

Most Important



**Office of the Controller General of Defence Accounts
Ulan Batar Road, Palam, Delhi Cantt.
Important Circular No.74 of 06/2011**

No. A/B/II/11244/Mont/XXIII

dated 23 /06/2011

To

*All PCs DA/CS DA
Concept BR, CSD, Pension Training Funds*

Subject: Report of the C&AG of India for the year ended March 2010, Union Govt. Accounts of the Union Govt. No. 1 for the year 2009-10

Comptroller and Auditor General of India in its report for the year ended March 2010, Union Government, Accounts of the Union Government No. 1 for the year 2009-10 has commented upon cases of excess expenditure/savings as also on rush of expenditure during March and the last quarter of the financial year. Observing the persistent trend of excess expenditure over budget allocation, it has been mentioned that authorization of excess expenditure over budget provision by the Controllers shows poor exchequer control. Regarding the persistent trend of savings under some heads pertaining to Defence Service Estimates, slow pace of booking by Controllers has been attributed as one among various other reasons by the Ministry.

This HQr office, from time to time, has been issuing instructions/guidelines stressing the need to ensure financial discipline. This office letter bearing no. A/B/II/11244/Mont /Vol XVIII dated 09.02.2010, A/B/II/11244/Mont/XVIII dated 09.04.2010, A/B/II/11244/EDP/Vol III dated 02.12.2010 and Important Circular No. 63 of 12/2010 refer in this regard.

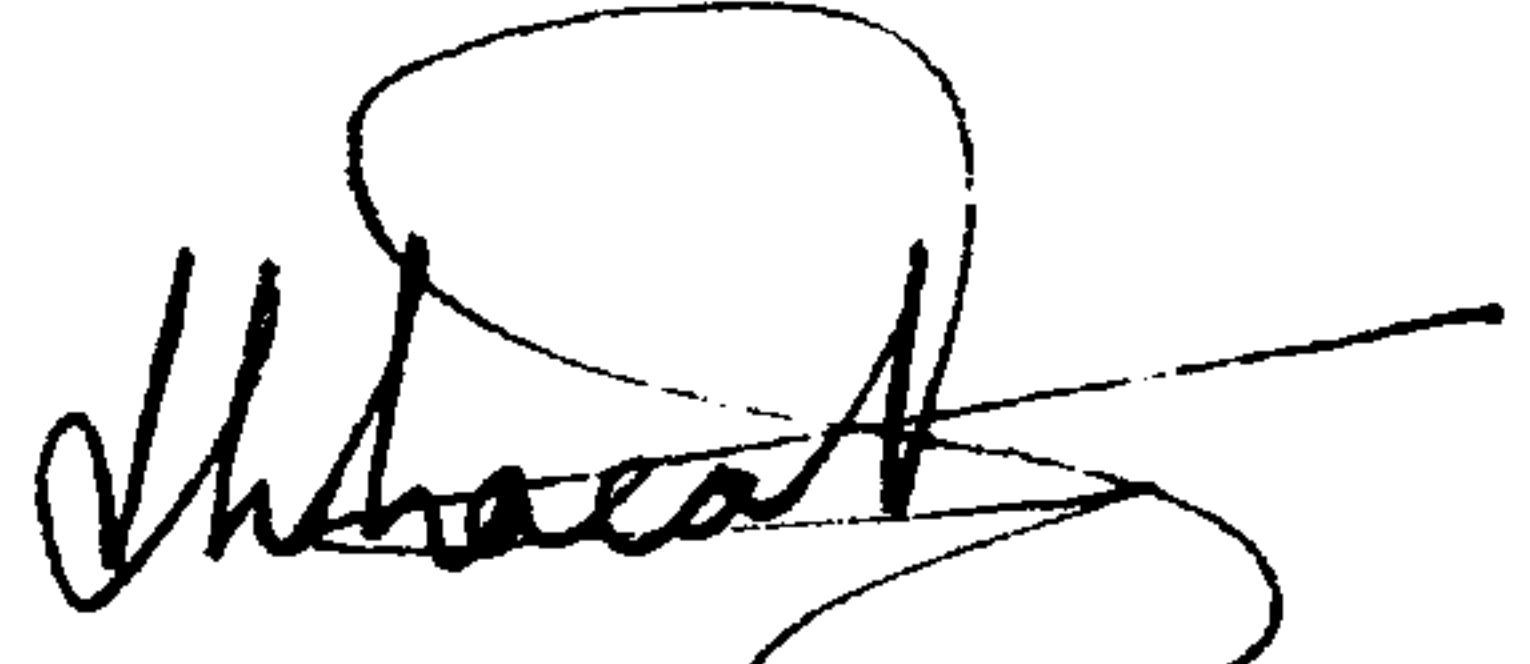
As already mentioned in our earlier communications, though the ultimate responsibility of controlling the expenditure lies with the authorities to whom budget allotments are made, there is no denying the fact that Controllers have also got an important role to play in controlling the expenditure especially under Locally Controlled

Heads. One of the important functions of Controllers is to bring to the abnormally high or unusually low trend of booking of expenditure to the notice of the executive authorities.

Analysis carried out in the past has revealed that a fair amount of expenditure booked during a month has been compiled in the subsequent months. Since non-compilation of expenditure in time results wrong depiction of progress of expenditure, which in turn adversely affects budget formulation, timely compilation of expenditure is of paramount importance. As per the guidelines issued by Ministry of Finance earlier, expenditure during the month of March and the last quarter of financial year should be restricted to 15 per cent and 33 per cent. Analysis carried out in this regard shows that bookings in excess of the prescribed percentages have been made during the month of March and the last quarter of financial year. The position is more alarming under Capital Heads. A proper monitoring mechanism to ensure even pace of expenditure as also prevent cases of erroneous booking/misclassification therefore needs to be devised in liaison with the executive authorities.

Necessary instructions may therefore please be issued to all the Sections in Main Office and Sub-Offices under your jurisdiction to maintain fiscal and accounting discipline.

Please acknowledge receipt.



Jt. CGDA (A/Cs & Budget)