

# Introduction to Indian Government Accounts and Audit

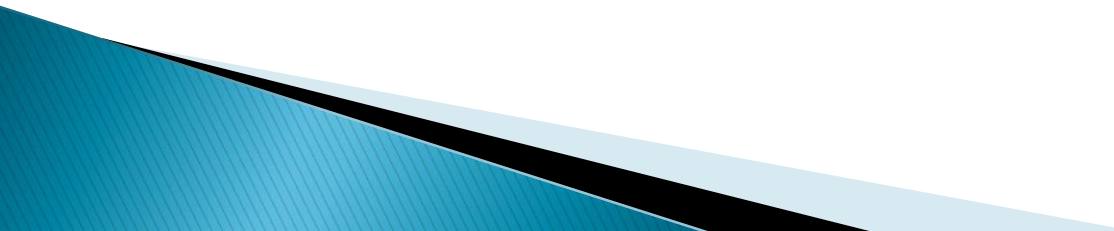


# Financial Administration in India

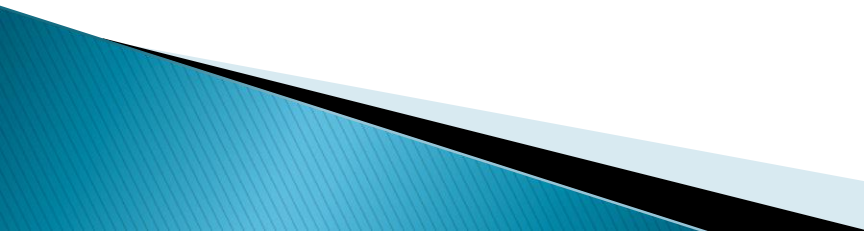
- ▶ Legislative Control
  - ▶ Administrative Control
  - ▶ Audit Control
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# Legislative control

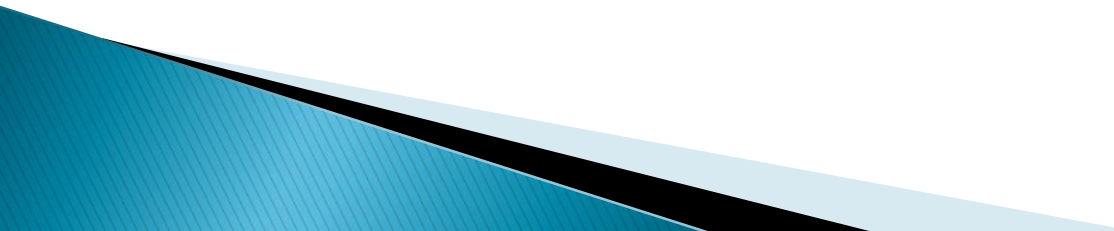
This is exercise at the time of

- ▶ Policy making.
  - ▶ This is achieved at the presentation of the annual budget
  - ▶ Controlling the implementation of the policy.
  - ▶ This control is exercised to see that money voted by the house have been utilised for the purpose and the manner as house wanted
  - ▶ This control is exercised through a purposive use of Parliamentary procedures and a system of Committees
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# Administrative control

- ▶ Administration is engaged in carrying out the policies acceptable to the legislature
  - ▶ It is accountable to the legislature regarding the manner in which it collect money as authorised by the house and utilise them for implementation of the policies as laid down by the house
  - ▶ it is answerable to the legislature for every action taken
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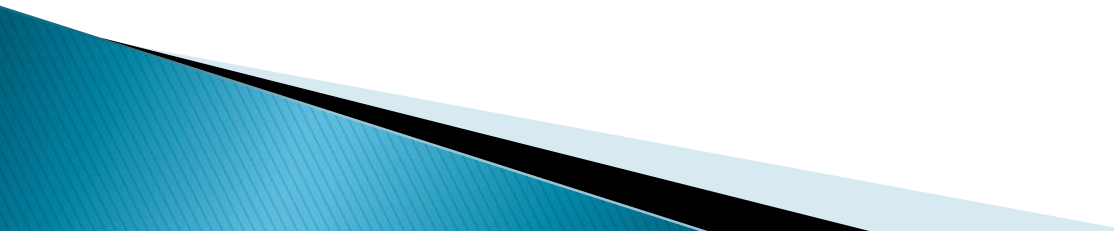
# Audit control

- ▶ Fiscal accountability– how money that have been passed by the house is utilised and whether the rules and laws have been complied or not. Full disclosure of the same when desired
  - ▶ Managerial accountability – efficiency and economy in the use of Public money, property, personnel and other resources
  - ▶ Programme accountability – whether government programmes and activities are achieving the objectives established with regards to both cost and results.
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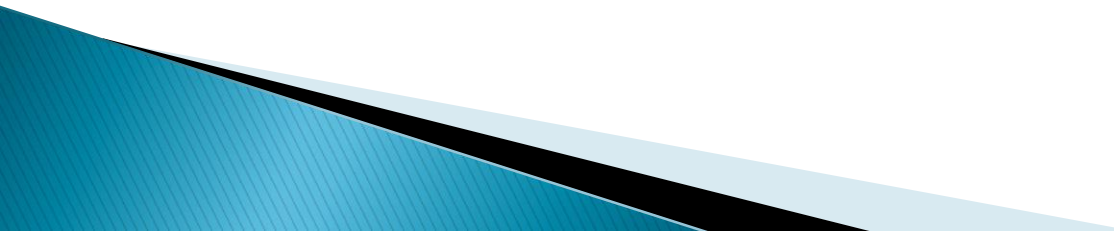
# Finance of the Government

- ▶ Finance of the Government is kept in three parts
  - Consolidated fund
  - Contingency Fund
  - Public Account
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# Consolidated fund

- ▶ All revenues received by the Government by the issue of Treasury Bills, loans or ways and means advances and moneys received by that Government in repayment of loans are credited (art.266(1))
  - ▶ expenditure of the State, can be met, only when authorized by the appropriate Legislature
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# Public accounts

- ▶ all other public moneys received by or on behalf of the State are credited (Art. 266(2))
  - ▶ disbursements are made in accordance with the prescribed rules
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# Contingency fund

- ▶ the Parliament and the Legislature of a State may by law establish Contingency Funds in the nature of imprests to be entitled the 'Contingency Funds of India', the 'Contingency Fund of the 'State' respectively (Art. 267)
- ▶ into which shall be paid, from time to time such sums as may be determined by law.
- ▶ This Fund remains at the disposal of the President, or the Governor of the State to enable advances to be made by him out of such Fund for the purpose of meeting unforeseen expenditure pending authorization of such expenditure by Parliament or the State as the case may be.

# Source of revenue and taxation of States

- ▶ The sources of revenue and taxation of States are to a large extent distinct from those of the Government of the Union.
  - ▶ The financial arrangements embodied in the Constitution provide, however, for collection, distribution and allocation of taxes between Centre and States
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