

# [The money shall be drawn from the](https://assignbuster.com/the-money-shall-be-drawn-from-the/)

The Finance Ministry examines the estimates in its relevant branch and determines the reasonableness of the demands. It is the work of the Finance Ministry to prepare a coordinated statement of the needs, itemized by various Ministries or Departments, and a statement of funds required to meet them. Often the Finance Department has wide discretionary power to change the requests submitted to it. In the United States, the President transmits the Budget to Congress with his message outlining his financial scheme.

The Constitution establishes the supremacy of Congress by specifying that “ no money shall be drawn from the Treasury but in consequence of appropriation made by law.” The Constitution also provides that all bills for raising revenue shall originate in the House of Representatives. Usage has added to it that the appropriation bills are also initiated there.

The Senate possesses co-equal powers with the House of Representatives in accepting or rejecting financial bills. In Britain, presentation of the Budget by the Chancellor of the Exchequer, when he delivers his budget speech, is the main occasion in the year for reviewing the finances of the government and the economic state of the nation. The formal action by Parliament that renders legal the expenditure of public money takes the form of an Act of Parliament. Such an Act authorises the payment of money out of the Consolidated Fund.

Consolidated Fund is a great reservoir into which all the revenues of the kingdom are poured and out of which all the money required for public expenditure is drawn. The Act of Parliament which authorizes the Government to draw money from the Consolidated Fund is known as the Annual Appropriation Act. The Consolidated Fund is replenished through moneys paid into it by authority of the Act of Parliament which gives legal validity to the raising of revenues. The principal Act in this respect is the Annual Finance Act. The Indian Constitution has adopted the fundamental principles governing the British financial system, that is, parliamentary control over the receipt and expenditure of public money. The procedure of the passage of the budget is also more or less identical.