meeting of the Cabinet is called. The Finance Minister briefs the Cabinet on the budget proposals and the Finance Bill. Finance (Budget) Department prepares summary in the 'Note for the Cabinet' outlining in brief the Revised Estimates proposals, the Budget proposals for the ensuing year including the revenue expenditure and capital expenditure provisions, the estimated Receipts and the brief on the compliance with the relevant provisions of the Goa Fiscal Responsibility Budget Management Act and Rules.

The 'Note for the Cabinet' also includes the new initiatives, fresh proposals and miscellaneous financial provisions as proposed through the Finance Bill or new Taxation Bills or Amendment Bills of relevant Taxation

Acts. The Cabinet note is approved by the Finance Minister before being taken to the Cabinet. Immediately after the briefing of the Cabinet by the Finance Minister, the Budget is taken up for presentation in the Assembly.

4.3 Budget Presentation

While presenting the Budget on the scheduled day in the Assembly, the Finance Minister makes a speech giving *inter alia* details of the proposals for the new financial year regarding taxation, borrowings and expenditure plans of the Government. The Budget Speech is largely a policy document whereby the Finance Minister states the salient features of the financial administration of the year ending and the year for which Budget is presented. The main purpose however is to focus attention on the policies and programmes of the Government that are proposed to be implemented during the forthcoming budget year. Copies of the Finance Minister’s speech are supplied to all members of the Legislative Assembly as soon as the presentation of the budget begins in the Legislative Assembly. No discussion takes place on the day the Budget is presented.

4.4 General discussions

As per the Legislative Procedures, the General Discussions on Budget is held on a day appointed by the Speaker, subsequent to the day of presentation of the Budget and for such period of time as the Speaker may decide. The House is at liberty to discuss the budget as a whole or any question of principle involved therein, but no motion can be moved at the time of General Discussion. The Finance Minister has a right to reply at the end of the discussions. The scope of discussion at this stage is confined to general examination of budget, policy of taxation as expressed in the Budget speech of the Finance Minister and general schemes and structure etc. Specific points or grievances can be discussed on the floor of the House when it takes up relevant Demands for Grants or the Finance

Bill or new Taxation Bills or Taxation Amendment Bills. Usually, Heads of Departments take a note of the important points pertaining to their Departments for preparing reply of the Finance Minister to General Discussion.

4.5 Cut- Motions

After the General Discussion, the Demands for Grants of individual Departments are taken up for discussion as per the time table fixed by the Speaker and voted upon. When a Demand is taken up for discussion, any Member may seek reduction in the amount of the Demand by moving any of the following types of 'Cut Motions', a notice for which should have been given by him earlier-

(a) Disapproval of Policy Cut:- by moving "that the amount of the Demand be reduced to Rs. 1/-", thus representing disapproval of the policy underlying the demand. The Member giving notice of 'Disapproval of Policy Cut' indicates in precise terms the particulars of the policy which he proposes to discuss. The discussion is confined to the specific points mentioned in the notice and it is open to the member to advocate an alternative policy.

(b) Economy Cut:- by moving "that the amount of the demand be reduced by a specified amount" representing the economy that can be effected. The Member giving notice of 'Economy Cut' may indicate either a lump sum reduction in the Demand or omission or reduction of an item. He, briefly and precisely indicates the particular matter on which discussion is sought to be raised and his speech has to be confined to that matter as to how economy can be effected; and

(c) Token Cut:- by moving "that the amount of the demand be reduced by Rs. 100/-" in order to ventilate a specific grievance, which is in the sphere of the responsibility of the Government. The discussion is limited to a particular grievance specified in the motion.

Advance copies of Cut Motions are sent to the concerned Department for preparation of briefs thereon for the respective Minister's use. Normally, Notes on each and every Cut Motions are not required to be prepared. It is for the concerned Department to select such Motions which are important and prepare Notes thereon for the Minister's use. Cut motions are generally replied by the Minister concerned.

4.6 Guillotine:-

On the last day of the days allotted for discussion on the Demands for Grants, at the time fixed in advance, the Speaker can put all the outstanding Demands for Grants to the vote of the House. This process is known as 'Guillotine' and is a device for bringing the debate on financial proposals to an end within a specified time with the result that several Demands have to be voted by the House without discussions.

When time for applying the Guillotine is reached, the Member or the Minister who is in possession of the House is asked by the Speaker to resume his seat. Cut Motions which have been moved are immediately put to vote and disposed off. Ministers concerned with the Departments whose Demands for Grants are guillotined should be present in the House so that they are available to provide replies on the points which may be raised by Members.

4.7 Appropriation Bill

Voting of Grants by the Assembly does not by itself authorize the issue of money out of the Consolidated Fund of the State. The Constitution states that "no money shall be withdrawn from the Consolidated Fund of the State except under Appropriation made by law". This Appropriation Act passed by the assembly is the sole authority for the appropriation of money from the Consolidated Fund of the State. Therefore, after the Demands for Grants are voted and passed by the Assembly, an Appropriation Bill is introduced in the Assembly by the Finance Minister seeking to "authorize payment and appropriation of the sums so voted, as well as those required for meeting the charged expenditure from and out of the Consolidated Fund of the State for the services during the financial year". Thereafter, the Bill is considered and passed by the Assembly.

Appropriation Bill for withdrawals from the Consolidated Fund of the State is introduced in the Assembly with the prior approval of the Governor. The scope of debate on an Appropriation Bill relating to Demands for Grants for the financial year after remaining demands have been guillotined is restricted to important matters or administrative policy implied in the grants covered by the Bill which have not already been raised while relevant Demands for Grants were discussed in the House.

4.8 Finance Bill

In Union Government, all new taxation proposals are given effect to by introduction and passing of the Finance Bill which contains amendments to existing provisions in different Taxation Acts. In Goa, generally there is no consolidated Finance Bill and new taxation proposals are given effect to by introducing separate amendment bills to the different Taxation Acts or by introducing a new Taxation Bill.

4.9 Vote on Account

Since the whole process beginning with the presentation of the budget and ending with discussion and voting on the Demands for Grants require sufficiently long time, a provision has been made in the Constitution which empowers the Assembly to make any Grant in advance in respect of the estimated expenditure for a part of the financial year pending completion of procedure for the voting of the Demands. The purpose of ‘Vote on Account’ is to keep Government functioning, pending the voting of final supply. As a convention, Vote on Account is treated as a formal affair and passed by the Assembly without any discussion. Generally, Vote on Account is taken up when the regular Budget is not presented.

4.10 Role of the Executive in the Budget process

The executive authority of the State Government is vested in the Governor of Goa who exercises this authority either directly or through officers in accordance with Constitutional provisions. However, the Governor has been placed under a firm Constitutional obligation to act in accordance with the advice tendered by the Council of Ministers headed by the Chief Minister, which is collectively responsible to the Assembly. Each Minister holding a portfolio for formulating departmental policies is individually responsible (as part of collective responsibility) to oversee the implementation and ensure the efficient working of the administrative machinery under his charge.

To enable Finance Department to prepare the budget for the financial year, its own estimating authorities and those of other Departments are required to prepare their Detailed Estimates. The estimates are prepared separately for Revenue and Capital expenditure. The Detailed Estimates of expenditure are prepared by the estimating authorities according to their assessment of requirements for the ensuing year, keeping in view the actuals of the past years, trends of expenditure in the current year, arrears of previous years and the policy decisions taken by the Government. For framing the Detailed Estimates, the estimating authorities are expected to assess their receipts and expenditure requirements with good care. They are required to be judicious to avoid any extravagance in making provisions and under estimation of receipts, since these may lead to avoidable tax burden or exclusion of some important items of expenditure for which provision could have been otherwise made. Under estimation of expenditure or over estimation of receipts may similarly result in undesirable deficit increase.

From the Detailed Estimates, the Demands for Grants are prepared and then the figures of receipts and expenditure are grouped under each Major Head of account for including the same in the 'Annual Financial Statement'. Before the Annual Financial Statement is finalized, new tax proposals, if any, are formulated and their effects are reflected in the Statement.

The Annual Financial Statement of receipts and expenditure of the Government is required to be placed before the Assembly which, in each case, confers specific authority for raising revenue through taxation and incurring expenditure. In this regard, no tax can be levied or collected except by authority of law while, similarly, no moneys can be appropriated from the Consolidated Fund except in accordance with law and for the purposes and in the manner provided in the Constitution. The roles of the different Departments and organizations in the budget preparation process are briefly mentioned as under-

4.11 Finance Department

The Finances of the Government have traditionally been controlled by the Finance Department. With the phenomenal growth and the complexity of the Government activities, several powers have been delegated to Administrative Departments, but the Finance Department continues to have the overall responsibility of co-ordination and control. The Finance Minister, assisted, inter-alia, by the Finance (Budget) Department, has the responsibility for producing the Budget, in the form of the Annual Financial Statement and such supplementary budgets as may be needed during a year for the Government as well as the other budget documents.

The Finance Department is responsible for issuing all instructions and guidelines for the preparation of Budget Estimates and for monitoring the timely receipt of the same from all the Departments concerned. The Finance Department has issued detailed regulations on budgetary procedures, financial management and control to be followed uniformly in the Government of Goa.

The Finance Department has the prime responsibility for the preparation and submission of Annual Budget to the Assembly, as well as the Supplementary Demands for Grants and the Demands for Excess Grants. Besides, it is also responsible for dealing with all issues relating to Public Debt, market loans of the State Government and the fixation of terms and conditions of lending by the State Government, fixing the administered interest rates and keeping a watch on the Ways and Means position of the State Government. The major functions of the Finance Department, inter alia, includes:-

i. Cash Management including Ways and Means, Overdraft from RBI etc.
ii. Preparation of State Budget including Supplementary/ Excess Grants.
iii. Market Borrowing Programme of the State Government and Government Guaranteed Institutions.
iv. Fixing of interest rates for State Government’s borrowings and lending.
v. Contingency Fund of the State and administration of the Contingency Fund.
vi. Monitoring of budgetary position of the State Government.
vii. Regulation of Expenditure.
viii. Submission of Accounts of State Finances.

4.12 Budget Related Functions

The Finance (Budget) Department functions under the supervision of Finance Secretary. In addition to work of routine administrative nature and the vertical assignment of responsibilities to each officer and staff, all the officers and staff in the Department are responsible for budgetary matters pertaining to the Demands for Grants and allied subjects of different Departments of State Government allocated to them.

The prime responsibility of the Department relates to the 'Scrutiny of Receipt and Expenditure Estimates' in the process of preparation of Budget Estimates and Revised Estimates, and examination of related Statements/ Annexes of various budget documents. Although the Detailed Estimates of receipts and expenditure are prepared by the Administrative Departments in the prescribed forms and furnished to the Finance (Budget) Department, the actual preparation of the budget and the estimates for all the Departments of Government is the responsibility of Finance (Budget) Department. The Heads of Departments formulate their estimates solely based on their requirements for the year. However, Finance Department finalizes the estimates taking into the consideration the overall receipts and borrowings of the entire Government. Thus, Finance Department formulates the budget considering the overall scenario of receipts, borrowings and expenditure of the State taken as a whole, unlike departments who are unaware of the requirements of other departments' needs.

On receipt of the departmental estimates, Budget division examines the estimates item by item with due regard to the explanations furnished by the Heads of Departments and the trends of actual expenditure/ receipt during the current year. In respect of the estimates of receipts, the Finance (Budget)

Department takes into account the special information affecting the estimates for the forthcoming year, which it may possess and which has not already been taken into account by the estimating authorities.

In respect of the estimates of expenditure, the Department does a close scrutiny of the items relating to fluctuating and non-recurring charges and usually should not allow any increase that is not adequately explained or justified. Similar scrutiny of non-recurring charges is required to ensure that the estimates are arrived at only after the completion of the processes of appraisals and approvals/ sanctions of the competent authorities. The purpose here is to reduce or eliminate the estimated provisions where there is no reasonable certainty that the amount estimated will be spent. It also does a detailed scrutiny and makes such corrections as are necessary in the classification of receipts and expenditure under the various Major Heads, Voted/ Charged and Revenue/ Capital sections. In the course of examination, Finance Department may find and take needful action wherever in respect of particular items, seek further explanation or clarifications etc. which are necessary before the estimates can be settled.

After the scrutiny of each departmental estimates, Finance Department adopts figures for each item included in the estimates and cause the estimates so adopted to be compiled in the form it appears in the various budget documents. After all the departmental estimates are settled and the Detailed Estimates are completed in all respects, it examines the estimates as a whole in order to assess the overall consolidated position. It can also carry out other such changes as may be found necessary to meet the GFRBM targets of deficits, contemplated assistance to other Government organizations or any other financial factor affecting the estimates etc. At any stage before the Budget is presented to the

Assembly, Finance Department can make such modifications in the estimates as may be necessitated by the emergence of factors affecting the estimates so far framed. Such action is required to fulfill its responsibility to present the estimates as correctly as possible.

Finance Department is also concerned with expenditure related financial policies of the Government. The concept of expenditure management implies not only limiting expenditure within bounds dictated by prudence, but also ensuring proper inter-sectoral allocation and utilization of existing assets, both financial and physical, including manpower resources, for the optimal benefits and impact in achieving the desired objectives. The role of Finance Department is towards becoming a more pro-active and positive interface between the Department and the other Departments/ organizations of the State Government.

While the estimates of expenditure are furnished to Finance (Budget) Department in stages, the estimates for each Department are finalized by Finance Department subsequently around January in each year. The Departments are instructed to frame the estimates keeping note of the past performance, the stages of formulation/ implementation of various schemes, the institutional capacity of the implementing agencies to implement the schemes as scheduled, constraints on spending by the spending agencies, and most importantly, the quantum of Government assistance unutilized etc. with a view to minimize the scope for surrenders at a later stage.

4.13 Administrative Departments

The basic responsibility for the administration of each Department's activities is entrusted to the Head of the Department concerned, who is guided and controlled by the Administrative Department. In financial matters, each Head of the Department is thus responsible for the collection of revenue and control of expenditure pertaining to his department, the receipt and disbursement of which occurs at various places and through various persons/ authorities. The

Departments also exercise financial control over Public Enterprises set up under each of them. The Secretary of each Department discharges this function through and with the assistance of the Head of Department and Accounts Officer posted in the Department.

4.14 Role of Accounts Officers

In view of the volume of expenditure particularly in regard to large projects and programmes, the system of 'Accounts Officers' has been established at the State level. This system ensures the availability of in-house expert advice to Administrative Departments. For speedy and effective discharge of their functions in financial matters which include planning, programming, budgeting, internal control, monitoring and evaluation, an Accounts Officer is attached to each Administrative Department. The Accounts Officers, as the representatives of Directorate of Accounts, act both as internal and external Accounts Officer in the respective Department. They function as internal officers in aiding the Heads of Departments in exercising the powers delegated to the Departments under the Delegation of Financial Powers Rules and act as external officers on behalf of the Accounts Department in respect of matters outside the delegated financial powers of the Administrative Department.

Accounts Officers of each Department should keep a watch over the progress of expenditure and report to the departmental head concerned immediately if there is the likelihood of any Grant being exceeded. Such financial surveillance provides an additional control mechanism to enable timely action by the executive. The Accounts Officers act as the nodal points within their respective Departments for all activities relating to Budget and its evaluation. The tasks of Accounts Officers on the subject of Budget formulation is as follows-

The Accounts Officers are responsible for assisting Administrative Departments for Budget formulation. The Accounts Officers' mandate is to bring about more analytical inputs into the budget formulation process, for improved budgeting and facilitating movement from 'itemised' to 'budgetary' control of expenditure. In the present system which relies largely on previous year's programme allocations and continuing commitments without any real evaluation and expenditure analysis, the Accounts Officers are required to assist the Administrative Departments in moving towards zero based budgeting and assist in better inter-se programme prioritization/ allocation within the indicated budgetary ceilings, based on analysis of expenditure profiles of each programme/ sub-programme and information on cost centres/ drivers, assessment of output, outcome and performance as well as the status of the projects/ programmes. The other concerned officers support them in this function. Such an analysis at the time of initial budget formulation should, over a period of time, help in hard budget constraints and reduce reliance on Supplementary Demand.

As the Accounts Officers' internal budgetary exercise becomes more rigorous, their involvement in Finance Department's budgetary processes will increase. The Accounts Officers also have significant role relating to the allied issues of GFRBM related tasks, Expenditure and Cash Management, Project/ programme formulation, appraisal, monitoring and evaluation, screening of proposals, leveraging of non- budgetary resources for sectoral development, Non tax receipts, Tax expenditure etc.

4.15 Accountability checks on Executive

4.15.1 The roles and procedures relating to the Standing Committees of the Assembly

The Legislative control over public expenditure is not limited to the voting of moneys required by Government for carrying on the administration but also extends to ensuring prudent expenditure on Plans and programmes approved by the Assembly for the achievement of underlying objectives. Even though the Assembly discusses Demands for Grants for a sufficiently long time yet it is almost impossible to scrutinize expenditure proposals effectively or minutely.

Having voted large sums of money, Assembly expects a detailed account of how the money has been spent, to satisfy itself that the money so voted were directed to intended purpose and were spend prudently and economically. It is difficult for the Assembly to examine in detail the Accounts which are complex and technical in nature. In order to exercise effective control over public expenditure, it has set up four financial Committees viz. Public Accounts Committee, Estimates Committee, Budget Committee and Committee on Public Undertakings. These Committees serve as the principal tool of Legislative control over Government activities and have assumed a position of great importance in implementing the principle of accountability by keeping an un-remitting vigil over Government spending and performance, and bringing to light inefficiencies, waste and indiscretion in the implementation of programmes and policies approved by the Assembly.

4.15.2 Public Accounts Committee

Functions of the Committee:- The Public Accounts Committee (PAC) is entrusted with the following functions:-

(1) In scrutinizing the Appropriation Accounts of the Government of Goa and the report of the Comptroller and Auditor General, it shall be the duty of the Committee to satisfy itself-

  (a) that the moneys 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) that the expenditure conforms to the authority which governs it; and

(c) that every Re-Appropriation has been made in accordance with the provisions made in this behalf under rules framed by competent authority.

(2) It shall also be the duty of the Committee -

(a) to examine the statement of accounts showing the income and expenditure of State corporations, trading and manufacturing schemes and projects together with the balance sheets and statements of profit and loss accounts which the Governor may have required to be prepared or are prepared under the provisions of the statutory rules regulating the financing of a particular corporation, trading or manufacturing scheme or project and the report of the Auditor General thereon;

(b) to examine the statement of accounts showing the income and expenditure of autonomous and semi-autonomous bodies, the audit of which may be conducted by the Comptroller and Auditor General either under the directions of the Governor or by a statute; and

(c) to consider the report of the Comptroller and Auditor General in cases where the Governor may have required him to conduct an audit of any receipts or to examine the accounts of stores and stocks.

Constitution of Committee:- (1) The Committee shall consist of not more than seven members, who shall be nominated by the Speaker after every 2 years from amongst the members of the house keeping in view the proportional strength of the respective political parties;

Provided that no Minister shall be appointed a member of the Committee and if the member of the Committee is appointed as Minister, he shall cease to be a member of the Committee from the date of such appointment,

(2) The Chairman shall be nominated by the Speaker from amongst the Members from largest Opposition party.

Examination by the Committee:- As an instrument of legislative surveillance over the Executive, the PAC has a very effective role to perform. Heads of Departments or Controlling Officers may be summoned as witnesses before the Public Accounts Committee. They are liable to be examined generally on matters appearing in the Appropriation Accounts and the Accountant General's report thereon with which they are concerned and in particular with reference to the following—

(a) Inaccuracy of budgeting;

(b) Inadequacy of control over expenditure;

(c) Financial irregularities and the disciplinary action taken with regard to them;

(d) On any other matters as contained in Assembly Rules.

The Accountant General is invited to attend the meetings of the Committee.

4.15.3 Committee on Estimates

Functions of Committee:- The Estimates Committee is very important in the sense that through it the House exercises control over the administrative machinery not only on the expenditure sanctioned and incurred by various Departments of the Government, but also over the general policies of the administration. Estimates Committee is constituted for the examination of such estimates as may be deemed fit by the Committee or those estimates which are specifically referred to it by the House. The functions of the Committee shall be:-

1) to report what economies, improvements in organization, efficiency or administrative reform, consistent with the policy underlying the estimates, may be affected;

2) to suggest alternative policies in order to bring about efficiency and economy in administration;

3) to examine whether the money is well laid out within the limits of the policy implied in the estimates; and

4) to suggest the form in which the estimates shall be presented to the Assembly.

Constitution of Committee: - The Committee shall consist of not more than seven members, who shall be nominated by the Speaker every year from amongst the members of the House keeping in view the proportional strength of the respective political parties:

Provided that no Minister shall be appointed a member of the Committee and if the member of the Committee is appointed as Minister, he shall cease to be a member of the Committee from the date of such appointment.

Examination of estimates by Committee: - The Committee may continue the examination of the estimates from time to time throughout the financial year and report to the House as its examination proceeds.

4.15.4 Committee on Public Undertakings

Functions of the Committee:- The Committee on Public Undertakings is constituted for examination of the working of the Public Undertakings under Government of Goa. The functions of the Committee are as follows-

(a) to examine the reports and accounts of the Public Undertakings as may be decided by the House from time to time;

(b) to examine the reports, if any, of the Comptroller and Auditor General on the Public Undertakings;

(c) to examine, in the context of the autonomy and efficiency of the Public Undertakings, whether the affairs of the Public Undertakings are being managed in accordance with sound business principles and prudent commercial practices; and

(d) to exercise such other functions vested in the Committee on Public Accounts and the Committee on Estimates in relation to the Public Undertakings as are not covered by clauses (a), (b) and (c) above and as may be allotted to the Committee by the Speaker from time to time;

Provided that the Committee shall not examine and investigate any of the following matters, namely:

(i) matters of major Government policy as distinct from business or commercial functions of the Public Undertakings;

(ii) matters of day-to-day administration;

(iii) matters for the consideration of which machinery is established by any special statute under which a particular Public Undertaking is established.

Constitution of the Committee:- (1) The Committee shall consist of not more than seven members, who shall be nominated by the Speaker;

Provided that no Minister shall be appointed a member of the Committee and if the member of the Committee is appointed as Minister, he shall cease to be a member of the Committee from the date of such appointment.

Provided further that no Member who has a pecuniary interest in any Public Undertakings shall be eligible to be nominated or continued to be a Member of the Committee.

4.15.5 Budget Committee

Functions of the Committee:- The Budget Committee is entrusted with the task of examining the State Budget and suggest measures to prioritize certain schemes, capital expenditure etc. The functions of the Committee are as follows

(a) to examine the budget estimates for the current year and to suggest the various schemes which are to be given priority.

(b) to study the Bills if any proposed to be brought by the various Departments during the financial year.

(c) to suggest schemes to be taken up on priority basis constituency wise and to examine the same objectively in terms of economical and beneficial aspect, vis-a-vis the cost benefit ratio.

(d) to examine the budget estimate, revised estimate, actual expenditure, supplementary and the excess expenditure plan and non-plan for the 3 preceding years.

(e) To assess any thrust programme during the earlier plan period and to examine the target achievements of such programmes.

Constitution of the Committee:- (1) The Committee shall consist of not more than seven members, who shall be nominated by the Speaker;

Provided that no Minister shall be appointed a member of the Committee and if the member of the Committee is appointed as Minister, he shall cease to be a member of the Committee from the date of such appointment.

4.16 Reserve Bank of India

The Reserve Bank of India was established on April 1, 1935 in accordance with the provisions of the *Reserve Bank of India Act, 1934* as the Central Bank of the Government of India. RBI acts as a Banker to both the Union and State Government. All receipts and expenditure of the State Government are done through Agency Banks as approved by RBI. As per instructions of the State Government, RBI does the Public Debt Management and investment of surplus funds on behalf of the State Government. RBI also gives Ways and Means advance and overdraft facilities to the State Government.

4.17 Role of the Comptroller and Auditor General (CAG)

In accordance with the provision made under Article 149 of the Constitution, the duties and powers of Comptroller and Auditor General of India are prescribed in the Comptroller and Auditor General's (Duties, Powers and Condition of Service) Act, 1971. Accountant General, Goa acts as the representative of C&AG at the State level. Sections 10, 11 and 12 of this Act give details of the nature of assistance to be provided by the Comptroller and Auditor General to the State Government.

Under Section 10 of the Act, the Comptroller and Auditor General is responsible for compiling the accounts of the Government 'from the initial and subsidiary account rendered to the audit and accounts offices under his control by treasuries, offices or departments responsible for the keeping of such accounts'. The Comptroller and Auditor General prepare Appropriation Accounts for each financial year, showing under the respective heads, the annual receipts and disbursements and submit it to the Governor. These accounts and reports are then caused to be laid before the Assembly. Thus, the Comptroller and Auditor General of India plays a crucial role in legislative financial control. The primary function of the C&AG audit is to verify the accounts to ascertain-

1. Whether the moneys 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 and whether the expenditure conforms to the authority which governs it, and
2. Whether the assessment, collection and allocation of revenue have been properly done.

The Appropriation and Finance Accounts are accordingly examined under the directions of the C&AG and certified as to their correctness subject to his observations in the Reports on the Accounts submitted. The jurisdiction of the C&AG extends to the audit of Government commercial enterprises, as well as to bodies and authorities substantially financed from Government revenues. The C&AG also examines the accounts relating to grants and loans given by the Government to other bodies. The powers of C&AG to have access to documents and information in connection with audit of accounts have been enhanced under the Act of 1971, wherein the C&AG can call for any document as long as it is considered relevant to the transactions to which his auditing duties exist. Further, the Act specifically enjoins that the administration shall afford all facilities for his inspection and comply with his request for information in as complete form as possible and with all reasonable expedition.

The audit reports of the C&AG, other than those relating to commercial enterprises, are considered by the Public Accounts Committee. The Committee on Public Undertakings considers the audit reports relating to commercial enterprises. These Committees examine the audit reports on a selective basis, assisted by the C&AG or his Principal Audit Officers. Section 12 of the Act lays down that it is the duty of the Comptroller and Auditor General as far as the accounts for the compilation or keeping of which he is responsible, enable him so to do, to give the Government such information as they may from time to time require and render such assistance in the preparation of their Annual Financial Statement as they may reasonably ask for.

Apart from the traditional forms of audit referred to as appropriation audit, the discretionary forms of audit like the propriety audit and efficiency cum performance audit have assumed more significance of late from the viewpoint of 'accountability', as they look beyond the mere regularity of expenditure to its prudence and economy and a general examination of the efficiency and effectiveness with which an organization is discharging its financial responsibilities.

Chapter 5

Structure of Government Accounts

In accordance with Constitutional provisions, there are three categories of Government funds namely:-

1. Consolidated Fund
2. Contingency Fund
3. Public Account

5.1 Consolidated Fund of the State

Under Article 266(1) of the Constitution of India, all revenues received by the Government of State, all loans raised by the Government by issue of treasury bills, loans or Ways and Means advances and all moneys received by the Government in repayment of loans shall form one consolidated fund to be titled the "Consolidated Fund of the State".

Divisions under Consolidated Fund of the State- Revenue Account, Capital Account and Debt, Loans & Advances: Expenditure and Receipts therein-

The Consolidated Fund of the State has the following two divisions:

i. Revenue Account

ii. Capital Account

Revenue Account-Expenditure/ Receipts:

The Revenue Account deals with the proceeds of taxation and other receipts classed as Revenue and expenditure met there from.

Capital Account-Expenditure/ Receipts:

The Capital Account deals with expenditure incurred with the purpose of either increasing the concrete assets of durable nature or of reducing recurring liabilities. It is logical to meet Capital expenditure from borrowed funds, the liabilities in respect of which are spread over a number of years, as the benefits arising from Capital expenditure flow over a period of years. Capital Account also includes various types of Capital Receipts.

The Capital Account comprises of the following sections: -

a. The section 'Receipt Heads (Capital Account)' deals with receipt of a Capital nature which cannot be applied as a set off to Capital Expenditure.
b. The section 'Expenditure Heads (Capital Account)' deals with expenditure incurred with the objective of either increasing concrete assets of permanent character or reducing the recurring liabilities. It also includes receipts of a Capital nature intended to be applied as set off to Capital expenditure, and
c. The sections 'Public Debt' and 'Loan and Advances', comprise of loans raised and their repayments such as internal debt, external debt and their recoveries.

For Budgeting purposes, the distinction between Revenue expenditure and Capital expenditure is of crucial importance, for which uniform principles are followed both at the Centre and in the States. The Capital account also includes loans raised by Government and their repayments and loans and advances paid by the Government and their recoveries.

List of items of expenditure charged on Consolidated Fund of the State

1. The emoluments and allowances of the Governor and other expenditure relating to his office for which provision has been made.
2. The salaries and allowances of the Speaker and the Deputy Speaker of the Legislative Assembly.
3. Debt charges for which the State is liable including interest, sinking fund

charges, and redemption charges, and other expenditure relating to the raising of loans and the service and redemption of debt. Debt includes any liability in respect of any obligation to repay capital sums by way of amenities and any liability under any guarantee and “debt charges” shall be constructed accordingly.

4. Expenditure in respect of the salaries and allowances of Judges of the High Court.
5. The administrative expenses of a High Court including all salaries, allowances and pensions payable to or in respect of the officers and servants of the Court.
6. Any sums required to satisfy any judgment, decree or award of any Court or arbitral tribunal.
7. The expenses of the Goa Public Service Commission including any salaries, allowances and pensions payable to or in respect of the members or staff of the Commission.
8. The salaries and allowances of Secretarial staff of Governor and the expenses incurred in providing office accommodation and other facilities to them.

5.2 Contingency Fund of the State

Under Article 267 of the Constitution of India, a ‘Contingency Fund of the State’ is established by the Legislative Assembly into which shall be paid from time to time such sums as may be determined by the law, and the said fund shall be placed at the disposal of the Governor to enable advances to be made out of such fund for the purposes of meeting unforeseen expenditure pending authorization of such expenditure by Legislative Assembly. Contingency Fund is in the nature of an imprest. Presently, the corpus of the Contingency Fund of the

State amounts to Rs. 100 Crore. The State Government established its Contingency Fund under the ‘Goa Contingency Fund Act, 1988’ and has also framed the Rules under this Act. These rules prescribe the procedure for obtaining advances from this fund and their subsequent adjustment. The Goa Contingency Fund Act, 1988 and The Goa Contingency Fund Rules, 2002 are placed at Annexure II.

The corpus of the Contingency Fund is created by debit to the Consolidated Fund of the State, and when expenditure is incurred out of an advance from the Contingency Fund, the expenditure is booked under the same head under the ‘Contingency Fund’ under which it would have been booked had the expenditure been incurred from the Consolidated Fund of the State. When such an advance is paid from the Contingency Fund of the State, the corpus of the fund gets depleted. Subsequently, with the regularization of expenditure by obtaining vote of the Assembly, the amount of advance is recouped to the corpus of the Contingency Fund by debit to the Consolidated Fund of the State. The expenditure is then booked under the same head under the Consolidated Fund of the State, as revenue or capital expenditure, as the case may be.

Withdrawal from the Contingency Fund of the State takes place with the approval of Finance Secretary in terms of the Goa Contingency Fund Act, 1988. In Government accounts, Contingency Fund has a single Major Head “8000” to accommodate all transactions of the fund.

5.3 Public Account

Public Account contains the funds for which the State Government is custodian but not the owner. No sanction or approval of the Assembly is required to withdraw funds from the Public Account although separate Rules or procedures are put in place for administration of funds in Public Account. Public

Account shows the transactions relating to Debt (other than those included in Consolidated Fund of the State), ‘Deposits’, ‘Advances’, ‘Remittances’ and ‘Suspense’.

In brief, all other public moneys received by or on behalf of the Government are credited to the Public Account of the State as empowered vide Article 266(2) of the Constitution of India. Such funds, however, remain merged in the cash balance of the State Government (with the Reserve Bank of India, as the bankers to the Government) till payments are made to those to whom the funds pertain or are utilized for general or specific purposes as in the case of Reserve Funds, or necessary adjustments are made, for example in the case of inter-Government transactions. The net funds in the Public Account are also available for financing the expenditure of Government. The Public Account transactions are grouped according to sectors and sub-sectors which are further sub-divided into Major Heads of Accounts and further down as per the accounting classification system of Government.

5.4 Steps in the Accounting Process

In view of the complexity of Government transactions, the task of maintaining Government Accounts is indeed a formidable one. The process involves-

a. initial recording of accounting transactions, their classification with reference to a function or activity, their correlation with the Administrative Department i.e. the appropriate control centre, and their consolidation;

b. their matching with legally approved appropriations (to enable legislatorial scrutiny) and

c. the analysis and presentation of this data to serve as a management tool to the Government. One of the most distinctive features of the system of

Government Accounts is the minute elaboration of the financial transactions of the Government. Both receipts and payments are differentiated and classified in detail.

d.

The following three developments are worth mentioning in this context-

1. In view of major public investments by way of Capital Outlay, Government accounts are required to reflect clearly the expenditures incurred on various schemes, programmes and projects.
2. The Assembly, in addition to the general public, has become increasingly conscious about Government accountability.
3. The Government, as a policy maker and as the manager of State finances, is more conscious about the use of Government accounts as a tool for obtaining adequate and timely inputs for the purposes of evaluation, remedial action and future policy decisions.

These developments have resulted in the Government accounting authorities making the following response- Preparation of aggregate accounts [Finance and Appropriation Accounts] with not only adequate financial and accounting data but also contain the following:

(a) with a critical analysis of the financial performance of the Government,

(b) highlighting deviations from the expenditure incurred in contravention of approved appropriations and

(c) verifying the veracity of explanations offered by the executing agencies.

The major information inputs provided by the accounting authorities to the Government are in the form of:

(a) Monthly and Annual Accounts,

(b) Finance Accounts, and

(c) Appropriation Accounts.

5.5 Five Tier Accounting Classification

The Budget of the State Government is linked to the accounts and Government transactions are accounted for under the Consolidated Fund, Contingency Fund and the Public Account of the State.

Classification System

In Goa, each Division in the Consolidated Fund and the Public Account is divided into Sectors, which may in some cases be further divided into Sub-Sectors and then into the five tiers of accounting classification. The number of classification in the Detailed Demands for Grants are not allowed to go beyond the standard five tiers indicated as under :-

1. Major Head - 4 digits (Function)
2. Sub-Major Head - 2 digits (Sub-Function)
3. Minor Head - 3 digits (Programme)
4. Sub Head - 2 digits (Scheme)
5. Detailed Head - 2 digits (Object/ Nature)

i.e. total digits are 13

Example:

Sector	:	A. General Services
Major Head	:	2054-Treasury & Accounts Administration
Sub-Major	:	00
Minor	:	097-Treasury Establishment
Sub Head	:	04-Treasuries & Sub-Treasuries
Detailed	:	01-Salaries
As numeric	:	2054-00-097-04-01

5.6 List of Major and Minor Heads of Accounts

Based on the classification into Revenue and Capital divisions, the transactions are grouped into Sectors which are further sub-divided into Sub-Sectors and Major Heads of Accounts. The Major Heads normally indicate within each Sector/ Sub-Sector the broad functions of a particular Department of the Government.

In the four-digit codes allotted to the Major Heads, the first digit indicates whether the Major Head is a Receipt Head/ Revenue expenditure Head/ Capital expenditure Head or a Loan Head. The last three digits are the same for corresponding Major Heads in Revenue receipts section/ Revenue expenditure section/ Capital receipts/ expenditure section and Loan and Advances section.

The Receipt Major Heads are assigned the block 0005 to 1999. Expenditure Major Heads on Revenue accounts are assigned the block 2011 to 3999, Expenditure Major Heads on Capital accounts are assigned the block 4001 to 5999 while all Capital receipts are classified under Major Head 4000. Major Heads under Public debt are assigned the block 6001 to 6005. Loans and advances/ inter-state settlement and Contingency Fund are assigned the block 6075 to 8000. The Major Heads under Public Account are assigned the block 8001 to 8999. In the loan section, Major Heads have been opened with reference to functions and purpose instead of the beneficiaries.

The Sub Major Heads are opened under a Major Head to record those transactions which are of a distinct nature and of sufficient importance to be recorded exclusively but at the same time allied to the function of the Major Head.

The Major and Sub-Major Heads are sub-divided into Minor Heads. The Minor Heads correspond to programmes or broad groups of programmes. It is output oriented rather than organisation or input oriented. The classification up to the Minor Head level is prescribed by the Controller General of Accounts and is common to the Central and State Governments.

The detailed coding pattern for the five tier classification is explained below.

5.7 Coding Pattern

Major Head

A four digit code has been allotted to the Major Head, the first digit indicating whether the Major Head is a Receipt Head or Revenue Expenditure Head or Capital Expenditure Head or Loan Head. If the first digit is '0' or '1', the Head of Account will represent Revenue Receipt, '2' or '3' will represent Revenue Expenditure, '4' or '5'- Capital Expenditure, '6' or '7'- Loan Head, '4000' for Capital Receipt and '8' will represent Contingency Fund and Public Account.

Adding 2 to the first digit of the Revenue Receipt 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-

0401 Represents the Receipt Head for Crop Husbandry.

2401 Represents the Revenue Expenditure Head for Crop Husbandry.

4401 Represents Capital Outlay on Crop Husbandry.

6401 Represents Loans for Crop Husbandry.

Sub-Major Head

A two-digit code has been allotted starting from '01' under each Major Head. Where no Sub-Major Head exists, it is allotted a code '00', A standard 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 Head

Minor Heads have been allotted a three-digit code. The codes start from ‘001’ under each Major Head/ Sub-Major Head. Codes from ‘001’ to ‘100’ and few others like ‘750’ to ‘900’ have been reserved for certain standard Minor Heads. For example, Code ‘001’ always represents Direction and Administration. Non-standard Minor Heads have been allotted codes from ‘101’ in the Revenue Expenditure series and ‘201’ in the Capital and Loan series, where the description under capital/ loan is the same as in the Revenue Expenditure section. Code numbers from ‘900’ are always reserved for Deduct Receipt or Deduct Expenditure Heads.

The code for ‘Other Expenditure’ is ‘800’ while the codes for other grants/ other schemes etc. where Minor Head ‘Other Expenditure’ also exists is kept as ‘600’. This has been done to ensure that the order in which the Minor Heads are codified is not disturbed when new Minor Heads are introduced.

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 various Major/ Sub-Major Heads, as far as possible, the same three-digit code is adopted.

Sub Head and Detailed Head

Sub Head represents schemes while the Detailed Head represents nature/ object on which the expenditure is incurred. Each of these levels has been allotted a two-digit code. A list of Detailed Heads of Accounts is given in Goa Delegation of Financial Power Rules, 2008.

5.8 Demands for Grants

The estimates of expenditure from the Consolidated Fund included in the Budget Statements and required to be voted by the Legislative Assembly are submitted in the form of Demands for Grants. Normally a separate demand is required to be presented for each Department or the major services under the control of a Department. Each demand normally includes the total provisions required for a Service i.e. provisions on account of revenue expenditure, capital expenditure, grants to States and also loans and advances relating to that Service. Estimates of expenditure included in the Demands for grants are for gross amounts. The receipts and recoveries taken in reducing of expenditure are shown by way of below the line entries.

The estimates of expenditure in the Demands for Grants contain those amounts for which the vote of the Legislative Assembly is required separately, and is called 'Voted Expenditure'. The estimates for 'Charged Expenditure' under any Head for which vote of the Legislative Assembly is not required are also indicated in the Demands for Grants.

The estimates in the Demands for Grants are shown by Major Heads and the break-up under each Major Head is shown in the estimates under 'Charged' and 'Voted', 'Revenue' and 'Capital' categories. The Demands for Grants are submitted to the Legislative Assembly along with the Annual Financial Statement.

5.9 Finance Accounts

The Finance Accounts, comprising of the accounts of the State Government as a whole, is an audited presentation of the general accounts of the Government to the Assembly. It presents the accounts of receipts and outflows of the State Government for the years together with the financial results disclosed by different accounts and other data coming under examination. These accounts include the Revenue and Capital Account, Public Debt account and other liabilities and assets worked out from the balances in the accounts.

After obtaining approval of the Governor, copies of the Finance Accounts are supplied to the Finance (Budget) Department in the Secretariat in advance of their presentation to the Legislature with the clear stipulation that they are to be treated as ‘Secret’, until their presentation to the Assembly.

5.10 Appropriation Accounts

These are accounts of the expenditure, ‘Voted’ and ‘Charged’, of the Government for each financial year compared with the amounts of the ‘Voted Grants’ and ‘Charged Appropriations’ for different purposes as specified in the schedules appended to the Appropriation Acts. These accounts are complementary to the above accounts of the annual receipts and disbursements of Government (Finance Accounts).

The Appropriation Accounts of the State Government are submitted to Assembly under the provisions of Article 151 of the Constitution and are intended to disclose-

(a) That the expenditure conforms to the authority governing it and

(b) The effect of Re-Appropriations ordered by the Finance Department.

If any expenditure in a financial year is incurred in excess of the amounts of Voted Grants or Charged Appropriations, the circumstances leading to it will be disclosed through these accounts. It is disclosed separately under the Revenue and Capital sections to enable action. The regularization of excess expenditure for the year is made through ‘Excess Grants’ submitted to the Assembly under Article 205 of the Constitution after receiving the recommendations of the Public Accounts Committee.

The Office of Accountant General is required to prepare Head-wise Appropriation Accounts for each Grant/ Appropriation of the Department in the prescribed form, strictly in accordance with the given nomenclature.

5.11 Procedure for opening new Heads of Accounts

As per Rule 79 of the General Financial Rules, 2017 (Authority to open a new Head of Account), the List of Major and Minor Heads of Accounts of Union and States is maintained by the Ministry of Finance (Department of Expenditure – Controller General of Accounts) which is authorized to open a new Head of Account on the advice of the Comptroller and Auditor General of India under the powers flowing from Article 150 of the Constitution. It contains General Directions for opening Heads of Accounts and a complete list of the Sectors, Major, Sub-Major and Minor Heads of Accounts (and also some Sub / Detailed Heads under some of them authorized to be so opened).

In case of certain post budget developments wherein expenditure provision is required to be made under these Heads which are not already available in the Budget, the Departments are authorized to open new Sub Heads/ Detailed Heads and Object Heads as required by them, subject to certain conditions. Normally, a new Head is allowed to be opened only in cases where the Budget provision is available (for Re- Appropriation to the new Head) or has been obtained through a Supplementary Demand for Grant. However, in exceptional circumstances, Departments may be permitted to open the Heads in anticipation of obtaining the budget provision through Supplementary Demands. In such cases, the new Heads can be operated only upon obtaining the budget provision through Supplementary Demands for Grants.

5.12 Uniformity in structure of Accounts of Union and State Governments

Under Article 150 of the Constitution, the accounts of the Union and the States shall be kept in such form as the President may, on the advice of the Comptroller and Auditor General of India, prescribe. Due to this constitutional provision, there is uniformity in the structure of the accounts of the Government of India and the State Governments up to the first three tiers of classification of the Major Heads, Sub-Major Heads and the Minor Heads. This uniformity in the accounting classification helps in maintaining the required inter-relationship between the accounts of the Central Government and the State Governments, since there is substantial transfer of resources from the Centre to the States.

The standardized code numbers allotted to Major, Sub-Major and the Minor Heads in the 'List of Major and Minor Heads of Account for the Union and States' as maintained by the Controller General of Accounts are required to be followed in the Detailed Demands for Grants. The bottom three tiers viz. the Sub Head and the Object Head have been delegated to the State Governments and Departments to be opened through their Budget and as may be needed to suit the requirement of each State Government or the Department. However, the Sub Heads should not be multiplied unnecessarily and new ones are advised to be opened only when really necessary.

Chapter 6

The Budget Process

6.1 Budget Calendar

The Budget cycle normally starts towards the first week of September of the current year and lasts till April of the next financial year. The Budget Calendar for the Government of Goa is placed at Annexure III.

6.2 Budget Circular

The commencement of Budget Process takes place with the issue of the Budget Circular, which is normally issued in the month of September each year. The Budget Circular is issued with the purpose of providing guidance to the Departments in framing their Revised Estimates for the current year and the Budget Estimates for the ensuing financial year, for further submission to the Finance (Budget) Department through online mode. This circular gives detailed instructions on the preparation of estimates of various types of receipts and expenditure. The Budget Circular also outlines the processes that are to be followed with reference to various estimating requirements and the scheduled dates by which the information in the prescribed formats are required to be made available to the Finance (Budget) Department. A model copy of Budget Circular along with relevant instructions is placed at Annexure IV.

6.3 Relationship of Budget Heads with Account Heads

The Major and Minor Heads of Accounts as prescribed in the List of Major and Minor Heads of Accounts of Union and States issued by the Ministry of Finance, Department of Expenditure, Controller General of Accounts and are adhered to as far as practicable in selecting the Demand, Heads and Sub Heads of Demands and no important deviation in this respect is made.

It is important to note that the Sub Head and Detailed Heads are introduced entirely for convenience in budgeting and accounting. From this, it follows that in the matter of accounting and for control of expenditure, the nomenclature of the budget heads should be strictly followed. Even if the budget provision has originally been made under an incorrect unit, corresponding expenditure should be brought to account against that unit, unless there are strong reasons for a contrary course e.g. when such accounting is contrary to law, suitable action should be taken to ensure that provision is made correctly in the next year's budget. When, however, the following of the budget

Classification leads to misrepresentation of an accounting fact or to an incorrect result, the correct classification should be introduced after deciding each case on its merit.

The Drawing and Disbursing Officers (DDOs) are responsible for estimating the receipts and expenditure for all the Detailed Heads of Accounts under the Minor Heads operated by them. They submit their estimates to the Heads of the Departments to consolidate the estimates for the Major Heads operated by them. Heads of the Departments forward these estimates to the Finance Department for incorporation in the State Budget.

6.4 Supply of Forms for preparation of Budget Estimates

By 1st week of September every year, the Finance Department starts seeking required information, which the departments are required to furnish in online mode along with other relevant details, for preparing the Budget Estimates. These forms relate to "Estimates of Receipt and Estimates of Expenditure".

These forms are to be submitted in online mode, and contains columns for preparation of Budget Estimates to show—

(a) Original sanctioned estimate of the current financial year;

(b) Actuals of first 5 months of the current financial year;

(c) Revised Estimates for the current financial year.

(d) Proposed estimates for the coming financial year;

(e) Explanatory remarks.

6.5 Preparation of Budget Estimates

The Budget Controlling Authority fills in the forms and sends to the Finance Department. The estimates should be prepared with due care. These should be neither overestimated nor underestimated but should be prepared, keeping in view, the expenditure and receipts to disburse payments or realize receipts during the financial year.

Budget Controlling Authority are also required to furnish suitable explanations in the space “Remarks”, for any increase or decrease in the proposed estimates as compared with the original sanctioned Budget Estimates or the Revised Estimates of the current financial year. The dates on which the Budget Estimates and Revised Estimates etc. are to be submitted have been given in the Budget Calendar.

In preparing the estimates, the Finance Department is required to obtain from the Departments concerned, material on which to base its estimates and is responsible for the correctness of the estimates framed on the material so supplied. The preparation of the Departmental Estimates is the duty and a personal responsibility of the Budget Controlling Authority.

The explanatory memorandum should not only explain substantial variations of the next year’s estimate with the current year’s sanctioned Grant but also with the actuals of the last year.

As regards the preparation of Budget Estimates, the course of past actuals is a valuable aid and should normally be followed, unless there have been important changes due to expansion or retrenchment. This does not mean a mere repetition of the actuals of the previous year, either for the Revised Estimates of the current year or for the Budget Estimates of the next year. The previous year may have had abnormal features in it and the figures of the year prior to previous year may be a safer guide. Actuals of past years may also indicate increase or decrease but these could be due to some special circumstances which may no longer be relevant. In the ordinary course, the more recent actuals may be more useful as a guide to prepare Budget Estimates for the next year. Sometimes, estimating both for the Budget and the Revised Estimates can be done by calculation or determination of actual commitments.

The extent of help that may be rendered by the Directorate of Accounts, Goa to the State Government in the preparation of Annual Budget Estimate is as shown below: -

(i) Supply of actuals of previous year;

(ii) Supply of actuals of first five months of the current financial year;

(iii) Preparation of estimates for receipts and payments of the State Government and submission of the same to the Finance Department; and

(iv) Verification of estimates relating to fixed charges i.e., debt servicing, salaries of regular staff, pensions etc.

Detailed estimates under the revenue Major Heads “0049- Interest Receipts”, “0071-Contributions and Recoveries towards Pension and Other Retirement Benefits” and under the expenditure Major Heads “2049-Interest Payments”, “2071-Pensions and Other Retirement Benefits”, receipts under other Major Heads under section F- Loans and Advances, State Provident Funds, and some other heads under 'Public Account' are prepared by Finance (Budget) Department in consultation with Directorate of Accounts.

Performance Budget is placed in the Legislative Assembly every year by the respective department which gives details of performance as to how previous years' budget has been utilized by the departments and what outcomes have been achieved. The Budget Controlling Authority prepares and submit Performance Budget to State Legislature with copy endorsed to Finance (Budget) Department. Instructions by Finance (Budget) Department for submission of Performance Budget are provided at Annexure V.

6.6 Estimates of Revenue and Receipts

The estimates of revenue receipts are prepared based on the existing rates of taxes, duties, fees etc. The estimates should show the amount expected to be actually realized within the year including arrears for previous years and advance collections for coming years. In estimating fixed revenue, the calculations should be based upon the actual demand, including any arrears due for past years and the probabilities of its realization during the current year. Any difference between the demand and expected realizations should be fully explained. In the case of fluctuating revenue, the estimate should be based upon a comparison of the last three years' receipts. In both instances, the probable effect of any factor known to be operative should be allowed for.

The Revised Estimates should be the best forecast that the Budget Controlling Authority can make in the light both of the actual receipts of the earlier months of the year, for which returns are submitted, and all facts and relevant data including actuals of the previous year within his cognizance. The reasons which have led him to adopt the figures should be briefly and clearly explained, while bald statements, for instance, that the estimates are framed on the actuals of previous months, should be avoided as they offer no real assistance. Explanations for large variations from the past actuals should also be furnished.

The actuals of previous years and the Revised Estimates ordinarily form the best guide in framing the Budget Estimates and any growth or decline indicated by them may be assumed to continue in the absence of definite reasons to the contrary when such growth or decline is established or can be explained. The estimates may be further revised by the Finance Department in the light of the monthly returns received from the Director of Accounts.

6.7 Estimates of Expenditure - General Instructions

As explained in paragraph 6.9 below, the Budget Controlling Authority should furnish Revised Estimates under all Sub Heads of Appropriations including that of “Salaries”. In framing the Budget Estimate, no new expenditure, i.e. expenditure of a nature for which no provision exists in the current financial year’s budget, should be included by the Budget Controlling Authority in the budget for the coming financial year. Unsanctioned charges or new items which require the sanction of the Government should not be included in budget. The fact that expenditure has been sanctioned in former years is not by itself sufficient ground for inclusion of the same item or the same amount in the estimate. Each item must be properly scrutinized. Provisions for a scheme which has not been elaborated and sanctioned should not be proposed.

The estimate should be for charges which will be paid during the year, including arrears from previous years and not for liabilities falling due during the coming years. The fluctuating items should be estimated on a consideration of the last three years’ actuals. Gross charges must be shown, and unless there are special instructions to the contrary, no deduction be made for recoveries.

Savings under a Grant in a financial year cannot be utilized for expenditure in the succeeding year. If, however, for a specific purpose, payable in a year, was not claimed in that year, and is required to be disbursed in the succeeding year, the necessary provision for the charge should be made in the estimates and a note should be made against the entry in the estimates explaining the cause of the increased provision. It is important that expenditure estimated should be accurately framed so that no charges which will have to be incurred should be omitted. The programmes involving new expenditure should be carefully worked out and submitted well in advance of the estimates (See paragraph 6.10 below regarding New Expenditure).

6.8 Pay of Officers and Pay of Establishment

The charges falling under the Sub Heads of Appropriations "Salaries" will be estimated by Heads of Departments in the case of officers borne on a State cadre and for other establishments. The whole sanctioned strength, both permanent and temporary, should be provided for under the different classes of establishment.

All additions to pay classed as Special Pay should be included. The estimate will allow for the increments to be drawn during the year. If owing to a post being held in abeyance, leave or temporary vacancies, it is anticipated that there will be savings; these are to be estimated in a lump sum. This Lump sum will be taken into consideration by the Finance Department while formulating the final estimates.

6.9 Revised Estimates

The Revised Estimates should not merely be a repetition of the budget figures of the year, but a genuine re-estimation of requirements in the light of the knowledge up to date. Before making Revised Estimates, the following factors should be ascertained–

(i) the real position in regard to outstanding liabilities;

(ii) intention of departments in respect of the presentation of their claims; and

(iii) the usual adjustments which take place during and after the close of the year.

The preparation of a Revised Estimate for the current year should always precede the making of a Budget Estimate for the next year. A Revised Estimate should be framed in the light of—

(a) the actuals so far recorded in the current year;

(b) the actuals for the same period of the past and previous years;

(c) the 12 months actuals of the past and previous years;

(d) orders, already issued or contemplated, of appropriation, Re-Appropriation or sanction to expenditure;

(e) Supplementary Grants, if any, taken during the year; and

(f) any other relevant facts.

In preparing the Revised Estimates, particular care should be taken to enter what seem to be the most probable figures on the information available, irrespective of Government orders or sanction, and without leaving any margin on either side. Controlling Officers should notify at the earliest moment, any facts likely to affect the outcome of the year. In preparing the Revised Estimates, the following instructions should be borne in mind—

(1) There should be no confusion of the fact actually known and already recorded, with the residue, which alone remains to be estimated. The comparison to be made is of the estimated residue during the last four, three or two months of the current year, with the accounts recorded during the same four, three or two months of the preceding year. In estimating this residue on the basis of the actuals of the corresponding months of previous year, due allowance must be made for any exceptional phenomena which

affected the results of the years accepted as a guide; an allowance will also be made for the special and unusual characteristics of the year for which the Revised Estimate is being framed.

(2) If, according to the Revised Estimate, the figures during the residual period are expected to differ much from the corresponding figures of the last preceding year, the reasons for such expectation must be carefully looked into.

On the other hand, if the phenomena of current year already recorded, differs materially from the corresponding phenomena of the last preceding year and of the earlier years, the Revised Estimate shows no corresponding difference during the residual months, the reasons for thinking that the difference experienced in the earlier months will not continue should also be carefully considered. The Budget Controlling Authority will prepare Revised Estimates for the guidance of the Finance Department and will forward them so as to reach the Finance Department within the stipulated deadlines.

6.10 New Expenditure

(1) Rule 7 (5) (d) of The Rules of Business of Government of Goa, 1991 requires the Finance Department to examine all schemes of new expenditure and to decline to provide in the estimates for any scheme which has not been so examined. Heads of Departments should initiate their proposals in their own offices year and submit them to the Finance Department. The schemes so sent will be carefully examined by Finance Department. After they have been passed by the Finance Department, the Heads of Department are apprised of the fact. Those schemes, for which provision in the ensuing year's budget is desired, should be included by the Administrative Department in the schedule of new schemes which should be sent to the Finance Department.

(2) “Schemes of new expenditure” means and includes—

(i) Schemes of expenditure on a New Service;

(ii) A new scheme of expenditure under an existing Service Head, which is of a nature unlike the items of expenditure provided for in the budget of the current year under that Service Head;

(iii) Additional and substantial recurring expenditure on some existing service necessitated by ordinary expansion of activities.

Schemes should first be scrutinized to see whether fresh administrative approval is required and if it is intended that any schemes should lapse, this fact should be separately mentioned. Voted Expenditure on “Schemes of New Expenditure” which include expenditure on a New Service must specifically be provided for in the budget through the Schedule of new schemes, or by a Supplementary or Additional Grant.

New Service -

“Expenditure on a New Service” means expenditure out of the Consolidated Fund under a prescribed Major Head of account not included in the Appropriation Act authorizing expenditure for the current financial year.

Note 1- The expression ‘New Service’ is provided in Article 115 and 205 of the Constitution, but the Constitution does not define the expression ‘New Service’. Expenditure on New Service, not contemplated in the budget of that year, cannot be incurred in any financial year, except after obtaining a Supplementary Grant or Appropriation or an advance from the Contingency Fund of India. It was decided by the Government of India in September 1975 that ‘Vote On Account’ would not be used for such expenditure since it has the limited purpose of enabling Government to continue incurring expenditure at the beginning of the financial year on existing establishments and continuing projects etc. till such time the annual budget is approved and relevant Appropriation Acts are passed, while ‘New Service’ requires a detailed scrutiny and consideration.

6.11 Works carried out by the Works Department

All works to be constructed by the Works Departments for which provisions in their Budget is desired and which are categorized as Major Works, including building to be constructed or purchased for the residence of Government employees must be entered in the schedule. Works for which provisions have been made in the respective Departmental Budget of the various Works Departments under corresponding Major Heads of capital expenditure in the current year should not be included in these Lists. Estimates for Major Works to be constructed by the Departments other than the Public Works Department will also be included in Departmental schedules of new expenditure.

In case of every Major Work, the grant of administrative approval is necessary. If preliminary plans and estimates have not already been prepared in the Works Department, very strong reason must be given for the inclusion of such works in the Budget Estimates. In any case, it is essential that the Works Department should be consulted regarding the amount which is likely to be spent within the year, and the estimates entered on the Budget portal.

The Works Department will furnish to the Finance Department-

(a) various sectors of works in progress for eg. Water supply, power, bridges, buildings etc. for which provision is required in the next year by Minor Heads-

(i) the amount of the sanctioned estimate;

(ii) the actual amount, if any, spent up to the end of the preceding financial year;

(iii) the amount anticipated to be spent during the current financial year;

(iv) the amount of anticipated expenditure for the coming year.

Note- (a) An explanation should be given in any case the total expenditure is anticipated to exceed the original estimate by more than 10 per cent.

(b) a list of works for which provision has been made during the current year, but on which no expenditure is anticipated before the end of the year.

6.12 Consolidation and Presentation of the Budget Estimates Parts of Annual Financial Statement Subject to any orders that may be passed by the Finance Minister, the Annual Financial Statement of receipts and expenditure which are to be credited to, or made out of the Consolidated Fund, may be laid before the Assembly in three parts, namely—

Part I— Annual Financial Statement i.e. statement of receipts and expenditure arranged by Major Heads of account, the expenditure being shown separately under "Voted" and "Charged"

Part II— The Detailed Estimates for all the Services, both for revenue and capital, for the State Schemes and Schemes sponsored by the Central Government.

Part-III – Explanatory Memoranda - Subject to any orders that may be passed by the Finance Minister, separate annual financial statements may be laid before the Assembly in respect of receipts and expenditure pertaining to the Contingency Fund as defined in Article 267 (2) of the Constitution and the Public Account as defined in Article 266 (2) of the Constitution arranged by Major Heads of Accounts.

Note 1- The rules regarding the operation and maintenance of accounts of the Contingency Fund are laid down separately.

Note 2- Normally, Detailed Estimates in respect of receipts and expenditure pertaining to the Contingency Fund and the Public Account are not prepared nor is it normally necessary to prepare any Explanatory Memorandum for such estimates unless it is so necessitated by any unusual feature.

The Detailed Estimates of the next financial year will be shown by Sub Heads and Detailed Heads of account, together with the Budget and Revised Estimates of the current financial year and actuals of the previous financial year.

Explanatory Memorandum also consists of various other Budget Documents. The Detailed Estimates of receipts and expenditure are prepared by the Departments and furnished to the Finance (Budget) Department. These Estimates are scrutinized in detail and further consolidated as part of process of compilation of the Budget and related documents.

6.13 Departmental Estimates and abstract of receipts and expenditure for the next financial year

As soon as the Departmental Estimates are received, the Finance Department scrutinizes them and after consultation with the Administrative Departments, enters the figures which it accepts for the Revised and Budget Estimates. Before preparation of the Budget Estimates for the next financial year, the Finance Department enters in the Detailed Estimates by including items of new schemes.

The Finance Department, after making necessary amendments, send the Appropriation Bill to the Press for final printing, and will have printed therewith the statements of receipts and expenditure and the schedule of demands. The Detailed Estimates, statements of receipts and expenditure, schedule of demands and explanatory memoranda are also uploaded on the Goa Budget website after presentation of the budget by the Finance Minister.

6.14 Presentation of the Budget to the Assembly and Finance Minister's Speech

The Finance Minister presents the budget to the Assembly on a day fixed for the purpose with a written speech explaining the salient features of the budget, the fiscal health of the Government, changes in tax revenues, if any, relief provided in the existing rates of taxes and important projects and schemes to be undertaken during the ensuing financial year. Besides these, other documents presented to the Assembly include Statements as required under the Goa Fiscal Responsibility and Budget Management Act, 2006. This is followed by a general discussion on the Budget. During the general discussion, no motion with regard to the Budget can be moved nor can the demands be put to the Vote of the Assembly. The voting of the demands for grants is taken up after discussion is completed and on such dates as the Speaker in consultation with the Leader of the House, may allot for the purpose.

6.15 Motion relating to expenditure

The Minister-in-charge of the Department concerned is responsible for moving and defending in the Assembly each motion relating to expenditure of his Department.

6.16 Appropriation Bill

After the Grants have been voted by the Assembly, the Finance Department will prepare the Appropriation Bill under Article 204 of the Constitution and complete all the preliminaries required for the introduction of the Bill in the Assembly. The Appropriation Bill is introduced to provide for the appropriation out of the Consolidated Fund of the State of all sums required to meet-

(i) the grants approved by the Assembly, and

(ii) the expenditure charged on the Consolidated Fund.

The amount included in the Appropriation Bill will not exceed the amount shown in the financial statement previously laid before the Assembly. After the

Appropriation Bill has been considered and passed by the Assembly, the Governor's assent to the Bill is obtained and the Bill becomes an Act.

6.17 Common types of budgetary errors

The main criticisms in the Audit Reports of recent years and recommendations of the Public Accounts Committee thereon on the irregularities noticed in Appropriation Accounts have been directed towards the following irregularities:-

(1) Defective or inaccurate budgeting, necessitating large surrenders or excess expenditure;

(2) Misclassification of expenditure; and

(3) Defective control of expenditure resulting in –

  (a) Unnecessary or excessive Supplementary Grants,
  (b) Unnecessary or excessive Re-Appropriations,
  (c) Injudicious Re-Appropriations and surrenders causing excess over allotments,
  (d) Unspent amount and surrendered Appropriations,
  (e) Un-remedied or uncovered excess expenditure,
  (f) Delayed allocations.

From a perusal of earlier chapters, it will be seen that if the instructions given therein are closely and carefully followed and if the Budget Controlling Authorities give the necessary personal attention to the control of expenditure, these irregularities can be avoided/ satisfactorily reduced.

To indicate how this is possible, each irregularity indicated above is, even at the cost of repetition, dealt with seriatim as follows-

As regards defective or inaccurate budgeting, foresight may not always be possible; but where the omission or inaccuracy is the result of lack of forethought, neglect of the obvious or slipshod estimating, it is not readily excusable. There is no reason why Heads of Departments should not be able to foresee the needs of their own Departments. The check of the Administrative or Finance Department, over the Departmental Estimates cannot be as close or as that of the Budget Controlling Authorities and, therefore, accuracy in budgeting must start upwards from the lowest stage of estimating.

The golden rule for all Budget Controlling Authorities should be to provide in the budget for everything that can be foreseen and to provide only as much as is necessary. The Administrative and Finance Departments should, in checking the estimates, apply unrelentingly the proven and well tried check of average of previous actuals with known or reasonably foreseeable facts which may modify that average. Against the close and intimate knowledge of the Budget Controlling Authorities, there must be set the wider perspective of the administrative and Finance Departments and with a right combination of these requisites of sound budgeting, there is little possibility for normal expenditure to differ widely from the budget provision.

As regards defective control over expenditure, the statements for Supplementary Demands, surrenders and Re-Appropriations are generally based on mid-year Revised Estimates, or even later i.e. at a stage when the figures of actuals of expenditure for a major part of the year are available and it only remains for the Budget Controlling Authorities to estimate the expenditure during the remaining portion of the year and allow for adjustments towards or at the end of the year. Thus, the scope for the occurrence of any abnormal features is considerably reduced and consequently if the estimates are prepared with the required care, attention and foresight, the chances of excesses or savings should be very small.

The best remedy for avoiding these irregularities, therefore, is to devote considerable attention to the accuracy of the Revised Estimates. This cannot be done unless the Heads of Departments are fully conversant with the month to month progress of expenditure. For this purpose, it is essential that they should insist on their staff following strictly the procedure laid down for the reconciliation of departmental accounts. It is also necessary that a careful watch should be kept of all liabilities for which debits may be raised by other departments or Governments and due allowance for such adjustments should be made before surrenders or Re-Appropriations from an allocation are decided upon. When the need for surrender manifests itself, the Controlling Officers should carefully estimate the amounts that they can surrender.

The aim should be to surrender as much as they can so as to keep the expenditure just within the modified Grant. Surrenders are being made generally in the month of March, and a careful study of figures of expenditure incurred and watch over the progress of last month's expenditure should enable a Budget Controlling Authorities to fix upon his final requirements with a reasonable degree of exactness.

Re-Appropriation is generally necessitated either due to excess requirements on items provided in the budget or by additional expenditure not contemplated in the budget. In either case, a Re-Appropriation should not follow as a matter of course but after a careful estimate of the likely actual expenditure. More especially, in the latter case, the possibility of savings under the same head which can be utilized towards meeting the additional expenditure should be fully and thoroughly investigated. It is also observed that the necessary limits and restrictions relating to the Re- Appropriations as laid down vide the Delegation of Financial Powers Rules are not abided by the Departments. No object is served by keeping back savings which should ideally be surrendered in time. For this reason, appropriations which are likely to remain unspent must be reported for surrender as early as possible. If this is not done, other spending Departments are deprived of the funds which they could have utilized and thus avoidable demands for Supplementary Grants are preferred.

An uncovered excess is a serious irregularity. It is open to a competent authority to sanction Reappropriations even at a very late stage of the financial year. There is, therefore, no reason whatsoever why large excesses should accrue. Large excesses unmistakably reveal a defective control of expenditure by the officer concerned and should be strictly avoided.

Efforts should also be made to see, as far as possible, that no expenditure is incurred in the absence of an allocation. In this connection, it is useful to remember that phrases like "source will be pointed out later" or "necessary Re-Appropriation of funds will be sanctioned in due course" are no substitutes for definite allocations. At all events, allocations very late in the year should be avoided unless they are inevitable. Funds placed at the disposal of a Disbursing Officer late in the year may very often be looked upon as an invitation to extravagance or rush of expenditure. Misclassification generally occurs, as a result of reluctance to consider the relevant accounts publications at the time of classification. In any case, at the time of reconciliation of the departmental accounts, it should be possible to correct errors in classification. In cases of real doubt, the matter of classification should be settled with the Finance (Budget) Department.

Chapter 7

Budget Implementation, Supplementary, Additional and Excess Demands

7.1 Communication of Grants to the Budget Controlling Authorities

As soon as the Annual Budget is passed by the Goa Legislative Assembly and on receipt of assent of the Hon'ble Governor, Finance Department is required to issue instructions to all Administrative Departments for allotment of Budget Grants to the respective Heads of Departments with copy to Accounts Department in a single consolidated manner. Expenditure in excess of the provision under such heads/ units must not be incurred, without the previous approval of the Finance Department.

7.2 Distribution of Grants

An appropriation is intended to cover all the charges, including the liabilities of past years, to be paid during the year or to be adjusted in the accounts of it. It is operative until the close of the financial year on the 31st March. Any unspent balance lapses and is not available for utilization in the following year. However, the Government will normally endeavor to include any anticipated lapse in the demand for the following year.

The Budget Controlling Authority should complete the distribution to the DDOs, wherever necessary. Copies of the communication should be furnished to the Directorate of Accounts. The Accountant General conducts appropriation audit against the total appropriation allotted to the Budget Controlling Authority under the Sub Head of Appropriation and it is for the Budget Controlling Authority to see that the allotment to Disbursing Officers is not exceeded. The Accounts Department crosscheck the availability of funds in Budget in a particular Head of Account as and when the DDOs present Bill in Treasury for drawal of funds against the relevant Head of Account. The copies of circular communicating Budget Grants and Vote on Accounts Grants to the concerned Administrative Department are given in Annexure VI and Annexure VII respectively.

7.3 General Remarks about Supplementary

Known savings in the budget should not be left un-surrendered for fear of the next year's budget allotment being reduced. The process of controlling expenditure is not to adopt the appropriations to the expenditure, but to adopt the expenditure to the appropriations. Considerable Re-Appropriation from one Sub Head to another must always be avoided. The process of Re-Appropriation is not designed merely to rectify omissions and lack of foresight.

A Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year can be made during the current financial year but not after the expiry of the current financial year as is necessary to meet-

(1) Expenditure on Schemes of New Expenditure to be taken up within the current financial year.

(2) Inadequacy of provision.

(3) Fresh expenditure but not technically "Schemes of New Expenditure."

(4) Omissions of provision.

When such additional expenditure is found, in consultation with the Finance Department, to be inevitable and there is no possibility of effecting savings within the Grant to cover the excess by Re-Appropriation, the Secretary in the Department concerned should propose to the Finance Department for Supplementary or Additional Grant or Appropriation only for such additional expenditure as the Finance Department has previously agreed to. No proposal for Supplementary or Additional Grant or Appropriation will ordinarily be accepted by the Finance Department for expenditure which the Finance Department has not previously agreed to.

7.4 Supplementary Grants

The proposal for Supplementary or Additional Grant or Appropriation should be submitted in online mode to Finance Department.

No expenditure under a particular Head against which no provision exists in the Budget as passed by the Assembly can be incurred and the provision under a Grant can never be exceeded. No expenditure can, therefore, be incurred in anticipation of a Supplementary or Additional Grant or Appropriation and no expenditure under a Head against which no provision exists, can be incurred prior to provision of funds by Re-Appropriation, where it is admissible and possible, sanctioned by a competent authority.

In deserving cases which are unforeseen and which cannot wait for provision by Supplementary or Additional Grant or Appropriation, advances from the Contingency Fund may be sanctioned in accordance with the provisions made in the Constitution and the relevant rules. The advances so sanctioned will have to be regularized by a Supplementary Grant or Appropriation.

All proposals for Additional Grant or Appropriation for Schemes of New Expenditure and should show that the expenditure could not be foreseen in due time either due to-

(a) the expenditure having been newly imposed by Statute or by the order of Court of law or other competent authority; or

(b) urgent necessity having been arisen for the proposed expenditure the postponement of which would cause serious loss to public service or Government revenue.

All proposals for Supplementary Grants or Appropriation to cover items above should explain the reasons for the inadequacy or omission of provision or why the need for the larger provision could not be foreseen when the departmental estimate was prepared and show that in the absence of the extra provision asked for, serious inconvenience or loss to public service will result.

No Supplementary Demand will be accepted by the Finance Department unless it is accompanied by a specific statement to the effect that the existing provision under the appropriate grant has been examined and it has been found that there will be no saving available there from to meet the present need by Re-Appropriation.

7.5 Restriction on an item reduced or refused by the Assembly

If the Assembly reduces a particular item in a Grant, a fresh demand must be made to the Assembly before expenditure in excess of the amount originally voted by them is incurred; but in making the demand, the altered circumstances in which the additional expenditure under the same item becomes necessary within the meaning of Article 205 of the Constitution should be clearly set forth.

No Re-Appropriation can be made to recoup an item in a Grant if the appropriation for that item has been reduced by the Legislative Assembly under Article 203 of the Constitution on a motion for reduction no matter whether that motion was for a real cut in the appropriation or only a token cut designed to enable the Assembly to discuss some matter of policy or criticize some action of the Executive. In case of necessity, the Assembly must be approached again for sanction to a Supplementary Grant.

7.6 Procedure regarding Supplementary or Additional Grants

The Finance Department will advise whether a Supplementary or Additional Demand shall be presented to the Assembly. When the expenditure requiring provision is obligatory (i.e. against commitment already made under orders of competent authority), a Supplementary Grant or Appropriation may be taken towards the end of the year provided that the total provision made by law, under the Grant concerned, is not exceeded before the Supplementary Demand is obtained. When, however, the expenditure required is not against any previously made commitment, the demand of the Additional Grant or Appropriation should be laid before the Assembly as early as possible and prior to incurring any expenditure.

Note: - The object of this distinction is-

(i) to avoid, as far as possible, asking the Assembly early in the year, for Supplementary Grants which may later on turn out to be unnecessary, there being adequate saving within the Grant to cover the extra expenditure, and

(ii) to avoid incurring expenditure which is optional, i.e. expenditure on object not contemplated in the budget, and has not been voted for by the Assembly.

When it is required at a stage after the enactment of the Appropriation Act to incur expenditure on a new form of service which comes within the category of Schemes of New Expenditure, a demand for the full amount of the expenditure will be presented irrespective of the fact that savings may be available from the amounts included in the Appropriation Act from which the new expenditure could be met, such saving being dealt only by surrender to the Finance Department.

If, however, the expenditure is to be incurred on an existing or recognized service, the submission of a demand for Additional Grant is not compulsory when it can be met from the savings anticipated.

Note:- The word "Savings" denotes actual saving resulting by the completion of a project or projects at a lesser cost than provided for in the budget.

If a work estimated to cost Rs.5 lakh is completed at an actual expenditure of Rs. 4,85,000/-, it is then that a saving of Rs.15,000/- occurs. If, however, only a sum of Rs.60,000/- is spent on that particular project out of a provision of Rs. 5 lakh leaving Rs.4,40,000/- to be spent in the next year, there is no savings but transferring the liability to subsequent year. Proper sense of the word should therefore, be borne in mind while submitting proposals for financing new schemes from “savings”.

The Finance Department will report to Directorate of Accounts, cases in which Government have specially authorized the incurring of expenditure from savings within the grant in anticipation of the explicit concurrence of the Assembly.

The decision to present a Supplementary or an Additional Demand will ordinarily be reached at a meeting of the Council of Ministers before presentation of the demand to the Assembly. It will then be included by the Finance Department in a statement to be laid before the Assembly under Article 205 of the Constitution.

7.7 Uncovered and inevitable expenditure

If there be no provision in the Budget Estimates and if the expenditure cannot be met from the savings under the same Head or other Heads within the same Grant, the payment has to be held up till this can be covered by supplementary appropriation or by an advance granted from the Contingency Fund pending regularization by supplementary appropriation in due course. In no circumstances can a payment be made so as to cause an excess over the Grant or Appropriation or over an advance sanctioned from the Contingency Fund.

If possible, liability for uncovered expenditure should not be undertaken till the preparation of new budget has given opportunity of making provision and an Appropriation Act has supplied the means. Except in the case of charges which are normally incurred in March and paid in April, a charge actually incurred in one year must on no account be thrown on the Grant of the another year.

7.8 Excess Grant of Appropriation

If in respect of any financial year money has been spent on any Service in excess of the amount granted, for that Service and for that year, a statement of such excess expenditure will be prepared by the Finance Department on receipt of the Report of the Committee on Public Accounts, to be laid before the Assembly under Articles 205 of the Constitution.

Chapter 8

Re-appropriation

Re-Appropriation means the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same Grant or Charged Appropriation.

8.1 General Principles

I. Proposals for Re-Appropriation might be-

a. From a Voted Head to another Voted Head within a Grant;

b. From a Charged Head to another Charged Head;

c. From a Charged Head to a Voted Head;

d. From a Voted Head to a Charged Head.

II. Re-Appropriations are admissible in case of I(a) and (b) above. Rule 9 of the "Goa Delegation of Financial Powers Rules, 2008" gives power to the various authorities to sanction Re-Appropriation from one Major, Minor or Sub Head to another.

III. No authority, not even the Assembly, has power to Re-Appropriation from one Grant to another.

IV. Re-Appropriations are to be sanctioned by the Finance Department according to the principles laid down in Goa Delegation of Financial Powers Rules, 2008.

V. No Re-Appropriation is admissible in cases as mentioned in I(c) and (d) above as a Voted Grant cannot be decreased even by the Assembly and can only be increased by Supplementary Grant.

VI. Separate items of Voted Grant and Appropriation for Charged Expenditure are shown in the Appropriation Act. Each of these units of supplies shown separately in the Appropriation Act is termed as "Grant Appropriation." No Re- Appropriation should be made from one Grant Appropriation to another.

VII. Permissible Re-Appropriations within the Grant or Appropriations of a year can be sanctioned at any time within the year but not after the expiry of the year.

VIII. Further,

a. No Re-Appropriation shall be made for any purpose whatsoever from Supplementary Grants voted by the Assembly for a definite purpose, so as to ensure that a Supplementary Grant shall be used for the purpose for which it is voted and for no other. The same principles shall apply to Supplementary Charged Appropriations.

b. In a case in which provision made in the Budget under a Sub Head is expected to be exceeded, Re-Appropriation should ordinary be postponed until a reliable forecast is possible, as the information available in the earlier part of the year is not always a safe guide for Re-Appropriations. No expenditure should, however, be incurred on an object for which no provision exists in the budget, without making provision.

c. That all Re-Appropriations made by officers named shall be in respect of the Grants placed at their disposal.

d. That the Re-Appropriation is neither made for a New Service not contemplated in the budget for the year nor for an object not specifically included in that estimates and for which no provision has been made.

e. No Re-Appropriation from Capital to Revenue Head and vice-versa is permissible.

f. The Re-Appropriations are to be done after keeping in view the actual expenditure for a part of the financial year and the anticipated expenditure during the remaining part of the year.

The Goa Delegation of Financial Powers Rules, 2008 is provided as Annexure VIII.

8.2 Powers of Re-Appropriation

As mentioned above, the Finance Department has power to sanction or to authorize any Budget Controlling Authorities for Re-Appropriation within a Grant, from one Major, Minor or Sub Head to another. All proposals for Re-Appropriations need to be carried out as the delegation made by the Finance Department for sanction from time to time.

Copies of orders sanctioning any Re-Appropriation must be communicated to the Directorate of Accounts as soon as such orders are passed. In all cases of Re- Appropriation sanctioned, a Re-Appropriation statement should invariably be used. If the Finance Department is unable to provide funds by Re-Appropriation, the Government can decide to approach the Assembly for Supplementary Grant.

Chapter 9

Management of Accounts and Expenditure

9.1 Information for the Appropriation Accounts

Copies of Draft Appropriation Accounts are expected to be furnished by the Directorate of Accounts to the Budget Controlling Authorities for the purpose of scrutiny and providing information for the notes on accounts. They are required to explain all important variations between –

(1) a Grant or Appropriation under Sub Heads as originally voted or sanctioned and its final figure as modified by supplementary provisions, surrenders and Re-Appropriations and

(2) between the final figure and the actual expenditure.

The explanations should be precise and informative and phrases of the nature such as 'due to overestimating', 'covered by Re-Appropriation', 'Re-Appropriation proved unnecessary or inadequate' etc. and other likewise general terms should be avoided. For example, in the case of a saving under 'purchase of stores', the reasons for the smaller purchase should be given. Similarly, in case of an excess under 'Travelling Allowance', it should be explained why additional travelling could not have been foreseen and provision made to cover its costs. If the variation is due to several causes, the amount due to each such cause should be quoted.

9.2 Draft Audit Paragraphs

Irregularities and Audit objections discovered in the course of audit, which are likely to find a place in the Report of the C&AG are first brought to the notice of the concerned Administrative Department/ Head of Department in the form of Draft Audit Notes which are required to be replied, with factual position within six weeks. If no reply is given to the Draft Notes or the reply given is found unsatisfactory, the Draft Audit Notes are converted into ‘Draft Audit Paragraphs’ by the Accountant General (Audit).

The Draft Audit Paragraphs are then sent to the concerned Administrative Department/ Head of Department, with a copy to the Finance Department, for verification and acceptance of facts within six weeks. If the final reply is not sent within the prescribed time of six weeks or if the reply given is found to be inadequate, the Draft Audit Paragraphs are incorporated in the Report of the C&AG on the basis of facts available. It is therefore imperative for the Administrative Departments/ Heads of Departments to ensure that reply to Draft Audit Notes/ Draft Audit Paragraphs are sent to the Accountant General with full facts and figures with a sense of urgency within the prescribed time of six weeks under intimation to the Finance Department. In exceptional cases, where compliance is not possible within the period of six weeks, it is necessary that the Heads of Department should get in touch with the Accountant General and report the position with the available facts in the shape of an interim reply.

The comments on the Draft Audit Note/ Paragraphs should be normally communicated under the signature of the Secretary of the concerned Department or otherwise it should be indicated in the forwarding letter that the comments have the approval of the Secretary of the Department. Copies thereof should be sent to the Finance Department for reference. Facts coming to the notice of the Department after the Draft Paragraphs have been finalized by Audit, should also be transmitted to Audit under intimation to the Finance Department for posting the Public Accounts Committee with up-to-date information at the time the Audit Paragraphs are taken-up for examination by the Committee, at a later stage.

Every Head of Department needs to monitor the receipt and disposal of Draft Notes/ Paragraphs. Proper co-ordination should be maintained in all matters relating to Audit Paragraphs and attempt should be made as far as possible to use the facility of consultation with the Audit Officer in order to reduce the Draft Audit Paragraphs or objections at the very outset.

On receipt of copies of reply to Draft Audit Notes/ Paragraphs from the Accountant General pertaining to different Departments, the following action should be taken in the Finance Department-

(i) A Control Register containing particulars of Draft Audit Notes/ Paragraphs pertaining to each Department should be maintained to watch the progress of action taken by the concerned Department.

(ii) Finance Department should associate itself closely with the examination of the Draft Audit Notes/ Paragraphs and give necessary guidance to the Administrative Departments by pointing out to them whether the reply adequately covers the points raised in the Audit Paragraphs and what further remedial measures, if any, are considered necessary.

(iii) Cases of delay in the processing of Draft Audit Notes/ Paragraphs should be brought to the notice of the Secretary of the Administrative Department by the Finance Department.

9.3 Accounts and Report of the Comptroller and Auditor General

The Finance Accounts and the Report thereon together with the Appropriation Accounts and the Report thereon collectively constitute the ‘Accounts’. These ‘Accounts’ along with Report of the Comptroller and Auditor General are laid before the Assembly under Article 151(2) of the Constitution.

The Finance Accounts and the Report are submitted to the State Government for presentation to the Assembly.

9.4 Procedure in respect of irregularities

The Administrative Secretary, on hearing of a financial irregularity can call for a report from the Head of the Department concerned and after such enquiry as is necessary, will record the findings. The orders passed, whether involving disciplinary action, or the issue of general instructions to prevent future misconduct or misunderstanding, or otherwise, will be issued with the concurrence of the Finance Department and a copy will be sent to the Accountant General who is free to indicate whether he considers the action adequate or not and to comment on the matter in his report in the Appropriation Accounts.

The Accountant General will record in his report, cases of losses, writes-off or any nugatory expenditure, his references to individual matters being restricted to cases of real importance. Where a Department has rectified an irregularity to the reasonable satisfaction of Audit, such cases will ordinarily not appear in his report. It will, therefore, be to the advantage of the Departments concerned to expedite the disposal of audit queries. The same principle will apply in regard to cases of irregularities referred to the Finance Department, but the requisite sanction of the Finance Department will ordinarily mean that the case is omitted from the Report unless the action taken is either illegal and/ or evidently mala fide or contrary to vital interest of the State and in circumstances where the matter is of such importance that the Accountant General will consider justified in bringing it to notice in their Report.

9.5 Goa Fiscal Responsibility and Budget Management Act

The Goa Fiscal Responsibility and Budget Management Act was introduced by the State Government during 2006 to provide for the responsibility of the

State Government to ensure fiscal stability, sustainability, improve efficiency and transparency in management of the public finances of the State, enhance the availability of resources by achieving sufficient revenue surplus, reduce fiscal deficit and remove the impediments to effective conduct of fiscal policy and prudent debt management for improving the social and physical infrastructure and human development in the State. A copy of the Act and Rules thereof is provided as Annexure IX.

Chapter 10

Monitoring the progress of Revenue and Expenditure

Monitoring the progress of Revenue

10.1 Duties of Controlling Officers

It is the duty of Collecting Officers to see that all income claimable is claimed, realized and credited into the Government account. The Controlling Officers will supervise, by inspection or otherwise, that the claims to revenue are made when due, with statements of treasury/ Bank credits that the collections are properly credited in the Government accounts. The Controlling Officers shall pay special attention to prompt collection of revenue demands and ensure that arrear demands are kept as low as possible.

10.2 Revenue Receipts

The Directorate of Accounts prepares the monthly statements showing the amounts credited under the several Heads as well as transfer adjustments. The Controlling Officers are responsible for verification of the figures and their reconciliation as well as correction of wrong credits in account in consultation with the Treasury Officers and the Directorate of Accounts. Credit claimed but not found in accounts should be immediately enquired into and steps taken for correction in accounts if credited under a wrong Head.

Collecting Officers should be careful to see that the figures reported are those actually credited during the preceding months. If a mistake in classification is discovered before the submission of the return, it may be amended, the

Treasury Officers being informed accordingly. If the return has been submitted, the correction should be made by means of a foot-note to the next return, clearly explaining the mistake and the Treasury Officers should be advised accordingly. All errors in classification are required to be reported by the Treasury Officers to the Directorate of Accounts.

10.3 Monitoring of Central Revenues

The credit of amount by the Reserve Bank of India on account of share of Central taxes and receipts of other funds from Government of India are monitored by the Directorate of Accounts and compared with the figures as indicated in sanction letters issued by the Central Ministry.

Monitoring the progress of Expenditure

10.4 Procedure for Controlling Officers

When Grants have been communicated and distributed among the Disbursing Officers, the Controlling Officers will open and maintain a register, showing the sums allotted to each officer to whom he distributes budget allocation, including his own office, by Sub Head of Appropriation or any subdivision thereof under each Sub Head of the accounts, and note therein the additions and reductions made by Supplementary Grants or Re-Appropriations. The Controlling Officers will maintain an account of the total Grant for each Minor Head, Sub Head and Detailed Head in a register.

10.5 Register of Expenditure

On receipt of the intimation of budget allocation from the Controlling Officers, Disbursing Officers will open registers of expenditure under each Minor Head or Sub Head, if any. They will enter the appropriation made for each

Detailed Head under the Sub Head of appropriation, as intimated, or any secondary sub-division thereof. Any expenditure which does not fall under one of these Heads must necessarily be expenditure which was not contemplated in the Budget, and should not be incurred without special orders.

10.6 Presentation of bill and bill extract at the Treasury

When a Bill is presented to the Treasury in respect of any expenditure, the complete accounts classification i.e. the Major, Sub-Major, Minor, Sub Head, Sub-Sub Head, Detailed Head and the Sub-Detailed Head of the Budget, as required in the prescribed bill form, must be shown on the face of the Bill.

A Bill Extract Slip will be presented with the Bill at the Treasury, showing the Major, Minor, Sub Head and Detailed Head of the Budget. It will be returned, stamped ‘paid’ with the Treasury seal and bearing the number and date of the Treasury voucher. The number and date of the Treasury, with the amount of the Bill, will then be entered in the appropriate column of the register.

10.7 Procedure in the Works Department

The procedure described above applies mutatis mutandis to the Works Department also but in the case of works expenditure, the Divisional Officer submits to the Principal Chief Engineer/ Chief Engineer a statement of the works of all Heads showing the allotment, expenditure, the progress of works and the un-allotted Grant at his disposal.

10.8 Watch over expenditure on important items

The Controlling Officer will also maintain a separate watch over expenditure incurred from time to time on important but occasional items such as purchase of arms, purchase of uniforms, annual contributions, dietary charges in jails etc. It is necessary to maintain this watch since the expenditure may only occur once or twice a year, and will not be repeated every month. He will decide for himself what method he will use to watch such expenditure. He may distribute the Grant and order Disbursing Officers to keep him advised as to the progress of expenditure in a separate report in addition to the monthly returns (unless the expenditure is met by book adjustments). In either case, he should issue orders on the point when distributing Grants at the beginning of the year, and should see that arrangements are made to inform him as to the incurring of liabilities apart from actual expenditure.

10.9 Control of expenditure

The Disbursing Officer is primarily responsible for the expenditure incurred against Grants allotted to him under the Sub Head or Detailed Head of Appropriations and he should not allow the expenditure to exceed Appropriation for a Sub Head of Appropriation or any subdivision thereof or for a Detailed Head. If Re-Appropriation is permissible and if he can suggest a Re-Appropriation from the Grant allotted to him under some other primary unit, he should do so as soon as it appears likely that the Grant under a particular Head will be exceeded during the year. If Re-Appropriation is not permissible and if he cannot suggest Re-Appropriation, he must either avoid an excess or give his Controlling Officer the earliest possible intimation as to why an excess cannot be avoided. He must, however, remember that amount of undisputed claims due from Government must not be withheld on the ground of the lack of appropriation. A breach of the rule lies in the undertaking of liability for expenditure without appropriation of available funds and not in the actual payment. In this respect, he should pay prompt attention to warnings received from the Controlling Officer.

The Controlling Officer is required to supervise the expenditure of officers subordinate to him, and in particular, to see that steps are taken to provide funds when the appropriation is likely to be exceeded. When this occurs, or when he receives an application for funds from a subordinate officer, he should—

(a) first see if he can provide for the requirement by redistribution of funds allotted to other Disbursing Officers;

(b) if no redistribution is possible within his powers, report to the Administrative Department of Government suggesting a Re-Appropriation if possible.

The Controlling Officer is responsible for ensuring that the control of expenditure in his department is adequate. When the Controlling Officer and the Administrative Department are both unable to provide for requirements by Re-Appropriation within their powers, the Administrative Department should apply to the Finance Department, suggesting a Re-Appropriation, if possible.

10.10 Surrender of Savings

During the second half of the financial year; it is essential for the Finance Department to know as to what extent, the sanctioned Budget Grants (Voted and Charged) will be insufficient or in excess for the expenditure of the year. This is necessary for two purposes- Firstly, when there is an excess under any Major Head, it must be met from Re-Appropriation of savings from elsewhere within the same Grant in pursuance of the principle that unanticipated expenditure should be met from savings within the same Grant. Wherever this is not possible, Supplementary Demand needs to be presented to the Assembly after regularizing the excess expenditure to the extent of ascertained savings. Secondly, the information is necessary for the preparation of the Revised Estimates of expenditure.

The Department or the Drawing and Disbursing officer may find in the course of year that the expenditure under a particular Detailed Head is likely to be less than the provision made in the Budget. The savings may be due to one or more of the following reasons-

i. actual postponement of expenditure;
ii. real savings due to economy;
iii. normal savings due to original over-estimating or usual administrative causes.

As a rule, these savings should in no circumstances be used for Re-Appropriation to meet new items of expenditure without Finance Department's concurrence.

The Savings anticipated by the Drawing and Disbursing Officer should be reported to the Controlling Officer, who should proceed to deal with the savings as follows-

i. He should in the first place examine the allotment given to other Disbursing Officers under the same Detailed Head within the same unit of appropriation and transfer to the Disbursing Officer who requires an additional allotment of such sums as can be permanently or temporarily spared. Since appropriation audit will ordinarily be conducted against total allotment for a unit, there is no question of Re-Appropriation in the technical sense of the word. The process amounts to nothing more than redistribution, which the Controlling Officer can ordinarily effect without reference to any other authority.
ii. Should he find such redistribution impossible, he should examine the allotment against other Detailed Heads within the primary units of appropriation, with the object of discovering probable savings and

effecting a transfer. Where such redistribution is possible, he should, if he has been invested with the necessary powers, carry it out. Otherwise, he should obtain the sanction of the competent authority.

iii. If provision of funds within the primary unit proves to be impossible, an examination of the whole Grant or portion of the Grant with which he is concerned should be undertaken to see whether there are likely savings under any of the other units of appropriation, which can be utilized. If so, he should proceed as indicated in clause (ii) above.

Where, after an examination of the savings and excesses in the manner described above, a Controlling Officer reasonably anticipates savings to accrue in the Grant administered by him, he should communicate to the Finance Department for surrender of anticipated savings occurring under various units of appropriation to the Government. It is important that the Controlling Officer surrenders to the Government all anticipated savings immediately when they are foreseen without waiting till the end of the year and that he should not hold any savings in reserve for possible future excesses.

It is contrary to the interest of the State that money is spent in an ill-considered manner merely because it is available and that the lapse of a Grant can be avoided. In the public interest, it is essential that Grants that cannot be properly utilized are surrendered without delay. The existence of likely savings should not be seen as an opportunity for introducing fresh items of expenditure, which might wait till the next year. A rush of expenditure particularly in the closing months of the financial year will ordinarily be regarded as breach of financial regularity.

On receipt of the Statements of anticipated savings proposed to be surrendered to the Government, the Finance Department will issue orders withdrawing the surrendered provision. This will have the effect of reducing the allotment at the disposal of the departmental officers by the surrendered amount, as accepted by the Finance Department. A copy of the order of the Finance Department accepting the surrender should be forwarded to the Directorate of Accounts and the Head of Department concerned. The latter will forward a copy of the order of withdrawal of provision to the Controlling Officer for information and distribution wherever necessary, of the surrendered amounts, among the subordinate officers for reduction of the allotment at the disposal of the latter.

If the necessity for Re-Appropriation from any surrendered amount, which has been formally withdrawn by the Administrative Department, actually arises, then, in special circumstances, such Re-Appropriation should be effected not by operating on the Sub Head affected by the surrender but by cancelling or modifying, as the case may be, the original order of acceptance of surrender and re-appropriating thereafter, from the proper units, the amounts thus released to the units concerned.

Chapter 11

Miscellaneous

11.1 Delegation of Financial Rules and Procedure for Sanction

Goa Delegation of Financial Powers Rules, 2008 is amended from time to time to take its present form. Under these rules, detailed provisions have been made to ensure that in spite of the sanctions accorded under delegation, no expenditure can be incurred unless funds to cover the charge during the year have been provided. Hence, when applying for sanction of a competent authority to any expenditure, it should invariably be specified how it is proposed to be met. The detailed Rules are placed at Annexure VIII.

11.2 Zero-based budgeting

Zero-based budgeting is an approach to plan and make decisions which reverses the working process of traditional budgeting. In traditional incremental budgeting, departmental officers justify only variances versus past years, based on the assumption that the "baseline" is automatically approved. By contrast, in zero-based budgeting, every line item of the budget must be approved, rather than only changes during the review process and no reference is made to the previous level of expenditure. Zero-based budgeting requires the budget request be re-evaluated thoroughly, starting from the zero-base. This process is independent on whether the total budget or specific line items are increasing or decreasing. Zero based budgeting also refers to the identification of a task or tasks and then funding resources to complete the task independent of current resources.

Advantages

1. Efficient allocation of resources, as it is based on needs and benefits instead of past history.
2. Drives officers to find cost effective ways to improve operations.
3. Detects inflated budgets.
4. Increases staff motivation by providing greater initiative and responsibility in decision-making.
5. Increases communication and coordination within the organization.
6. Identifies and eliminates wasteful and obsolete expenses.
7. Identifies opportunities for outsourcing.
8. It helps in identifying areas of wasteful expenditure and, if desired, it can also be used for suggesting alternative courses of action.

Disadvantages

1. More time-consuming than incremental budgeting.
2. Justifying every line item can be problematic for Departments with intangible outputs.
3. Requires specific training, due to increased complexity vs. incremental budgeting.

11.3 Gender Responsive Budget

Concept and Definition of Gender Budgeting

A gender-responsive budget is a budget that acknowledges the gender patterns in society and allocates money to implement policies and programmes that will change these patterns in a way that moves towards a more gender equal society. Gender budget initiatives are exercises that aim to move the country in the direction of a Gender responsive budget.

The budget is the most important policy instrument of the Government because no other policy will work without money. As such, the Government budget can be a powerful tool in transforming our society. Women and girls are also individuals in their own right and their socio-economic development sets the foundation for sustainable growth of the economy and society as a whole. In addition, the Constitution of India has mandated equality for every citizen of the country as a fundamental right.

Gender Budgeting is based on the modern idea that budgeting is not simply an accounting or bookkeeping exercise. Instead, budgeting is a key part of the planning and implementation process. Thus, budgets should follow policies rather than policies being determined by budgets. And among the policies that budgets should follow, is commitment to promoting gender equality.

Gender Budgeting serves varied purposes like identifying the needs of women and re-prioritizing the expenditure to meet these needs, supporting gender mainstreaming in macroeconomics, strengthening civil society participation in economic policymaking, enhancing the linkages between economic and social policy outcomes, tracking public expenditure against gender and development policy commitments.

Guidelines for submission of information for preparation of Gender Responsive Budget

1. The selected Administrative Departments will constitute a Gender Budget Cell headed by an Officer, normally dealing with plan, policy and coordination and not below the rank of Joint Secretary.
2. The Department will prepare lists of schemes and programmes which are exclusively gender specific.

3. Budget Estimates for such exclusive gender specific schemes/ programmes against the relevant head of account, both under Plan and Non- Plan, are to be furnished to the Finance Department.

11.4 Performance Budget

The Performance Budget will be a progress card on what various Departments have done with the outlay announced in the annual Budget. It is a performance measurement tool that helps in better service delivery; decision-making; evaluating programme performance and results; communicating programme goals; and improving programme effectiveness. It measures the development outcomes of all Government programmes. It will evaluate whether the money has been spent for the purpose it was sanctioned and the outcome of the fund-usage. The Performance Budget, however, will not necessarily include information of targets already achieved. It is a paradigm shift in Budget making with emphasis upon Outcomes and not Outlays. The idea is to make Government officials more result-oriented. It helps the Government make its budgets more cost effective, doubles up as a major device to fix accountability, and the Government manages its schemes better.

The Performance Budget will also help gauge the effectiveness of the money spent on various heads by different Departments. It will also help ensure that programmes and schemes do not continue indefinitely from one Plan period to the next, without an independent, in-depth evaluation. The Performance Budget is expected to ensure efficient service delivery, transparency and accountability.

The Department of Planning Statistics and Evaluation monitors whether the desired results are being achieved vis-à-vis the money being spent on a particular scheme.

11.5 Austerity Measures

The State Government can face severe financial crisis at times. There can been an alarming increase in revenue and fiscal deficits and considerable deterioration in its ways and means position. As a part of its measures to improve its expenditure management and restrict further growth in non-essential expenditure, the Government decides to adopt some austerity measures which are relaxed when the financial health of the State improves. A copy of a detailed circular regarding such measures is placed at Annexure X.

ANNEXURE I: LEGISLATIVE PROCEDURES

CHAPTER XIX-Procedure in Financial Matters

254. *Budget and its Presentation*— The Annual financial statement or the statement of the estimated receipts and expenditure of the State in respect of every financial year (hereinafter referred to as the Budget) shall be presented to the Assembly on such day as the Governor may appoint.

255. *Discussion on Budget*— No discussion on the Budget shall take place on the day on which it is presented to the Assembly.

256. *Demands for Grants*— (1) No demand for a grant shall be made except on the recommendation of the Governor.

(2) Subject to the provisions of rules made under Articles 77(3)-

(a) a separate demand shall ordinarily be made in respect of the grant proposed for each department of the Government:

Provided that the Governor may include in one demand grants proposed for two or more departments, or make a demand in respect of expenditure, which cannot readily be classified under particular departments.

(b) each demand shall contain, first a statement of the total grant proposed, and then a statement of the detailed estimate under each grant divided into items.

257. *Stages of Budget Debate*— The Budget shall be dealt with by the Assembly in two stages, namely:

(i) a general discussion, and

(ii) the voting of demands for grants.

258. *General Discussion*— (1) On a day to be appointed by the Speaker in consultation with the Leader of the House which shall not be earlier than two days subsequent the day on which the Budget is presented and as the Speaker may allot not less than three days for this purpose. The House shall be at liberty to discuss the budget as a whole or in question or principle involved therein, but no motion shall be moved at this stage nor shall the Budget be submitted to the vote of the Assembly.

(2) The Finance Minister shall have a general right of reply at the end of the discussion.

(3) The Speaker may, if he thinks fit, prescribe a time-limit for speeches.

259. *Voting on Demands*— (1) The voting on demands for grants shall take place on such days (not less than 15 days) as the Speaker may, after consultation with the Leader of the House allot for the purpose.

(2) The demands for grants shall be presented in such order and discussion shall continue for such time within the period allotted under sub-rule (1) as the Leader of the House, in consultation with the Leader of the Opposition, may determine.

(3) On the days allotted under sub-rule (1), no other business except the questions shall be taken up without the consent of the Speaker.

(4) Motions may be moved at this state to reduce or omit any grant but not to increase or alter the destination of a grant.

(5) No amendment to motions to reduce any grant shall be permissible.

(6) When several motions relating to the same demand are made they shall be discussed in the order in which the heads to which they relate appear in the Budget.

(7) On the last day of the days allocated under sub-rule (1), half an hour or so before the close of the usual sitting of the day, the Speaker shall forthwith put every question necessary to dispose off all the outstanding matters in connection with the demands for grants; and this procedure shall not be anticipated by any motion for adjournment or be interrupted in any manner whatsoever, nor shall any dilatory motion be moved in regard thereto.

260. *Cut motions*— A motion may be moved to reduce the amount of a demand in any of the following ways—

(a) "that the amount of the demand be reduced to Re. 1" as representing disapproval of the policy underlying the demand. Such a motion shall be known as "Disapproval of Policy cut". A member giving notice of such a motion shall indicate in precise terms the particulars of the policy which he proposes to discuss. The discussion shall be confined to the specific point or points mentioned in the notice and it shall be open to members to advocate an alternative policy;

(b) "that the amount of the demand be reduced by a specified amount" representing the economy that can be affected. Such specified amount may be either a lump sum reduction in the demand or omission or reduction of an item in the demand. The motion shall be known as "Economy Cut". The notice shall indicate briefly and precisely the particular matters on which discussion is sought to be raised and speeches shall be confined to the discussion as to how economy can be effected;

(c) "that the amount of the demand be reduced by Rs. 100" in order to ventilate a specific grievance, which is within the sphere of the responsibility of the Government. Such a motion shall be known as "Token Cut" and the discussion thereon shall be confined to the particular grievance specified in the motion.

261. *Conditions of Admissibility of Cut Motion*s— In order that a notice of motion for reduction of the amount of demand may be admissible, it shall satisfy the following conditions, namely:—

(i) it shall relate to one demand only;

(ii) it shall be clearly expressed and shall not contain arguments, inferences, ironical expressions, imputations, epithets or defamatory statements;

(iii) it shall be confined to one specific matter which shall be stated in precise terms;

(iv) it shall not reflect the character or conduct of any person whose conduct can only be challenged on a substantive motion;

(v) it shall not make suggestion for the amendments or repeal of existing laws;

(vi) it shall not refer to a matter which is not primarily the concern of the Government;

(vii) it shall not relate to expenditure charged on the Consolidated Fund of the State;

(viii) it shall not relate to matter which is under adjudication by a court of law having jurisdiction in any part of India;

(ix) it shall not raise a question of privilege;

(x) it shall not revive discussion on a matter which has been discussed in the same session and on which a decision has been taken;

(xi) it shall not anticipate a matter which has been previously appointed for consideration in the same session;

(xii) it shall not ordinarily seek to raise a discussion on a matter pending before any statutory tribunal or statutory authority performing any judicial or quasi-judicial functions or any commission or court of enquiry appointed to enquire into or investigate any matter:

Provided that the Speaker may in his discretion allow such matter being raised in the House as is concerned with the procedure or stage of enquiry if the Speaker is satisfied that it is not likely to prejudice the consideration of such matter by the statutory tribunal, statutory authority, commission or court of enquiry; and

(xiii) it shall not relate to a trifling matter.

262. *Notice of a Motion to omit or reduce Grant*— Notice of a motion to omit or reduce any grant shall be given not less than two days before the day appointed for the discussion of such grant unless otherwise directed by the Speaker;

Provided that the Speaker shall decide whether or not a cut motion is admissible under these rules and may disallow any cut motion which, in his opinion, amounts to an abuse of the right of moving such a motion, or is in contravention of these rules or is otherwise inadmissible.

263. *Vote on Account*— A motion for vote on account shall state the total sum required, and the various amounts needed for each department or service or item of expenditure which compose that sum which shall be stated in a schedule appended to the motion.

(2) Amendments may be moved for the reduction of the whole grant or for the reduction or omission of the items whereof the grant is composed.

(3) Discussion of a general nature shall be allowed on the motion or any amendments moved thereto, but the details of the grant shall not be discussed further than is necessary to develop the general points.

(4) In other respects, a motion for vote on account shall be dealt with in the same way as if it were a demand for grant.

264. *Supplementary or Additional Grants or Grants for Excess Expenditure*— (1) The Speaker in consultation with Leader of the House may allot one or more days for presentation of a statement of demands for grants in respect of supplementary or additional or excess expenditure under Article 205.

(2) The Speaker in consultation with Leader of the House may allot one or more days for the discussion and voting of such demands. In such cases, the same procedure will be followed as is laid down in rules 256 to 262 subject to such modifications as the Speaker may deem necessary.

265. *Scope of Discussion on Supplementary*— The debate on the supplementary grants shall be confined to its items and no discussion shall be raised on the original grants nor on the policy underlying them save in so far as it may be necessary to explain or illustrate the particular items under discussion.

266. *Token Grant*— When funds to meet proposed expenditure on a new service or scheme can be made available by reappropriation, a demand for the grant of a token sum may be submitted to the vote of the House, and if the House assents to the demand, funds may be so made available.

267. *Appropriation Bill*— (1) Subject to the provisions of the Constitution, the procedure in regard to an Appropriation Bill shall be the same as for Bills generally but with such modifications as the Speaker may consider necessary:

Provided that no amendment shall be proposed to an Appropriation Bill which will have the effect of varying the amount or altering the destination of any grant made under Article 203.

(2) The Speaker may, suspend the operation of any for the timely passing of such Bills.

268. *Time limit for Disposal of Financial Business*— In addition to the powers exercisable by the Speaker under these rules, he may exercise all powers necessary for the purpose of the timely completion of all financial business and may, in particular, allot time for the disposal of various kinds of such business and when the time is so allotted, he shall, at the appointed hour, put every question

necessary to dispose off all the outstanding matters in connection with the stages for which the time has been allotted.

Explanation.— Financial business includes any business which the Speaker holds as coming within this category under the Constitution.

269. *Publication of Appropriation and Finance Accounts and Audit Reports*— As soon as may be practicable after the Appropriation and Finance Accounts and Audit Reports thereon have been laid on the Table of the Assembly, the Secretary shall issue a notification declaring them to be published for general information.

ANNEXURE II: GOA CONTINGENCY FUND ACT AND RULES

The Goa Contingency Fund Act, 1988

(Act No. 4 of 1988) [23-3-1988]

An Act to provide for the establishment and maintenance of a Contingency Fund for the State of Goa.

Be it enacted by the Legislative Assembly of Goa in the Thirty-eighthYear of the Republic of India as follows:—

1. Short title, extent and commencement.— This Act may be called the Goa Contingency Fund Act, 1988.

2. Establishment of a Contingency Fund.— There shall be established a Contingency Fund in the nature of an imprest entitled the Contingency Fund of the State of Goa (hereinafter called the "Contingency Fund") into which shall be paid from and out of the Consolidated Fund of the State of Goa, a sum of hundred crores of rupees.

3. Custody of the Contingency Fund and withdrawals therefrom.— The Contingency Fund shall be held on behalf of the Governor of Goa, by the Finance Secretary to the Government of Goa, and no advances shall be made out of such fund except for the purposes of meeting unforeseen expenditure pending authorization of such expenditure by the Legislative Assembly under appropriations made by law.

4. Power to make rules.—For the purpose of carrying out the objects of this Act, the State Government may make rules regulating all matters connected with or ancillary to the custody of, the payment of monies into and the withdrawal of monies from, the Contingency Fund and till such rules are made, the payment of monies into and withdrawal of monies from the contingency Fund shall be regulated for the time being by the rules which were in force up to 30-5-1987 and were applicable to the Contingency Fund of the Union territory of Goa, Daman and Diu subject to the modifications in the said rules that reference to authorities shall be construed in relation to the Contingency Fund of the State of Goa as references to the corresponding authorities of that State.

Secretariat,
Panaji-Goa.
Dated: 30th March, 1988.

M. RAGHUCHANDER,
Secretary to the Government of Goa,
Law Department (Legal Affairs).

(Published in the Official Gazette, Series I No.16 dated 21-7-1988. The Act came into force on 23-3-1988).

The Goa Contingency Fund Rules, 2002

Notification

1-9-88-Fin (Bud)

In exercise of the powers conferred by section 4 of the Goa Contingency Fund Act, 1988 (Act 4 of 1988), the Government of Goa in supersession of the Goa Contingency Fund Rules, 1988 published in the Official Gazette, Series I No. 14 dated 7-7-1988, hereby makes the following rules, namely:-

1. Short title and commencement.— (1) These rules may be called the Goa Contingency Fund Rules, 2002.

(2) They shall come into force at once.

2. Application for advance from the Contingency Fund.— (1) No advance shall be made out of the Contingency Fund except for the purpose of meeting unforeseen expenditure, including expenditure on a new service not contemplated in the annual financial statement, pending authorization of such expenditure by the Legislative Assembly under appropriations made by law.

(2) An application for advance from the Contingency Fund for the purposes aforesaid shall be made by the Secretary of the Administrative Department concerned to the Secretary of the Finance Department in quadruplicate in Form "A" appended to these rules. Such application shall be made at the time of referring the proposal for expenditure to the Finance Department for its scrutiny.

The application shall give:—

(i) brief particulars of the additional expenditure involved;

(ii) the circumstances in which provision could not be included in the budget;

(iii) why its postponement is not possible;

(iv) the amount required to be advanced from the Fund with full cost for the proposal for the year, or part of the year, as the case may be; and

(v) the grant or appropriation under which supplementary provision will eventually have to be obtained.

3. Order sanctioning the advance from the Contingency Fund.— The order sanctioning the advance shall be in Form "B" to these rules and shall be forwarded by the Finance Department to the Audit and Accounts Officers concerned together with a copy of the application.

Note 1 – When an advance is sanctioned from the Contingency Fund, the amount shall continue to remain physically a part of that Fund and shall not go out of it till it is actually withdrawn and spent on the specific purpose for which the advance is sanctioned.

Note 2 – The order authorizing an advance from the Contingency Fund shall not lapse with the close of the year but shall lapse as soon as the Appropriation or Supplementary Appropriation Bill incorporating the grants is passed by the Legislative Assembly in the session summoned after the advance is sanctioned and has received the assent of the Governor.

4. Orders authorizing expenditure.— (1) The Administrative Department concerned shall not issue any orders authorizing expenditure out of the Contingency Fund unless advance from the Fund has been sanctioned by Government and a copy of the order sanctioning the advance has been forwarded to the Audit and Accounts Officer, under rule 3.

(2) A separate sanction order authorizing expenditure by the concerned Department shall not be required wherever the expenditure is debitable to the head 01 – Salaries.

Note:- Where the expenditure on the items is to be met out of the advance from the Contingency Fund, the Order authorizing such expenditure shall be conveyed in the following format:-

"Sanction is hereby accorded to incur expenditure of Rs. ………… (Rupees ……………. …………………. only) towards … as per the following bills:-

The expenditure should be debited to the head "8000 – Contingency Fund (head …)" and the amount of Rs. …….. (Rupees ………… only) should be met out of the advance from the Contingency Fund sanctioned vide Government of Goa, Finance (Budget) Department Order No. …... dated ……….

The Head of the Department should ensure that Appropriation to enable repayment to the Fund is obtained at the earliest possible session of the Legislative Assembly after the date of this Order.

This Order issues with the concurrence of the Finance Department vide their O. M./U. No. ……. dated "

5. Bills and Vouchers.— All Bills and Vouchers for the drawal of moneys from the advance from the Contingency Fund shall contain the words "Contingency Fund" prominently written in red ink at the top of the Bill or Voucher. This, however, shall not dispense with the necessity of furnishing the usual classification of the expenditure in the Bill or Voucher, as the case may be.

6. Authorization of the expenditure by the Legislative Assembly.— All expenditure so financed shall be presented to the Legislative Assembly at the first or second session, as may be practicable, summoned to meet immediately after the advance is sanctioned. As soon as the Legislative Assembly has authorized the expenditure by including it in any Appropriation or Supplementary Appropriation Act, the advances made from the Contingency Fund shall be returned to the Fund.

Note 1 – While presenting to the Legislative Assembly estimates for expenditure financed from the Contingency Fund a note to the following effect shall be appended to such estimates:-

"A sum of Rs. .... has been advanced from the Contingency Fund in Government of Goa, Finance (Budget) Department, Order No. ………. dated ..... and an equivalent amount is required to enable repayment to that Fund".

Note 2 – In those cases where the supplementary demand/appropriation presented to the Legislative Assembly includes the amount for the repayment of the advances taken from the Contingency Fund, a note to the following effect shall be appended to such demands:-

"Pending the authorization of the expenditure by the Legislative Assembly for this item a sum of Rs .... has been sanctioned from the Contingency Fund in Government of Goa, Finance (Budget) Department, Order No. …….. dated..... and an equivalent amount required to enable repayment to be made to that Fund is included in this Supplementary demand/appropriation".

7. Restoration of advances into the Contingency Fund.— (1) All advances sanctioned from the Contingency Fund to meet expenditure in excess of the provision for the service included in an Appropriation (Vote on Account) Act shall be restored to the Contingency Fund as soon as the Appropriation Act in respect of the expenditure on the service for the whole year, including the excess met from advances from the Contingency Fund has been passed.

(2) A copy of the order, resuming the advance, which shall give a reference to the number and date of the order under which the original advance was made and to the Appropriation or Supplementary Appropriation Act referred to in Rule 6 shall be forwarded by the Finance Department to the Audit and Accounts Officer concerned.

8. Account of the transactions of the Contingency Fund.— (1) An account of the transactions of the Contingency Fund shall be maintained by the Finance Department in Forms "C" and "D" appended to these rules.

(2) Actual expenditure incurred against advances from the Contingency Fund shall be recorded in the account relating to the Contingency Fund in the same detail as it would have been shown if it had been paid out of the Consolidated Fund.

FORM "A"

[*See* sub-rule (2) of Rule 2]

Application for advance from the Contingency Fund of the State of Goa for the year.......

1	Name of the Department	
2	Application No. .... and date .... (Departmental File No. and date of reference)	
3	Brief particulars of the additional expenditure involved	
4	Circumstances in which provision could not be made in the budget	
5	Why its postponement is not possible	
6	The amount required to be advanced from the Contingency Fund with full cost of the proposal for the year or part of the year, as the case may be	
7	Major, Sub-Major, Minor and Detailed Heads of Account under which the supplementary demand or appropriation will eventually have to be obtained	
8	Name of the Controlling Officer at whose disposal the amount would be placed	
9	Remarks	

Countersignature
of Administrative Secretary

Signature
of Budget Controlling Authority

FORM “B”

(*See* Rule 3)

No.
Government of Goa,
Finance (Budget) Department,
Secretariat, Panaji-Goa.

Dated

Subject:- Advance from the Contingency Fund.

An advance of Rs. .... is hereby sanctioned from the Contingency Fund of the State of Goa for the expenditure to be incurred by the ………… Department on the item mentioned in the margin under the Head of Account mentioned under:-

DEMAND No.

Particulars of item of expenditure	
Major Head	
Sub-Major Head	
Minor Head, and	
Detailed Head of Accounts	

3. A copy of the application for advance from the Contingency Fund is forwarded herewith.

By order and in the name of
the Governor of Goa

Under Secretary (Budget)

To

1. The Director of Accounts.
2. The Sr. Dy. Accountant General (Audit), Audit Bhavan, Alto Porvorim.

Copy to:-

3. …….. Department with reference to the unofficial reference No. ……….. dated ………..

FORM “C”

(*See* Rule 8)

CONTINGENCY FUND OF THE STATE OF GOA

Amount of the Fund Rs.

Serial No.	Budget Head	Department concerned and number and date of application for advance	Number and date of the order sanctioning the advance	Amount of sanctioning advance	Actual expenditure against the sanctioned advance	No. and date of the order of recoup- ment	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

FORM "D"

(*See* Rule 8)

Progressive totals of withdrawals from the Contingency Fund

Serial No.	Number and Date of Order	Demand/ /Major Head	Budget Controlling Authority	Purpose	Amount sanctioned	Progre-ssive Total	Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

By order and in the name of the Governor of Goa.

Rina Ray, Commissioner & Secretary (Finance).

Panaji, 28th May, 2002.

Annexure III: Budget Calendar showing tentative timelines

1st week of September: Issue of Budget Calling letter to all Administrative Departments for giving estimates.

31st October: Last date for receipt of Budget Estimates relating to Receipts and Expenditures

31st December: General compilation of the State estimates.

28th February: Last date to take inputs from all departments for CM's budget speech. Also discussion with various Associations, Federations and other stakeholders in the State take place in the month of February. Also, taking inputs from general public.

Day before presentation: Finalization of Speech, all figures and allocation.

Day of presentation of Budget: Despatch of all Budgets and Budget literature Secretary, Goa Legislative Assembly, for delivery to the Members of the Legislative Assembly as and when called for.

March Last Week: Vote on Account provision of grants to be communicated by the Finance Department to Controlling Officers.

After Passing of Full Budget: Grants to be communicated by the Finance Department to Controlling Officers.

Annexure IV: Circular for submitting Budget Estimates

FINANCE (BUDGET) DIVISION
DEPARTMENT OF FINANCE,
GOVERNMENT OF GOA
SECRETARIAT, PORVORIM-GOA -403521
Phone No. (0832) 2419778 E-mail usbud1-sect.goa@nic.in

BUDGET/TIME BOUND

No. 1/10/2021-FIN(BUD) Dated:- 14/11/2022

OFFICE MEMORANDUM

Sub:- Submission of material for Revised Estimates 2022-23 and Budget Estimates 2023-24 under Revenue, Capital and Centrally Sponsored Schemes.

The Demands for Gants for the year 2022-23 have been voted by the Legislative Assembly and concerned Appropriation Act has also been passed. It may be necessary to effect some changes in the Budget Estimates 2022-23 in view of certain factors like drawl of advances from the Contingency Fund, Supplementary Demands for Grants 2022-23 (F.B), etc. Accordingly, the Departments have to make a realistic assessment of requirement of funds that can be spend by March, 2023 and propose Revised Estimates for the year 2022-23 and Budget Estimates 2023-24.

2. ESTIMATES OF RECEIPTS

Utmost care should be taken to furnish the accurate position with regard to receipts. In order to do so, the actual receipts for the first six months should be taken. The estimates for the remaining six months should be based on realistic estimates.

While estimating Budget Estimates 2023-24 and the Revised Estimates, 2022-23, the trend observed during the previous year may be considered.

3. <u>ESTIMATES OF EXPENDITURE (B.E. 2023-24)</u>

(i) While formulation the Budget Estimates, 2023-24, the actuals for 2021-22 should be taken as the base.

(ii) It should be the endeavour of the Estimating Officer to keep the Revenue Expenditure to the barest minimum thereby taking into consideration the re-appropriation done, if any, in the previous year.

(iii) The Budget Controlling Authorities are requested to keep note of the above guidelines while providing Budget Estimates, 2023-24. The information maybe uploaded online thereby visiting URL;- http://10.155.155.187/budget on or before 30/11/2022.

The Departments shall upload the details of post filled as on date and posts likely to be filled during the F.Y. 2023-24.

The Budget Controlling Authorities should note that mere submission of the estimates by them does not mean an authority for them to incur expenditure. Further, it may be noted that, new Head of Account/Unit of Appropriation to be opened for the Budget 2023-24 shall be referred to the Finance (Budget) Division.

Pranab G. Bhat)
Under Secretary (Finance Budget-I)

To,
All Budget Controlling Authorities.

<u>Copy to:-</u>
1- Guard file.
2- O/c.

Annexure V: Guidelines for submitting Performance Budget

GOVERNMENT OF GOA
FINANCE DEPARTMENT,
FINANCE (BUDGET) DIVISION,
SECRETARIAT, PORVORIM – GOA- 403 521

E-mail:- usbud1-sect.goa@nic.in
Phone (0832) 2419778

No. 1/13/2020-FIN(BUD) Dated: - 26/06/ 2023

Ref: No. LA/PaperLaid/V Session/ 2023/785 dated: 20/06/2023

C I R C U L A R

Attention is invited to this Department's circular No. 1-20-96-FIN(BUD)dated 04/06/1998 wherein instruction have been issued for presentation of Performance Budget to the Legislative Assembly every year. It is necessary that the Performance Budget is prepared and copies supplied to Goa legislative Assembly, Porvorim, before the Demands for Grants for the year 2023-24 are discussed and passed by the legislative Assembly in the ensuing session of the assembly. The above referred letter received from Goa Legislature Secretariat is attached herewith for kind information.

All the Departments are therefore requested to ensure that performance budget is uploaded on portal along with submission of 50 hard copies and 2 CDs in PDF format in respect of their Department to the Goa Legislature, as desired by them in above referred letter. The same shall be submitted to the Legislature department latest by 14/07/2023, with a copy to this Department for information. For queries, departments can approach Goa legislature Secretariat at the helpline mentioned in the letter referred above.

(Pranab G. Bhat)
Under Secretary Finance (Budget-I)

Encl: As above

To,

1.All Secretaries to the Government.
2.All Budget controlling Authorities
3.The Secretary (Legislature), Goa Legislature Secretariat, Porvorim, Goa.
4.Guard file.
5.O/c.

Annexure VI: Circular communicating Grants to Budget Controlling Authorities

GOVERNMENT OF GOA
FINANCE DEPARTMENT,
FINANCE (BUDGET) DIVISION,
SECRETARIAT, PORVORIM – GOA- 403 521

E-mail:- usbud1-sect.goa@nic.in
Phone (0832) 2419778

No. 1/5/2023-FIN(BUD) Dated:- 25/08/2023

C I R C U L A R

Read:- 1/10/2021-FIN (BUD)/Part/815 dated 11/08/2023

Sub:- Budget Estimates 2023-24 Governor Assent to the Goa Appropriation (No. 3) Bill, 2023 (Bill No. 23 of 2023).

The Demand for Grants for the year 2023-24 have been voted by the Legislative Assembly and the corresponding Appropriation Bill has been assented by the Hon'ble Governor of Goa. The Budget Estimates for the year 2023-24 for various Grants/Appropriation are now placed at the disposal of the Budget Controlling Authorities.

It may be noted that mere Budget provision does not constitute sanction for expenditure. Formal sanction should invariably be obtained from the Competent Authority unless existing sanctions are operative in accordance with the Financial Rules.

(Pranab G. Bhat)
Under Secretary Finance (Budget-I)

To,
1- All Budget Controlling Authorities.

Annexure VII: Circular communicating Grants on Vote on Account to Budget Controlling Authorities

GOVERNMENT OF GOA
FINANCE DEPARTMENT,
FINANCE (BUDGET) DIVISION,
SECRETARIAT, PORVORIM – GOA- 403 521
E-mail:- usbud1-sect.goa@nic.in
Phone (0832) 2419778

No. 1/5/2023-FIN(BUD) Dated:- 31th March 2023

C I R C U L A R

Sub:- The Goa Appropriation (Vote on Account) Bill, 2023 (Bill No. 15 of 2023) – reg…

The Goa Appropriation (Vote on Account) Bill, 2023 (Bill No. 15 of 2023) relating to Demands for Grants 2023-24 as passed by the Legislative Assembly, has been assented to by the Governor of Goa.

The amount indicated in the Booklet enclosed hereto of "Vote on Account" for the financial year 2023-24 is now placed at the disposal of the Budget Controlling Authorities.

(Pranab G. Bhat)
Under Secretary Finance (Budget-I)

Encl:- As above.

To,
All the Budget Controlling Authorities.

ANNEXURE -VIII: Goa Delegation of Financial Powers Rules, 2008

GOVERNMENT OF GOA

Department of Finance

Budget Division

—

Notification

1-27-92-Fin (Bud)

The Goa Delegation of Financial Powers Rules, 2008

In exercise of the powers conferred by clause (*3*) of article 166 of the Constitution of India, the Governor of Goa, hereby makes the following rules, namely:—

1. *Short title and commencement*: — (*1*) These rules may be called the Goa Delegation of Financial Powers rules, 2008.

(*2*) They shall come into force from the date of their publication in the Official Gazette.

2. *Definitions*: - In these rules, unless the context otherwise requires;

(a) "Appropriation" means the assignment to meet specified expenditure of funds included in a primary unit of appropriation;

(b) "Contingent expenditure" means all incidental and other expenditure including expenditure on stores which is incurred for the management of an office, for the working of a technical establishment such as laboratory, workshop, industrial installation, store depot,office expenses and the like but does not include any expenditure which has been specifically classified as falling under some other Head of expenditure such as "machinery and equipment", "works", "tools and plant";

(c) "Controlling Officer" means an officer entrusted by the Government with responsibility of controlling the incurring of expenditure and/or the collection of revenue. The term shall include Head of Department and also Secretary;

(d) "Finance Department" means the Finance Department of the Government;

(e) "Government" means the Government of Goa;

(f) "Governor" means the Governor of Goa;

(g) "Head of Department" in relation to an office or offices under it's administrative control, means an authority specified in Annexure II to these rules and includes such other authority or person in charge of an identifiable organization, as the Government may, by order, specify, as a Head of Department;

Note:— No authority employed in honorary capacity shall be designated as Head of Department for the purpose of these rules.

(h) "Head of Office" means a Gazetted Officer declared as such under rule 13 of these rules;

(i) "Legislative Assembly" means the Legislative Assembly of the State of Goa;

(j) "Non-recurring expenditure" means expenditure other than recurring expenditure;

(k) "Primary Unit of Appropriation" means a primary unit of Appropriation, as referred to in rule 7 of these rules;

(l) "Re-appropriation" means transfer of funds from one primary unit of Appropriation to another such unit;

(m) "Recurring expenditure" means expenditure which is incurred at periodical intervals;

(n) "Secretariat Administrative Department" means any of the Departments specified in the Schedule to the Business of the Government of

Goa (Allocation) Rules, 1987;

(o) “Secretary” means a Secretary to the Government in charge of a Secretariat Department and includes the Chief Secretary, Development Commissioner, Special Secretaries holding independent charge and Secretary to Governor who shall also be a Secretary to the Government holding independent charge in so far as financial matters of Raj Bhavan are concerned; and Secretary to Legislature Secretariat of the State of Goa;

(p) “Public Works” means civil works and irrigation, navigation, embankment and drainage works and includes works related to the Electricity Department;

(q) “Subordinate authority” means a Department of the Government or any authority subordinate to the Governor.

3. *General limitations on power to sanction expenditure:-* (*1*) No expenditure shall be incurred from the public revenues except on legitimate objects of public expenditure.

(2) Expenditure or advances of public money may be sanctioned by a subordinate authority only in those cases in which it is authorized to do so by—

(a) the provisions of any law for the time being in force;

(b) these or any other rules issued, by or with the approval of the Governor; or

(c) any general or special order of the Governor.

(3) Nothing contained in sub-rule (*2*) shall empower any subordinate authority to sanction any expenditure which involves the introduction of a new principle or practice likely to lead to increased expenditure in future unless the said expenditure has been subjected to scrutiny and agreed to by the Finance Department.

(4) A subordinate authority shall exercise the power to sanction expenditure subject to any general or special order, direction or stipulation which the authority delegating or re-delegating such power may issue or specify from time to time.

(5) Instructions issued by general or specific order of the Government, regarding any object of expenditure shall be adhered to.

(6) Economy instructions issued by the Government from time to time shall, where they restrict powers delegated herein, be deemed to modify such powers accordingly and such restrictions shall continue to be in force until withdrawn specifically or by general order of the Government.

(7) Canons of financial propriety as laid down in the General Financial Rules shall always be kept in view.

4. *Residuary financial powers*:- All financial powers, not specifically delegated to any authority by these rules, shall vest in the Finance Department.

5. *Effect of sanction:-* Subject to the observance of terms of sanction order and unless funds are made available in the Annual Budget by valid appropriation or re-appropriation or by advance from the contingency fund, as the case may be, no expenditure, both of recurring and non-
-recurring nature, shall be incurred against such sanctions.

6. *Provision of funds by Legislative Assembly:* - Only after the Demands are voted by the Legislative Assembly and the necessary Appropriation Bill passed by it and subsequently assented to by the Governor, the amounts so authorized shall become available to the authorities concerned for appropriation or re-appropriation to meet sanctioned expenditure. Lumpsum provisions made in the Budget for Plan or Non-Plan schemes will not be available to the concerned authorities for issue of any sanction under their powers, until full details and justification of the schemes have been furnished to the Finance Department and approved by the later.

The provision made in the Annual Budget for schemes other than those which have been sanctioned and approved by the Finance Department will not be available to the concerned authorities for expenditure, under their delegated powers, without obtaining concurrence of the Finance Department.

7. *Primary units of appropriation*.- Primary units of appropriation shall be as indicated in Annexure I appended hereto and include any additional units as specified by the Finance Department from time to time.

8. *Allotment of funds*.— (*1*) The Finance Department shall place at the disposal of the Controlling Officer, so designated from time to time, funds sanctioned against the respective grant or appropriation.

(*2*) Subject to any special rules or orders issued by the Government, the whole or part of the provision under a primary unit may in turn be placed by the Controlling Officer at the disposal of their subordinate Heads of Offices/Drawing and Disbursing Officers.

9. *Appropriation and re-appropriation general restrictions*.— (*1*)Funds shall not be appropriated or re-appropriated to meet expenditure which has not been sanctioned by an authority competent to sanction it.

(2) Funds provided for charged expenditure shall not be appropriated or re-appropriated to meet voted expenditure and vice-versa.

(3) No re-appropriation shall be made from one grant or appropriation for *charged* expenditure to another grant or appropriation for *charged* expenditure.

(4) Save with the specific approval of the Legislative Assembly or an advance from the Contingency Fund of the Government, funds shall not be appropriated or re-appropriated to meet expenditure on a new service or new instrument of service not contemplated in the Budget as approved by the Legislative Assembly.

(5) Funds shall not be appropriated or re-appropriated to any work which has not received administrative approval or technical sanction, as specified by the Government from time to time. No re-appropriation shall be made from the savings in Revenue Section to the Capital Section or vice-versa.

(6) No re-appropriation shall be made from the provision made for centage charges including pro-rata transfer of expenditure on percentage basis from other heads.

(7) Re-appropriation below Rs. 10.00 lakhs in all cases, except mentioned under this rule, may be done with the approval of the Administrative Secretary. In such cases, U.O. No. of Administrative Secretary shall be mentioned in the Order. Re-appropriation for Rs. 10.00 lakhs and above shall require prior approval of the Finance Department.

(8) Re-appropriation in the following cases shall require concurrence of the Finance Department:—

(a) From funds provided for new items in the Budget;

(b) From primary unit “Major Works” to any other units;

(c) From and to the provision for Secret Service Expenditure;

(d) For augmenting the provision under primary units “Salaries”, “W ages”, “Office Expenses” and “Other charges” taken together for the entire Grant or Appropriation;

(e) From funds provided under Plan Heads to Non-Plan Heads, both under Revenue and Capital Sections;

(f) From Capital Outlays to loans or vice-versa;

(g) From and to funds provided under the unit "Suspense";

(h) From provisions allocated under Externally Aided Projects (EAPs) for non-EAP purposes.

(i) From funds provided under minor heads of Tribal Area Sub-Plan and Special Component Plan for Scheduled Castes.

(9) No re-appropriation will be permissible from the head of account in which additional funds have been provided through Revised Estimates/Supplementary Grants/Contin- gency Fund during the course of the financial year. While putting up this proposal to the Finance Department for re--appropriation of funds, it should clearly be mentioned that no additionalities have been sought for under the head from which the re-appropriation is proposed.

(10) Departments should provide a list of their priority areas/sectors to the Finance (Budget) Department by the 31st May every year. Funds earmarked for these priority areas/sectors will not be re-appropriated for spending under any other head of account.

(11) At least 50% of the saving under the head "Salaries" should be surrendered if it is not being re-appropriated for payment of salaries under any other minor head within the same major head. Any exceptions to these may be made only with the approval of the Secretary (Finance), depending upon the merit of the case.

10. *Creation of posts.*- (*1*) Notwithstanding anything contained in these rules, no post of whatsoever nature shall be created without the concurrence of the Finance Department.

(*2*) Heads of Departments shall be competent to sanction the continuation of temporary posts in so far as Group 'C' and 'D' categories are concerned. Secretary shall be competent to sanction continuation of temporary posts in Group 'A' and 'B' categories, under his administrative control:

Provided that the period for which the post is continued, does not exceed the period for which the post was created initially and that all the circumstances justifying the original sanction continue to exist.

11. *Abolition of posts.*— The authority which is competent to create the post may sanction its abolition.

12. *Powers of subordinate authorities*.— (*1*) Subject to the provisions of these rules, the Secretariat Administrative Department, Secretaries and Heads of Departments shall, in relation to appropriation and re-appropriation, write off any contingent expenditure, and shall have the powers respectively specified in Annexure IV, V and VI.

(2) The Secretariat Administrative Department, the Legislature Secretariat and the Secretaries may, by general or special order, confer powers, not exceeding those vested in them, upon a Head of Department or any other subordinate authority in respect of any matter covered by these rules:

Provided that no power under this sub-rule shall be re-delegated in respect of write off of losses and condemnation of vehicles.

[Note:– The Heads of Offices who are delegated enhanced powers of Heads of Departments are listed in Annexure III]

(3) The Head of Department referred to in sub-rules (*1*) and (*2*) may, by an Order in writing, authorize an officer in Group 'A' or 'B' category serving under him to exercise to such extent, as

may be specified in that Order, all or any of the powers conferred on such Head of Department under sub-rule (*1*) or sub-rule (*2*). The Head of Department shall, however, continue to be responsible for the correctness and propriety of the decisions taken by the said Officer/Officers so authorised.

(4) An authority empowered by or under these rules to incur contingent expenditure shall exercise such powers subject to the condition that the provisions of the Store Purchase Rules and all other instructions and orders on the subject, issued from time to time, shall be followed.

(5) Unless otherwise provided by any general or special rules or order, it shall be within the competence of an authority to exercise the financial powers delegated to an authority subordinate to it.

(6) No statutory powers of a post shall be exercised by an authority appointed to perform the current duties of that post, in addition to his own post.

(7) In case the powers are re-delegated to subordinate authorities, a complete review of such re-delegation should be undertaken once in three years.

(8) Powers shall not be delegated under these rules to Officers other than those serving in Group 'A' or 'B' category of posts.

Note:– Copies of orders of delegation of powers issued by the competent authorities should necessarily be sent to the Finance Department.

13. *Head of Office*.— Without prejudice to the provisions of rule 12, the Secretariat Administrative Department, Secretaries and Heads of Departments shall have power to declare any Gazetted Officer subordinate to them as Head of Office, for the purpose of these rules:

Provided that not more than one Gazetted Officer shall be declared as Head of Office in respect of the same Office or Establishment, unless such Office or Establishment is distinctly separate from one another.

14. *Delegation of powers to incur expenditure*.- Subject to the observance of the provisions in force for submission of contingent bills for payment, and without prejudice to the provisions of rule 12, a Head of Office may authorize an Officer in Group 'A' or 'B' category serving under him to incur contingent expenditure on his behalf, subject to such restrictions and limitations as may be laid down by him. The Head of Office shall, however, continue to be responsible for the correctness and propriety of the expenditure incurred by the Officer so authorised.

15. *Insurance of Government property*.— Government property, both movable or immovable, shall not ordinarily be insured and no subordinate authority shall undertake any liability or incur any expenditure in connection with the insurance of such property without the previous consent of the Secretary to the Government.

In the following cases, expenditure on insurance may be incurred without consent of the Secretary, by the Head of Department:—

(a) on the insurance of the materials and equipments received on loan or as aid from any entity, if according to the terms of contract or agreement entered into with that entity, insurance of such materials and equipments is necessary;

(b) where, for booking of goods, by rail or road, an enhanced risk rate is provided at owners risk, which is in the nature of insurance charges;

16. on the insurance, not exceeding Rs. 20,000 in each case, of all costly, extremely delicate, highly sensitive, sophisticated equipment of fragile nature purchased from abroad, which are not easily replaceable and for which insurance is considered absolutely necessary.

17. *Expenditure on works, schemes or projects*.— Without prejudice to the provisions of rule 12 and subject to availability of funds in the Budget, expenditure on all works, schemes and projects shall require prior approval of the Finance Department:

Provided that nothing contained in this rule shall be deemed to affect any financial power in relation to public works exercisable by various Officers under the C. P. W. D. manual as adopted by the Government.

18. *Grants and loans*.— Without prejudice to the provisions of rule 12 and rule 16, and subject to availability of funds, the Secretariat Administrative Department and Secretaries shall have full powers to sanction grants-in-aid including scholarships and loans:

Provided that—

(a) such grants-in-aid including scholarships or loans, are in accordance with the rules or principles as prespecified with the previous concurrence of the Finance Department; and

(b) the rate of interest on a loan and period of repayment thereof shall be fixed with the previous concurrence of the Finance Department, unless the rate of interest on such loan and the period of repayment thereof are prespecified in any general or special order issued by the Finance Department; and

(c) grants are to be released either on monthly or quarterly basis restricting to 1/12th or 1/4th of the Budget provision. Grants for revenue and capital expenditure purposes are to be released separately. Grants for capital expenditure are to be earmarked for the purpose for which it is being given;

(d) salary grants are allowed only for the posts sanctioned by the Government.

Note 1.— In all sanctions for grants-in-aid, a certificate to the effect that the pattern of assistance governing such grants-in-aid has received the approval of the Finance Department, should be included.

Note 2.— In sanctions relating to loans, a certificate should be inserted to the effect that the same is in accordance with the rules or principles as laid down with the previous concurrence of the Finance Department and that the rate of interest on the loans and the period of repayment thereof have been fixed with the concurrence of the Finance Department.

19. *Contracts*.— Subject to the provisions of these rules and the provisions at present being observed as regards the purchase of stores, etc., for public service and those prescribed by the Government, the authorities listed in Annexure VI shall also have powers to execute contracts in relation to matters connected with their Departments/Offices as specified by the Governor from time to time in terms of provisions of clause (*1*) of article 299 of the Constitution:

Provided that previous concurrence of the Finance Department shall be obtained in the following cases:—

(a) any purchase or contract the value of which exceeds rupees one crore. If a contract extends, over a period of time, the total value over the entire period of its currency shall be taken as the value for the purpose of applying this limit;

(b) any negotiated or single tender contract exceeding Rs. 20.00 lakhs in value. A limited or open tender which results in only one effective offer shall be treated as a single tender contract for this purpose;

(c) any indent for stores of a proprietary nature, the contract value of which exceeds Rs. 20.00 lakhs.

20. *Trading operations*.— Notwithstanding anything contained in these rules, all proposals:—

(a) for the purchase of commodities not intended for Government consumption, but for sale or issue to the public or any other authority;

(b) for the fixation of prices in respect of direct trading operations of the Government; and

(c) from Government Companies and Undertakings which may be referred to the Government for fixation of prices for their products or stocks, shall be referred to the Finance Department for concurrence, before approval:

Provided, however, that a proposal under clause(*a*) or clause (*b*) may not be referred to the Finance Department for concurrence if the value of the transaction is below Rs. 10.00 lakhs.

Explanation.— In this rule "Government Company" shall have the same meaning as in the Companies Act, 1956 (1 of 1956).

21. *Communication of sanctions to audit*.— Whenever the sanction of the Finance Department is required under these rules, such sanction shall be communicated to the audit/pay and Accounts Officer concerned by the authority competent to issue sanction order, after adding a clause to the sanction order as follows:—

"This order/memorandum issues with the concurrence of the Finance Department vide their O. M./U. O. No. .... dated ".

22. *Endorsement of copies of orders*.— Copies of the orders delegating powers by the competent authorities to their subordinate authorities shall be endorsed to the Directorate of Accounts, A ccountant General Goa, Finance Department and other concerned Officers.

23. *Repeal and savings*.— The Goa delegation of Financial Powers Rules, 1997, are hereby repealed:

Provided that such repeal shall not affect anything done, any order issued, any action taken or any powers exercised before coming into force of these Rules 2007, and all sanctions, orders, declarations or other action taken before the commencement of these rules shall continue to be operative and in force even af ter the commencement of these rules, unless specifically cancelled or revoked by the authority who accorded such sanction or issued such order or took such action:

Provided further that all delegations made to any authority shall also continue to remain in force unless specifically revoked by the competent authority.

24. *Power to relax*.— The Governor may,after being satisfied that it is necessary or expedient so to do, by general or special order,relax all or any of the provisions of these rules in relation to withdrawing, reducing or enhancing the powers delegated, or impose other conditions in addition to those specified in these rules.

By order and in the name of the Governor of Goa.

S. Shanbhogue, Joint Secretary (Budget).

ANNEXURE - I

Primary Unit of Appropriation

(*See* Rule 7 of GDFPR 1997)

List of standard object heads with the relevant two digit code & Definition

Code	Description	Description/Definition
	Object Class 1 (Personnel services and benefits)	
01	Salaries	*Salaries:-* Will include pay, allowances in all forms of personnel including honoraria and leave encashment except travel expenses (other than leave travel concession). This object classification will also be utilized for recording expenditure on emoluments and allowances of heads of States and other high dignitaries including sumptuary allowance.
02	Wages	*Wages:-* Will include wages of labourers and of staff at present paid out of contingencies.
03	Overtime allowance	Overtime allowance:- Is the amount paid to a Non-Gazetted Government servant for performing official duties beyond office hours in addition to his working hours.
04	Pensionary charges	*Pensionary charges*:- Will include donations to service funds and contributory provident funds in addition to payments of pensions and gratuity in all forms to Government servants, Members of Parliament, freedom fighters, etc. This will, however, not include social security expenditure such as old age pension etc.
05	Rewards	*Rewards:-* Will include amount paid to Government servants only as per schemes, if any, operative in Ministries/Departments.
	Object Class 2 (Administrative expenses)	
11	Domestic travel expenses	*Domestic travel expenses*:- Will cover all expenses on account of travel on duty in India including conveyance and fixed travelling allowances but excluding leave travel concessions which would be part of salaries. This will also include T.A./D.A. to non-official members on account of travel in India.
12	Foreign travel expenses	*Foreign travel expenses*:- Will cover all expenses on account of travel on duty outside India including deputation of Scientists abroad. This will also include the expenditure on T.A./D.A. to non-official members going on tour abroad.
13	Office expenses	*Office expenses*:- Will include all contingent expenses for running an office such as furniture, postage, purchase & maintenance of office machines and equipments, liveries, hot and cold weather charges (excluding wages of staff paid from contin- gencies, telephones, electricity and water charges, stationery, printing of forms, purchase and maintenance of staff cars and other vehicles for office use as distinct from vehicles for functional purposes like ambulance, vans, etc. This will also include POL expenses on vehicles for office use.

14	Rent, rates, taxes	*Rent, rates, taxes*:- Will include payment of rent for hired buildings, municipal rates and taxes, etc. It will also include lease charges for land.
15	Royalty	
16	Publications	*Publications*:- Will include expenditure on printing of office codes, manuals and other documents whether priced or unpriced but will exclude expenditure on printing of publicity material. This will also include discount to agents on sale of publications, etc.
20	Other administrative expenses	*Other administrative expenses*:— Will include expenditure on Departmental canteen hospitality/entertainment expenses, gifts and expenditure on conducted tours, expenditure on conferences/seminars/workshops, etc., and expenditure on other training programmes. Object Class 3 (Contractual services and supplies)
21	Supplies & materials	*Supplies & materials*:- Will include expenditure on materials and supplies, stores and equipments, etc.
22	Arms and ammunition	*Arms and ammunition*:- Will include expenditure on arms and ammunition of Police and other Paramilitary Establishments.
23	Cost of ration	*Cost of ration*:- Will include expenditure on ration of Police and other Paramilitary Establishments.
24	POL	*POL*:- Will include expenditure on POL of Police and other paramilitary vehicles. It will also include expenditure on POL of transport vehicles used for field activities, but will exclude those used for running an office.
25	Clothing and tentage	*Clothing and tentage*:- Will include expenditure on clothing and tentage of Police and Paramilitary Establishments.
26	Advertising and Publicity	*Advertising and Publicity*:- Will include commission to agents for sale and printing of publicity material. This would also include expenditure on exhibitions, fairs.
27	Minor works	*Minor works*:– Will also record expenditure on repairs and maintenance of works, machinery and equipment.
28	Professional services	*Professional services*:- Will include charges for legal services, consultancy fees, fees to staff artists, remuneration to the examiners, invigilators, etc. for conducting examinations, remuneration to casual artistes, by the All India Radio, Doordarshan and all other types of remunerations. It will also include payments for services rendered, supplies made by other departments such as Railways, Police, etc.,a distinction being made in respect of supplies made, services rendered for running of an office in which case the expenditure will be recorded under office expenses.
30	Other contractual services	*Other contractual services*:- Will include expenditure on service or commitment charges and national value of gifts received, etc.

Object Class 4 (Grants, etc.)

31	Grants-in-aid	
32	Contributions	*Contributions*:- This will also include expenditure on membership of international bodies
32	Subsidies	
33	Scholarship/Stipend	Object Class 5 (Other expenditure)
41	Secret service expenditure	
41	Lumpsum provision schemes/sub-schemes/	*Lumpsum provision*:- Will include expenditure in respect of /organizations where the provision does not exceed Rs. 10 lakhs. In all other cases break-up by other objects of expenditure must be given.
42	Suspense	

42 Exchange variation *Exchange variation*:- The difference in the rate of exchange at the time of receipt of loan/advances from foreign sources and repayment thereof shall be debited under this object head under the concerned service expenditure head.

43	Interest	*Interest*:- Will include interest on capital and discount on loans.
44	Share of taxes/duties	
50	Other charges	*Other charges*:- Will include payment out of discretionary grants, other discounts, customs duty compensation, awards and prizes, etc. Any other expenditure which cannot be classified under any of these specified object heads will be debited to this head.
		Object Class 6 (Acquisition of capital assets and other capital expenditure)
51	Motor vehicles	*Motor vehicles*:- Include purchase and maintenance of transport vehicles used for functional activities (e. g. ambulance, vans) which are distinct from those used for running an office.
52	Machinery and equipment	*Machinery and equipment:*- Will include machinery equipment, apparatus, etc., other than those required for the running of an office and special tools and plants acquired for specific works.
53	Major works	*Major works:*- Will be classified with reference to financial limits as per classification of major works in CPW A Code. This will also include cost of acquisition of land and structures.

54	Investments	
55	Loans and advances	*Loans and advances*:- Will include all loans and advances granted to other Governments, Public Sectors Enterprises, Undertakings and other Government Bodies, etc., but will exclude repayments of borrowings.
56	Repayment of borrowings	
60	Other capital expenditure	
		Object Class 7 (Accounting adjustments)
61	Depreciation	
62	Reserves	
63	Inter-accounts	*Inter-accounts transfer*:- Will include transfer to and from reserve fund, etc., write transfer back from capital to revenues.
64	W rite-off/losses	*Write-off/losses:-* Will include write-offof irrecoverable loans losses will include trading losses.
70	Deduct recoveries	

ANNEXURE - II

[*See* rule2(g)]

List of the Heads of Departments

1. Chief Electrical Engineer.
2. Principal Chief Engineer, Public Works Department.
3. Chief Engineer, Water Resources Department.
4. Chief Town Planner.
5. Chief Conservator of Forests.
6. Chief Electoral Officer.
7. Chief Inspector of Factories and Boilers.
8. Collector of Goa (North).
9. Collector of Goa (South).
10. Captain of Ports.
11. Commissioner of Excise.
12. Commissioner of Commercial Taxes.
13. Commissioner of Labour.
14. President, Administrative Tribunal.
15. Director of Accounts.
16. Director of Education.
17. Dean, Goa Medical College.
18. Dean, Goa Dental College.
19. Director of Health Services.
20. Director of Institute of Psychiatry and Human Behaviour.
21. Director of Planning, Statistics and Evaluation.
22. Director of Industries, Trade and Commerce.
23. Director of Sports and Youth Affairs.
24. Director of Archives and Archaeology.
25. Director of Agriculture.
26. Director of Animal Husbandry and Veterinary Services.
27. Director of Fisheries.
28. Director of Information and Publicity.
29. Director of Printing and Stationery.
30. Director of Transport.
31. Director of Tourism.
32. Director of Civil Supplies and Consumer Affairs.
33. Director of Municipal Administration.
34. Director of Social Welfare.
35. Director of Fire and Emergency Services.
36. Director of Technical Education.
37. Director of Food and Drugs Administration.
38. District and Sessions Judge, North Goa.
39. District and Sessions Judge, South Goa.
40. Director of Settlement and Land Records.
41. Director of Panchayats.

42. Director, Science, Technology and Environment.
43. Director of Small Savings and Lotteries.
44. Director of Art and Culture.
45. Director of Women and Child Development.
46. Director of Vigilance.
47. Director General of Police.
48. Inspector General of Prisons.
49. Joint Secretary/Director of Higher Education.
50. Principal, Government Polytechnic, Panaji.
51. Principal, Goa College of Pharmacy.
52. Principal, Goa Engineering College.
53. Resident Commissioner, Goa Sadan, New Delhi.
54. Registrar of Co-operative Societies.
55. Secretary to Governor.
56. Secretary (Legislature).
57. Secretary, Goa Public Service Commission.
58. State Director of Craftsmen and Training.
59. Director of Prosecution.
60. Director of Employment.
61. President, Consumer Disputes Redressal Commission (Goa State Commission).
62. Joint Secretary (Training).
63. Director of Museums.
64. Director of Information Technology.
65. Director of Official Language.
66. Director of Mines.
67. Principal, Goa College of Architecture.
68. Principal, Government Polytechnic, Bicholim.
69. Principal, Government Polytechnic, Curchorem.
70. Secretary, State Election Commission.

ANNEXURE - III

[*See* note below sub-rule (2) of rule 12]

List of the Heads of Offices authorized to exercise powers of Head of Departments as indicated in Part I and Part II of Annexure - VI

1. Custodian of Evacuee Property.
2. Executive Engineers of Public Works/Water Resources/Power Departments.
3. Principal, Goa College of Art.
4. Principal, Goa College of Architecture.
5. Principal, Goa Polytechnic, Bicholim.
6. Superintending Engineers and Superintending Surveyors of Works of Public Works/Water Resources/Power Departments.
7. Chief Architect (P.W.D.).
8. Under Secretary (G.A.).
9. Joint Director of Accounts, South-Goa-Margao.
10. Under Secretary (Home).
11. Under Secretary (Revenue).
12. Secretary, Department of Sainik Welfare (Rajya Sainik Board).
13. Secretary, Goa State Information Commission.
14. Registrar, High Court of Bombay at Goa.

71.

ANNEXURE - IV

Powers of Appropriation and Re-appropriation (*See* rule 12)

Authority	Extent of powe	
	Appropriation	Re-appropriation
Secretariat Administrative powers subject to rule 9 Department and Legislature Secretariat	Full powers subject to rule 9	Full
Secretary powers subject to rule 9	Full powers subject to rule 9	Full
Head of Department powers subject to rule 9	Full powers subject to rule 9	Full

Note:- All the Departments under single file system have to route their proposals through the concerned Secretary to the Government and all other Departments have to route their proposals through Secretariat Administrative Department.

ANNEXURE - V

Powers to write off losses

(*See* rule 12)

Nature of loss	Authority	Monetary limit upto which the loss may be written off in each case
(1)	(2)	(3)
(i) Powers to write off losses of stores or public money including losses of revenue and irrecoverable loans and advances.	Head of Department Secretary Secretariat Administrative Department.	Upto Rs. 20,000/- Upto Rs. 50,000/- Upto Rs. 1,00,000/-
(ii) Disposal of obsolete surplus or unserviceable stores.	——do——	——do——
(iii) Condemnation of motor vehicles or motor cycles	Secretary, Secretariat Administrative Department	This power may be exercised subject to the following restrictions:- (a) The lives of various types of vehicles in terms of distance run (in Kms.) and length of use (in years), whichever is reached later, are fixed as under:-

Types of vehicles	Kilometers	Years
(1) Heavy commercial vehicles	4,00,000	10
(2) (a) Motor vehicles fitted with engines upto 20 H. P. (R. A. C.)	1,50,000	6½
(b) Motor vehicles ambu- lance (irrespective of H. P.)	1,00,000	4
(3) Motor cycles fitted with engines of 3.5 H. P.(R.A.C.)	1,20,000	7
(4) Motor cycles fitted with engines of less than 3.5 H. P. (R. A. C.)	1,20,000	6

(The life of a tractor shall be taken as 10,000 hours or 10 years, whichever is reached later)

(b) A certificate is to be obtained from the competent authority to the effect that the vehicle is not fit for further economical use.

Note:- 1— Condemned vehicles to be disposed off within three months from the date of placing of fresh orders.

Note:- 2— Write off losses of cash in treasuries, whether in the course of remittance or out of treasury balance, are not governed by these rules, but are governed by the Receipt and Payment Rules, 1997, of the State Government/Central Treasury Rules.

Note:- 3— For the purpose of this Annexure, the value of stores shall be "book value".

ANNEXURE - VI

Powers of incurring

contingent expenditure

(*See* rule 12)

Note: In the matter of incurring contingent expenditure, the authorities indicated below shall have powers respectively indicated against each, subject to rule 3:

Authority	Extent of power
(1) Secretariat Administrative Department	: Full powers in respect of matters specified in Part I and Part II of this Annexure.
(2) Secretary	: Full powers in respect of matters specified in Part I and Part II of this Annexure.
(3) Head of Department	:(a) Full powers for items specified in Part I, Section (A) of this Annexure.
	(b) Restricted powers for items specified in Part I, Section (B) of this Annexure.
	(c) Powers as per Part II-Table-A of this Annexure for all non-specified items.
(4) Heads of Offices delegated with enhanced powers by Government or by the Heads of Departments.	: Powers as for Heads of Departments, except when specifically restricted by the delegating authority in respect of any item or items.
(5) Heads of Offices other than those listed at (4) above.	: Powers as in Part II-Table-A of this Annexure.

PA RT-I

Section- (A) — Items for which full powers stand delegated to the Heads of Departments.

(1) Charges for electricity, gas, fuel, lubricants and water.

(2) Conveyance hire and reimbursement of hire charges.

(3) Diet items, clothing and other related items for Government hospitals, Jails, asylums and such other institutions subject to scales laid down by competent authorities.

(4) Freight charges, wharfage and demurrage.

(5) Legal charges including payment of decretal/arbitration award amounts (scale of fees to Advocates, Pleaders, etc., as determined by the Law Department).

(6) Maintenance and service contracts in respect of machinery and equipments (terms and conditions of contract to be vetted by Law Department).

(7) Municipal rates and taxes.

(8) Office consumer items required for working of an establishment including house-keeping objects like linen, detergents, deodorizers, floor mats, flower-pots, etc.

(9) Office furniture and fixtures (purchase/upkeep/repairs/hire).

(10) Postage, telegraph and telephone charges (including reimbursement of telephone charges to entitled officers).

(11) Printing/binding and stationery (through Director of Printing and Stationery or procured from open market with NOC from that Office).

(12) Purchase of publications, books, journals and periodicals.

(13) Repairs and renewals of machinery/equipment (where expenditure is not of capital nature).

(14) [Stores for petty works and those required for working of an establishment including livestock, fish, seeds, plants, feeds, fertilizers, manures, pesticides for approved animal husbandry, agriculture, fisheries and forest schemes, sports material, apparatus, instruments (purchase/upkeep/repairs), and consumables relevant for each Department by excluding items classified under "Machinery and equipment", "W orks", "Tools and Plant"]

(15) Training equipment including teaching aids needed by Training Wings/Institutes.

(16) Tents and camp equipment/camp furniture (purchase/hire/upkeep/repairs).

(17) Uniforms and related items to entitled classes of employees.

(18) Advertising and publicity, tenders, expression of interest, notices, etc. excluding promotional advertisements and publicity on both print and electronic media.

(19) Printing of text-books and other publications.

Section - (B) — Restricted powers delegated to Heads of Departments:

(1) Purchase of computers and peripherals upto Rs. 1.00 lakh per annum subject to prior approval of the Director, Directorate of Information Technology and Administrative Secretary.

(2) Hiring of building with rent upto Rs. 20,000/- per month (Beyond this limit, approval of the Secretary shall be necessary). Non-availability of Government space and reasonableness of rent to be certified by the Public Works Department (P. W. D.), Building Division.

(3) Maintenance, upkeep, repairs of all types of vehicles upto Rs. 50,000/- per annum in each case.

(4) Heads of Departments have powers upto Rs. 60,000/- in each case on execution of petty works and special repairs to Government owned buildings, including sanitary fittings, water-supply and electric installations in such buildings and repairs to such installations either departmentally or through P.W.D. The procedure laid down for execution of works in the General Financial Rules shall be followed.

(5) For repairs and alterations to hired and requisitioned buildings, Heads of Departments have power upto Rs. 60,000/- per annum as non-recurring expenditure and Rs.12,000/- per annum as recurring expenditure. Such expenditure may be incurred only if the landlord refuses to meet the charges himself and when the building is released, the Government should have the right to remove any installation material added to the building. The procedure for execution of works as laid down in the General Financial Rules shall be followed.

(6) Staff paid from contingencies— Full powers (economy instructions on employment of persons on daily wages/NMR to be strictly followed).

(7) Entertainment expenditure on formal and informal occasions, official meetings, foundation stone laying ceremonies, opening of buildings, offices, provision of shamianas, refreshments, garlands, photographs, shall be subject to the following limit:—

Secretariat Administrative Department.	Full powers
Secretary	Full powers
Head of Department	Rs. 10,000/- in a year (recurring) Rs. 40,000/- in a year (non-recurring)

(8) Ceiling on expenditure in respect of refreshment/lunch/dinner shall be as follows:—

Nature of Expenditure	*Ceiling limit*
(1) Serving of light per head per meeting refreshment at formal/ /informal meetings	Rs. 20/-
(2) Lunch/Dinner	Rs. 350/- per head

Note:- (i) Prior approval of the Chief Minister is necessary for holding official lunch/dinner

(ii) The number of guests to be entertained per occasion shall be restricted to:

(a) Chief Minister - 60 persons
(b) Dy. Chief Minister - 40 persons
(c) Minister & Leader of - 30 persons Opposition
(d) Speaker - 60 persons
(e) Dy. Speaker - 30 persons
(f) Chief Secretary - 25 persons
(g) Secretary - 20 persons

Proposals need not be routed through the Protocol Department in case expenditure is proposed to be debited to the concerned Department Budget Head.

Prior approval of the Finance Department shall be required to exceed the above limit.

Section – (C) — *Enhanced powers delegated to certain Heads of Offices in special cases.*

Heads of Offices listed in Annexure–III shall have powers of Head of Department as specified in Part I and PartII- Table-A of this Annexure.

Power of Heads of Offices other than those listed in Annexure–III shall be as per PartII-Table-A of this Annexure. PA RTII-Table - A — Powers to incur contingent expenditure for items not covered under Part-I

Authority	Extent of power	
	Recurring	Non-recurring
Secretariat Administrative Department	Full powers	Full powers
Secretary	Full powers	Full powers
Head of Department	Rs. 25,000/- in each case	Rs. 1,20,000/- in each case
Head of Office	Rs. 1,000/- in each case	Rs.10,000/- in each case

Note: The following purchases require prior concurrence of the Finance Department.

(1) Purchase of motor vehicles, motor cycles and motor boat launches.

(2) Purchase of vehicle for music systems.

(3) Purchase of air conditioners.

<u>Annexure IX: The Goa Fiscal Responsibility and Budget Management Act, 2006 and Rules, 2007</u>

Department of Law & Judiciary

Legal Affairs Division

—

Notification

7/8/2006-LA

The Goa Fiscal Responsibility and Budget Management Act, 2006 (Goa Act 12 of 2006), which has been passed by the Legislative Assembly of Goa on 23-3-2006 and assented to by the Governor of Goa on 10-5-2006, is hereby published for general information of the public.

Sharad G. Marathe, Joint Secretary (Law).

Panaji, 15th May, 2006.

The Goa Fiscal Responsibility and Budget Management Act, 2006

(Goa Act 12 of 2006) [10-5-2006]

AN ACT

to provide that it shall be the responsibility of the State Government to ensure fiscal stability and sustainability through progressive elimination of revenue deficit and planned reduction of fiscal deficit and prudent and sustainable debt management consistent with fiscal stability through limits on State Government's borrowings, including off-budget borrowing and achieving greater transparency in fiscal operation of the Government and conduct of fiscal policy in a medium term fiscal framework and for matters connected therewith or incidental thereto.

Be it enacted by the Legislative Assembly of the State of Goa in the Fifty-seventh Year of the Republic of India as follows:—

1. Short title and commencement.— (1) This Act may be called the Goa Fiscal Responsibility and Budget Management Act, 2006.

(2) It extends to the whole of the State of Goa.

(3) It shall come into force on such date as the Government may, by notification in the Official Gazette, appoint.

2. Definitions.— In this Act, unless the context otherwise requires,—

(a) "budget" means the annual financial statement laid before the Legislative Assembly under article 202 of the Constitution of India;

(b) "current year" means the financial year preceding the ensuing year;

(c) "ensuing year" means the financial year for which the budget is being presented;

(d) "financial year" means the year beginning on the 1st April and ending on 31st March next following;

(e) “fiscal deficit” means the excess of,—

(i) total disbursements from the Consolidated Fund of the State (excluding repayment of debt) over total receipts into the Consolidated Fund excluding the debt receipts during a financial year;

(ii) total expenditure from the Consolidated Fund of the State (including loans and advances but excluding debt repayment) over own tax and non-tax revenue receipts, devolution and other grants from the Government of India to the State, and non-debt capital receipts during a financial year which represents the borrowing requirements, net of repayment of debt of the State Government during the financial year;

(f) “fiscal indicators” means the measures such as numerical ceilings and proportions to gross State domestic product, as may be prescribed, for evaluation of the fiscal position of the State Government;

(g) “Government” means the Government of Goa;

(h) “Legislative Assembly” means the Legislative Assembly of the State of Goa;

(i) “prescribed” means prescribed by rules made under this Act;

(j) “revenue deficit” means the difference between revenue expenditure and revenue receipts;

(k) “State” means the State of Goa;

(l) “total liabilities” means the liabilities under the Consolidated Fund of the State and the Public Account of the State.

3. Medium Term Fiscal Plan to be laid before the Legislative Assembly.— (1) The Government shall, in each financial year, lay before the Legislative Assembly a Medium Term Fiscal Plan alongwith the Budget.

(2) The Medium Term Fiscal Plan shall set forth a multi-year rolling target for the prescribed fiscal indicators with specification of underlying assumptions.

(3) In particular and without prejudice to the provisions contained in sub-section (2), the Medium Term Fiscal Plan shall include an assessment of sustainability relating to,—

(i) the balance between revenue receipts and revenue expenditure;

(ii) the use of capital receipts including borrowings for generating productive assets.

(4) The Medium Term Fiscal Plan shall, *interalia,* contain,—

(i) the medium term fiscal objectives of the Government;

(ii) an evaluation of the performance of the prescribed fiscal indicators in the previous year vis-à-vis the targets set out earlier, and the likely performance in the current year as per revised estimates;

(iii) a statement on recent economic trends and future prospects for growth and development affecting fiscal position of the Government;

(iv) the strategic priorities of the Government in the fiscal matters for the ensuing financial year;

(v) the policies of the Government for the ensuing financial year relating to taxation, expenditure, borrowings and other liabilities, lending and investments, pricing of administered goods and services and description of other activities, such as, guarantees and activities of Public Sector Undertakings which have potential budgetary implications and the key fiscal measures and targets pertaining to each of these;

(vi) an evaluation as to how the current policies of the Government are in conformity with the fiscal management principles set out in section 4 and the fiscal objectives set out in the Medium Term Fiscal Plan.

(5) The Medium Term Fiscal Plan shall be in such form as may be prescribed.

4. Fiscal Management Principles.— (1) The Government shall take appropriate measures to eliminate the revenue deficit and contain fiscal deficit and outstanding debt to sustainable levels.

(2) The Government shall be guided by the following fiscal management principles, namely:—

(a) maintain State Government debt at prudent and sustainable level;

(b) manage guarantees and other contingent liabilities prudently, with particular reference to quality and level of such liabilities;

(c) ensure that borrowings are used for productive purposes and accumulation of capital assets, and are not applied to finance current expenditure;

(d) manage expenditure consistent with the level of revenue generated.

5. Fiscal Management Targets.— In particular, and without prejudice to the generality of the foregoing provisions, the Government shall,—

(a) reduce the revenue deficit to nil by 31st March, 2009 and adhere to it thereafter;

(b) reduce the ratio of revenue deficit to the total revenue receipt by 1.5% in each of the financial year, beginning on 1st day of April, 2006 in a manner consistent with the goal set out in clause (a);

(c) reduce the ratio of fiscal deficit to Gross State Domestic Product beginning from the financial year 2006 – 2007 with medium term goal of not being more than three per cent of fiscal deficit to Gross State Domestic product to be attained by 31st March, 2009, and adhere to it thereafter;

(d) reduce fiscal deficit by 0.5% of Gross State Domestic Product (GSDP) in each of the financial year beginning on the 1st day of April, 2006, in a manner consistent with the goal set out in clause (c);

(e) cap the total outstanding guarantees within the specified limit under the Goa State Guarantees Act, 1993 (Goa Act No. 16 of 1993);

(f) ensure that by 31st March, 2009, the total liabilities do not exceed 30% of the Gross State Domestic Product (GSDP) and adhere to it thereafter;

(g) ensure that by 31st March, 2009, the ratio of interest payment to total revenue receipt does not exceed 20% and adhere to it thereafter;

(h) undertake appropriate measures in cash management practices so as to avoid recourse to overdraft from the Reserve Bank of India:

Provided that revenue deficit and fiscal deficit may exceed the limits specified under this section due to ground or grounds of unforeseen demands on the finances of the Government due to national security or natural calamity subject to the condition that the excess beyond limits arising due to natural calamities does not exceed the actual fiscal cost that can be attributed to the calamities:

Provided further that the ground or grounds specified in the above proviso shall be placed before the Legislative Assembly as soon as may be, after it becomes likely that such deficit amount may exceed the aforesaid limits, with an accompanying report stating the likely extent of excess, and reasons therefor.

6. Measures for Fiscal Transparency.— (*1*) The Government shall take suitable measures to ensure greater transparency in its fiscal operations, in public interest, in the preparation of the Budget:

Provided that the Government shall have the power to reserve any such information which would adversely affect the interest of the State Exchequer.

(2) In particular, and without prejudice to the generality of the foregoing provision, the Government shall, at the time of presentation of the Budget, disclose in a statement in the form as may be prescribed,—

(a) the significant changes in the accounting standards, policies and practices affecting or likely to affect the computation of prescribed fiscal indicators;

(b) as far as practicable and consistent with protection of public interest, the contingent liabilities created by way of guarantees.

7. Measures to enforce compliance.— (*1*) The Budget and policies announced at the time of the budget, shall be consistent with objectives and targets specified in the Medium Term Fiscal Plan for the coming and future years.

(2) The Minister-in-charge of the Department of Finance shall review every half-year, the trends in receipts, and expenditure in relation to the budget, remedial measures to be taken to achieve the budget targets and place before the Legislative Assembly the outcome of such reviews. The review report should be in such form as may be prescribed.

(3) While placing before the Legislative Assembly the outcome of such review, the Minister-in-charge of the Department of Finance shall make a statement explaining,—

(a) any deviation in meeting the obligations cast on the Government under this Act;

(b) whether such deviation is substantial and relates to the actual or the potential budgetary outcomes; and

(c) the remedial measures the Government proposes to take.

(4) Whenever outstanding risk weighted guarantees exceed the limits specified in section 5, no fresh guarantee shall be given.

(5) Any measure proposed in the course of the financial year, which may lead to an increase in revenue deficit, either through enhanced expenditure or loss of revenue,

shall be accompanied by remedial measures, which will neutralize such increase or loss and such measures shall be clearly mentioned.

(6) In case the revenue deficit and fiscal deficit exceed in the case of unforeseen demands on the finances of the Government, the Government shall identify the net fiscal cost arising due to natural calamity and such cost would provide ceiling for extent of non- compliance to the specified limits.

(7) Whenever supplementary estimates are presented to the Legislative Assembly, the Government shall also present an accompanying statement indicating the corresponding curtailment of expenditure and/or augmentation of revenue to offset the fiscal impact of the supplementary estimates.

(8) The Government may assign to an independent external agency the task of carrying out the periodical review for the compliance of the provisions of this Act in the manner as may be prescribed.

8. Power to make rules.— (1) The Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the measures for evaluation of fiscal indicators of the Government under clause (f) of section 2;

(b) the form of Medium Term Fiscal Plan under sub-section (5) of section 3;

(c) the form of statement for disclosure under sub-section (2) of section 6;

(d) The form of review report under sub-section (2) of section 7;

(e) Any other matter which is required to be prescribed not inconsistent with the provisions of this Act.

9. Rules to be laid before Legislative Assembly.— Every rule or order made under this Act shall, as soon as possible, after it is made, be placed on the table of the Legislative Assembly and if, before the expiry of the session in which it is so placed or in the next session, the Legislative Assembly makes any modification in any such rule or order, or the Legislative Assembly decides that the rule or order should not be made, the rule or order shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or order.

10. Protection of action taken in good faith.— No suit, prosecution or other legal proceeding shall lie against the Government or any officer of the Government for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

11. Application of other laws not barred.— The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.

12. Power to remove difficulties.— (*1*) If any difficulty arises in giving effect to the provisions of this Act, the Government may, by order published in the Official Gazette make such provisions not inconsistent with the provisions of this Act as may appear to be necessary or expedient for removing the difficulty:

Provided that no order shall be made under this section after the expiry of a period of two years from the date of commencement of this Act.

(*2*) Every order made under this section shall be laid, as soon as may be after it is made, before Legislative Assembly.

Secretariat Annexe,
Panaji-Goa.
Dated : 15-5-2006.

U. V. BAKRE,
Secretary to the Government of Goa,
Law Department (Legal Affairs).

Department of Finance

Finance Commission Division

—

Notification

G. O. Ms. No.- 1/5/2006-Fin (Bud)

In exercise of the powers conferred by section 8 of the Goa Fiscal Responsibility and Budget Management Act, 2006 (Act No. 12 of 2006) the Government of Goa hereby makes the following rules, namely :—

By order and in the name of the Governor of Goa.

Remesh Negi, Commissioner & Secretary, Finance.

Porvorim, 26th November, 2007.

The Goa Fiscal Responsibility and Budget Management Rules, 2007

1. Short title and commencement.— (1) These rules may be called the Goa Fiscal Responsibility and Budget Management Rules, 2007.

(2) They shall come into force with immediate effect.

2. Definitions.— In these rules, unless the context otherwise requires,–

(a) "Act" means the Goa Fiscal Responsibility and Budget Management Act, 2006;

(b) "Form" means a form appended to these rules;

(c) "Section" means a section of the Act;

(d) Words and expressions used herein but not defined and defined in the Act shall have the meanings respectively assigned to them in the Act.

3. Medium Term Fiscal Plan.—

(1) The Medium Term Fiscal Plan, as required under sub-section *(1)* of section 3, of the Act shall include in Form F-1 three years rolling targets in respect of the following fiscal indicators:

(a) Revenue deficit as a percentage of TRR;

(b) Fiscal deficit as a percentage of GSDP;

(c) Outstanding total liabilities as a percentage of GSDP;

(d) Ratio of Interest payment to total revenue receipt.

(2) The Medium Term Fiscal Plan shall also explain the assumptions underlying the abovementioned targets for fiscal indicators and an assessment of sustainability relating to the items indicated in sub-section (3) of section 3 of the Act.

(3) The Medium Term Fiscal Plan shall contain the medium term fiscal objectives of the Government, the evaluation of performance of the prescribed fiscal indicators etc., as indicated in sub-section (4) of section 3 of the Act, in the Form F-2.

4. Disclosures.—

(1) The State Government shall, at the time of presenting the budget, make disclosures as required under section 6 of the Act together with the following statements:

(a) a statement of select indicators of fiscal situation in Form D-1;

(b) a statement on components of State Government liabilities and interest cost of borrowings/mobilisation of deposits in Form D-2;

(c) a statement on the Consolidated Sinking Fund in Form D-3;

(d) a statement on guarantees given by the Government in Form D-4;

(e) a statement on outstanding risk-weighted guarantees in Form D-5;

(f) a statement on the Guarantee Redemption Fund in Form D-6;

(g) a statement giving details of number of employees in Government, public sector and aided institutions and related salaries and pensions in Form D-7.

(2) The Provisions of sub-rules (1) shall be complied with not later than three years after the coming into force of the Act.

5. Measures to enforce compliance

In case the outcome of the quarterly reviews of trends in receipts and expenditure, at the end of the second quarter of any financial year shows that—

(i) the total non-debt receipts are less than 40 per cent of Budget Estimates for that year; or

(ii) the fiscal deficit is higher than 45 per cent of the Budget Estimates for that year; or

(iii) the revenue deficit is higher than 45 per cent of the Budget Estimates for that year;

then–

as required under sub-section (2) of section 7 of the said Act, the Minister-in-charge of the Ministry of Finance shall make a statement in the Legislature during the session immediately following the end of the second quarter detailing the corrective measures taken and the prospects for the fiscal deficit of that financial year.

Form F-1
(*See* Rule 3)

A. Fiscal Indicators-Rolling Targets

	Previous Year (Y-2) Actuals	Current Year(Y-1) Budget Estimates (BE)	Current Year (Y-1) Revised Estimates (RE	Ensuing Year (Y) Revised Estimates (BE)	Targets for next Two Years Y+1 Y+2
1. Revenue Deficit as percentage of GSDP					
2. Revenue Deficit as percentage of Total Revenue Receipts					
3. Fiscal Deficit as Percentage of GSDP					
4. Total outstanding Liabilities as percentage of GSDP					
5. [Any additional target(s)]					

B. Assumption underlying the Fiscal Indicators

1. Revenue receipts

(a) Tax-revenue-Sectoral and GSDP growth rates;
(b) Non-tax-revenue-Policy;
(c) Devolution to Local Bodies;
(d) Share of own tax revenue to total tax revenue;
(e) Share of own non-tax revenue to total non-tax revenue.

2. Capital receipts— Debt stock, repayment, fresh loans and policy stance

(a) Loans and advances from the Centre;
(b) Special securities issues to the NSSF;
(c) Recovery of loans and advances;
(d) Borrowings from financial institutions;
(e) Other receipts (net)-small savings, provident funds, etc.;
(f) Outstanding Liabilities-Internal Debt and Other Liabilities.

3. Total expenditure— Policy Stancess

(g) Revenue account

(i) Interest payments — (a) on borrowings during the year (aggregate and category-wise)

(b) on outstanding liabilities-

(i) (aggregate and category-wise)
(ii) Major subsidies
(iii) Salariess
(iv) Pensions
(v) Others
(h) Capital account
(i) Loans and advances
(ii) Capital Outlay

4. GSDP Growth

C. Assessment of sustainability relating to :

(i) The balance between receipts and expenditure in general and revenue receipts and revenue expenditure in particular. The Medium Term Fiscal Policy Statement may specify the tax-GSDP ratio, own tax-GSDP ratio and State's share in Central tax-GSDP ratio for the current year and subsequent two years with an assessment of the changes required for achieving it. It may discus the non-tax revenues and the policies concerning the same. Expenditure on revenue account, both plan and non-plan, may be also discussed with particular emphasis on the measures proposed to meet the overall objectives. It may discuss policies to contain expenditure on salaries, pension, subsidies and interest payments. An assessment of the capital receipts shall be made, including the borrowings and other liabilities, as per policies spelt out. The statement shall also give projections for GSDP and discuss it on the basis of assumptions underlying the indicators in achieving the sustainability objective.

(ii) The use of capital receipts including market borrowings for generating productive assets. The Medium Term Fiscal Policy Statement may specify the proposed use of capital receipts for generating productive assets in different categories. It may also spell out the proposed changes among these categories and discuss them in terms of the overall policy of the Government.

(iii) The estimated yearly pension liabilities worked out on actuarial basis for the next ten years. In case it is not possible to calculate the pension liabilities on actuarial basis during the period of first three years after the coming into force of this Ordinance, the State Government may, during that period, estimate the pension liabilities by making force cases on the basis of trend growth rates (i.e. average rate of growth of actual pension payments during the last three years for which data are available).

Form F-2

(See Rule 3)

Medium Term Fiscal Plan

A. Fiscal Policy Overview.— [This paragraph will present an overview of the fiscal policy currently in vogue.]

B. Fiscal policy for the ensuing year.— This paragraph shall have, inter alia, six sub-paragraphs dealing with—

(1) Tax Policy

In the sub-paragraph on tax policy, major changes proposed to be introduced in direct and indirect taxes in the ensuing financial year will be presented. It shall contain an assessment of exemption in various taxes and how far it relates to principles regarding tax exemptions.

(2) Expenditure Policy

Under expenditure policy, major changes proposed in the allocation for expenditure shall be indicated. It shall also contain an assessment of principles regarding the benefits and target group of beneficiaries.

(3) Borrowings and Other Liabilities, Lending and Investments

In this sub-paragraph on borrowings, the policy relating to internal debt, including the access to WMA/OD facility from the Reserve Bank of India, Government lending, investments and other activities; including principles regarding average maturity structure, bunching of repayments, etc., shall be indicated. The borrowings by Public Sector Undertakings and Special Purpose Vehicle, lending, investments, pricing of user charges on public goods and utilities and description of other activities, and activities of Public Sector Undertakings which have potential budgetary implications; and the key fiscal measures and targets pertaining to each of these shall be indicated.

(4) Consolidated Sinking Fund

In this sub-paragraph, the policy related to the Consolidated Sinking Fund (CSF) shall be indicated.

(5) Contingent and other Liabilities

Any change in the policy on contingent and other liabilities, in particular guarantees, which have potential budgetary implications shall be indicated. Any change in the policy related to borrowings by special purpose vehicle (SPV) and other equivalent instruments where liability for repayment is on the State Government shall be indicated. The policy on building up of the Guarantee Redemption Fund (GRF) and commission charges/collected for guarantees issued shall also be indicated.*

(6) Levy of User Charges

Any change proposed in the levy of user charges of public services shall be spelt out.

C. Strategic priorities for the ensuing year.—

[(1) Resource mobilization for the ensuing financial year through tax, non-tax and other receipts shall be spelt out.

(2) The broad principles underlying the expenditure management during the ensuing year shall be spelt out.

(3) Priorities relating to management of public debt proposed during the ensuing year shall be indicated.]

D. Rationale for Policy changes.—

[(1) The rationale for policy changes consistent with the Medium Term Fiscal Plan, in respect of taxes proposed in the ensuing Budget shall be spelt out.

(2) The rationale for major policy changes in respect of budgeted expenditure including expenditure on subsidies and pensions shall be indicated.

(3) Rationale for changes, if any, proposed in the management of the public debt shall be indicated.

(4) The need for changes, if any, proposed in respect of the charges for public utilities shall be spelt out.]

E. Policy Evaluation.—

[The paragraph shall contain an evaluation of the changes proposed in the fiscal policy for the ensuing year with reference to fiscal deficit reduction and objectives set out in the Medium Term Fiscal Plan.]

Form D-1
(*See* Rule 4)

Select Fiscal Indicators

Sr. No.	Item	Previous Year (Actuals)	Current Year (RE)
1	2	3	4
1.	Gross Fiscal Deficit as Percentage of GSDP.		
2.	Revenue Deficit as Percentage of Gross Fiscal Deficit.		
3.	Revenue Deficit as Percentage of GSDP.		
4.	Revenue Deficit as Percentage of TRR.		
5.	Total Liabilities-GSDP Ratio (%).		
6.	Total Liabilities-Total Revenue Receipts (%).		
7.	Total Liabilities- State's Own Revenue Receipts (%).		
8.	State's Own Revenue Receipts to Revenue Expenditure (%).		
9.	Capital Outlay as Percentage of Gross Fiscal Deficit.		
10.	Interest Payment as Percentage of Revenue Receipts.		
11.	Salary Expenditure as Percentage of Revenue Receipts.		
12.	Pension Expenditure as Percentage of Revenue Receipts.		
13.	Non-developmental Expenditure as Percentage of aggregate disbursements.		
14.	Gross Transfers from the Centre as Percentage of Aggregate Disbursements.		
15.	Non-tax Revenue as Percentage of TRR.		

Form D-2

(*See* Rule 4)

A. Components of State Government Liabilities

Form D-2

(*See* Rule 4)

B. Weighted Average Interest Rates on State Government Liabilities

(Per cent)

Category	Raised during the Fiscal Year: Previous Year (Actuals)	Raised during the Fiscal Year: Current Year (RE)	Outstanding Amount (End March): Previous Year (Actuals)	Outstanding Amount (End March): Current Year (RE)
Market Borrowings				
Loans from Centre				
Special Securities issued to the NSSF				
Borrowings from Financial Institutions/ /Banks				
WMA/OD from RBI				
Small Savings Provident Funds, etc.				
Reserve Funds/ /Deposits				
Other Liabilities				
Total*				

* Weighted average interest rate where the respective weight is the amont borrowed. This is calculated on contractual basis and then annualized.

* Weighted average interest rate where the weights are the amount of the respective components of State Government Liabilities.

Form D-3
(*See* Rule 4)

Consolidated Sinking Fund (CSF)

(Amount in Rs. Crore)

Outstanding balance in CSF at the beginning of the previous year	Additions to CSF during the previous year	Withdrawals from CSF during the previous year	Outstanding balance in / CSF at the end of the previous year beginning of current year	(4)/ /Outstanding Stock of SLR Borrowings (%)	Additions to CSF During the current year	Withdrawals from CSF during the current year	Outstanding at the end of current year/ /beginning of ensuring year	(8)/Stock of SLR Borrowing (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Form D-4
(*See* Rule 4)

Guarantee given by the Government

Category (No. of Guarantees within bracket)	Maximum amount guaranteed during the year (Rs. Crore)	Outstanding at the beginning of the year (Rs. Crore)	Additional during the year (Rs. Crore)	Reductions during the year (other than ivvoked during the year (Rs. Crore)
(1)	(2)	(3)	(4)	(5)

Invoked during the year (Rs. Crore)		Outstanding at the end of the year (Rs. Crore)			Remarks
Discharged	Not Discharged		Receivable	Received	
(6)	(7)	(8)	(9)	(10)	(11)

Form D-5

(*See* Rule 4)

Outstanding Risk-Weighted Guarantees

Amount outstanding as

(Amount in Rs. Crore)

Risk weighted Default Probability in the Previous Year and outstanding guarantee	Risk Weights (percent)	the Current year	in the Previous Year and Current Year
Director Liabilities	100		
High Risk	75		
Medium Risk	50		
Low Risk	25		
Very Low Risk	5		
Total Outstanding			

Note: The risk-weights have been pre-specified for various risk categories

Form D-6

(*See* Rule 4)

Guarantee Redemption Fund (GRF)

(Amount in Rs. Crose)

Outstanding invoked guarantees at the end of the Previous Year	Outstanding Amount in GRF at the end of the Previous Year	Amount of Guarantees likely to be invoked during the Current Year	Addition to GRF during the Current Year	Withdrawal from the GRF during the Current Year	Outstanding Amount in GRF at the end of the Current Year
(1)	(2)	(3)	(4)	(5)	(6)

Notes:

(i) As per the terms of the GRF during each year, the Government is required to contribute an amount equivalent atleast to 1/5th of the outstanding invoked guarantees plus an amount likely to be invoked as a result of the incremental guarantees issued during the year.

(ii) Previous year refers to the year preceding the current year.

Form D-7

(*See* Rule 4)

Number of Employees in Public Sector Undertakings & Aided Institutions Expenditure of State Government

Government State

1. Judiciary
2. Aided Educational Institutions
3. Zilla Praja Parishads
4. Mandal Praja Parishads
5. Gram Panchayats
6. Municipal Corporations
7. Municipalities
8. Urban Development Authorities
9. Agriculural Market Committees
10. Zilla Grandhalaya Samsthas
11. State Public Sector Undertakings
12. Universities

31-03- On Salary On Pensio

ANNEXURE X – Office Memorandum on Austerity Measures

No: 21/14/2022-Fin(R&C)
Government of Goa,
Department of Finance (Revenue & Control),
Secretariat, Porvorim - Goa.

Dated: 22nd December, 2022

OFFICE MEMORANDUM

Sub: Rationalisation of Expenditure and Exchequer Control Based Expenditure Management during the Financial Year 2022-23

Government has, from time to time, issued various instructions on economy measures, rationalization of expenditure etc., in order to achieve the targets and standards set out in the Goa Fiscal Responsibility and Budget Management Act, 2006, as also, to provide adequate funds for developmental activities under Capital Account and to restrict/manage expenditure on Revenue Account.

2. In order to effectively monitor the expenditure pattern as well as reduce rush of unnecessary expenditure during the last quarter, of the Financial Year 2022-23; to exhaust the allotted budgetary provisions, it has been decided to obtain a Monthly Expenditure Plan (MEP) (separately of Capital and Revenue Account) as well as Monthly Revenue Plan (expected), so that Finance (Rev. & Control) Department can regulate the expenditure vis-à-vis the revenue collections, keeping in mind the disbursements under flagship schemes and expenditure on development / capital schemes of the Government.

3. While finalizing the Monthly Expenditure Plan, the following conditions shall be taken into account, viz. –

(i) For the current Financial Year 2022 – 23, every Department shall affect a 25% cut in Budgetary revenue expenditure excluding interest payments, repayment of debt, payment of salaries and pension.

(ii) Not more than 20% of the Budgetary Estimates shall be spent in the remaining quarters of this financial year, except under flagship schemes of the Government and wherever possible, may be reduced by 40% till the financial year end. (This limit is to be enforced both Scheme-wise as well as demands for Grants as a whole, subject to additional provisions in the revised estimates, if any.)

(iii) No re-appropriation of funds from one scheme to other scheme shall be permitted during the last quarter. However, re-appropriation for Salary & wages Heads under Schemes may be considered by Finance Department on case to case basis.

(iv) In order to curb unnecessary expenditure, a ban on purchases of the following items is ordered with immediate effect upto 31-03-2023 (or such date which may be ordered, whichever is later):

(a) Furniture, cupboards and Office furnishings, electrical, electronic appliances / fixtures, etc.,
(b) Computers, Printers, Computer related peripherals, etc.,
(c) Photocopier machines, Xerox machines, etc.,
(d) Air-Conditioners,
(e) Telephone instruments, fax machines, etc., and
(f) Office vehicles/staff cars.

The Director of Accounts is directed not to entertain any bills of purchases made of materials at clause (iv) above from the date of issue of this O.M. and even if the Departments resort to such purchases during this period and thereafter submit the bills in the following financial year, the same should not be entertained.

In the event the Departments are in urgent need of the aforestated items, then specific prior approval of Department of Finance (Expenditure) should be obtained.

4. The Budget Controlling Authority / Head of Department concerned is required to draw up and finalize the Monthly Expenditure Plan as well as the Monthly Revenue Plan (expected), keeping the above detailed guidelines in mind, verified by the Budget Controlling Authority / Head of Department and countersigned by the Administrative Secretary concerned, should be submitted to the Under Secretary, Department of Finance (R&C), by 15th January, 2023, positively, with a copy endorsed to the Director of Accounts.

5. The Director, Directorate of Accounts, is required to ensure that the expenditure under each Demand of Grants does not exceed the total of Monthly Expenditure Plan, projected for each quarter, unless specifically authorized by Department of Finance (R&C). The monthly expenditure for the months of December, 2022 to March 2023 (remaining quarters) shall be strictly as per the details given in the Monthly Expenditure Plan by the Head of Department / Budget Controlling Authority concerned. For any excess expenditure required to be carried out, the same shall be done with prior concurrence of the Department of Finance (R&C), who in case of justified and unavoidable cases will revalidate the figures for the month concerned and for the respective quarters overall. The proposal for excess expenditure should be properly justified and submitted at least 10 days before the end of the month concerned. Expenditure for each month of the remaining quarters shall be done wholly based on the Monthly Expenditure Plan vis-à-vis liquidity position of the State Treasury.

6. The Departments shall ensure that, for the months of January’2022 and March’2023, payment is made for the goods and services actually procured and other related expenses, in the previous months and the reimbursement of the expenses already incurred and not for new items of purchase of goods and services with the exception of the following. –

(i) Advance payment / payment to contractors, for work orders already issued.

(ii) Loans and advances, for Government servants and other relief measures as per schemes in force.

(iii) For other exceptional cases with the prior approval of the Finance Department.

7. All Heads of Departments / Budget Controlling Authorities relating to the Demand of Grants and the Administrative Secretary concerned, are required to strictly comply with the above instructions and submit the requisite information to the Department of Finance (R&C) before the due date. A Nodal Officer for each Demand of Grants may be nominated by the Head of Department/ Budget Controlling Authority concerned, whose details (alongwith contact numbers and e-mail) may be communicated to the Department of Finance (R&C) alongwith the Monthly Expenditure Plan & Monthly Revenue Plan (expected) proforma.

8. The above measures for rationalization of expenditure are intended to curb unnecessary revenue expenditure and provide funds for development activities under Capital Account as well as provision for payment of revised pay and arrears thereon. Therefore, Finance Department encourages the Departments to surrender savings under Revenue Account by making judicious assessment of their requirements.

(Pranab G. Bhat)
Under Secretary-Finance (R&C)

To,

1. All Secretaries to Government, Secretariat, Porvorim.
2. Secretary to Hon'ble Governor, Raj Bhavan, Dona Paula.
3. O. S. D. to Hon'ble Chief Minister, Secretariat, Porvorim.
4. O. S. D. / P. S. to Hon'ble Dy. Chief Minister & All Ministers, Secretariat, Porvorim.
5. O. S. D. / P. S. to Hon'ble Speaker / Dy. Speaker, Legislature Secretariat, Porvorim.
6. P. S. to Chief Secretary, Secretariat, Porvorim.
7. All Secretariat Departments, Secretariat, Porvorim.
8. All Heads of Departments/Offices.
9. All Budget Controlling Authorities.
10. The Director of Accounts, Panaji.
11. The Jt. Director of Accounts, South Branch, Margao.
12. The Sr. Dy. Accountant General (Audit), Audit Bhavan, Porvorim.
13. All the Corporations/Autonomous Bodies.
14. Guard file.
15. Office file.

GOVERNMENT PRINTING PRESS, PANAJI-GOA—942/15—10/2023.