



**Office of the Controller General of Defence Accounts
Ulan Batar Road, Palam, Delhi Cantt.**

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

dated 10/03/2010

To

All PCsDA/CsDA

Subject: Excess expenditure over voted grants- regarding

Government of India, Ministry of Finance, Department of Expenditure vide O.M. bearing no. 12(1)E-Coord/2009 dated 25th January, received under Ministry of Defence (Finance/ Budget-I) ID No. 9(01)/Bud-I/2010 dated 22.02.2010 (copy enclosed), have intimated that the Public Accounts Committee (2008-09) in its Eightieth Report have observed with grave concern that some Ministries/Departments of Union Government continue to display indifferent attitude towards rules laid down for containing the expenditure within the authorized limits. The committee has desired rigid enforcement of prescribed financial rules and procedures so as to contain the instances of excess expenditure to the bare minimum.

This HQrs office, in various earlier communications/guidelines, has been stressing the need to ensure financial discipline. In this regard our latest Circular bearing no. A/B/II/1244/Mont/Vol-XVIII dated 22-02-2010 refers. In terms of Rule 52 (3) of GFR, no expenditure shall be incurred which may have the effect of exceeding the total grant or appropriation authorized by Parliament by law for a financial year, except after obtaining a supplementary grant or appropriation or an advance from the Contingency Fund. The basic financial and accounting norms therefore need to be adhered to by all concerned.

Though the ultimate responsibility of controlling the expenditure rests with the authorities to whom budget allotments are made, the onus for controlling the expenditure in respect of locally controlled heads like Stores, Machinery and Equipment and Construction Works etc. where allocations are made up to the Command level, lies equally with the Controllers concerned.

It is therefore reiterated that necessary instructions in this regard may please be issued to all the sections in Main Office and sub-offices under your jurisdiction to adhere to the above cited instructions on monitoring and control of Defence expenditure for strict compliance.


Jt. CGDA (A/Cs & Budget)

10. BE
P/CS 4797
Ministry of Defence
(Finance/Budget-I)

Sub: Excess expenditure over voted grants – regarding.

Ref: Secretary (Expenditure)'s, OM No.12(1) E-Coord./2009 dated 25th Jan, 2010.

A copy of the Office Memorandum cited under reference instructing to ensure rigid enforcement of prescribed financial rules and to see that no instance of excess expenditure takes place in future for reasons which can be anticipated and taken care of in advance either in BE or supplementary grants, except in rare or exceptional circumstances is enclosed **for strict compliance**.

2. While complying with the above instructions of the Ministry of Finance, the instructions issued by this Division from time to time on Monitoring and Control of Defence expenditure may also be adhered to.

Amit Cowshish
(Amit Cowshish)
JS & Addl.FA(A)

DG(Acq)/ SS/ AS(M)/ AS(A)

All Joint Secretaries/Addl.FAs & JS/FMs

DGFP Army HQ; ACIDS(FP); ACNS (P&P) Naval HQ; ACAS (D Fin P) Air HQ; DGOF;
DGBR; DGCG; CCR&D (R&M); DGQA; DGNCC; DGAQA; Dte of Standardisation; CGDA

MoD (Fin) ID No.9(01)/Bud-I/2010 dated 22.02.2010

Copy to:

JS & Addl FA(R)



No. 12(1)E-Coord./2009
Government of India
Ministry of Finance
Department of Expenditure

New Delhi, dated the 25th January, 2010

Office Memorandum

Subject : **Excess expenditure over voted grants - regarding**

In its Eightieth Report, the Public Accounts Committee (2008-09) has observed in Para 50 and 59 that some Ministries/Departments of Union Government continue to display indifferent attitude towards rules laid down for containing the expenditure within the authorized limits. While viewing this state of affairs with grave concern, the Committee emphasised and reiterated from their past Reports that the Secretary, Department of Expenditure in the Ministry of Finance should strongly and effectively draw the personal attention of the concerned Secretaries in the Ministries/Departments of the Union Government depicting excess expenditures to ensure financial discipline, which is now all the more necessary with the Fiscal Responsibility and Budget Management (FRBM) Act, 2003 in operation. The Committee also desired the Ministry of Finance, being a nodal Ministry to control the exchequer of the Government of India to impress upon all the Ministries to ensure rigid enforcement of prescribed financial rules and procedure so as to contain the instances of excess expenditure to the bare minimum. It has also been recommended that action should also be taken to deal sternly with cases where any slackness is noticed in observance of prescribed financial rules.

2. In terms of Rule 52 (1) of the GFRs, Departments of the Central Government shall be responsible for the control of expenditure against the sanctioned grants and appropriations placed at their disposal. The control shall be exercised through the heads of Departments and other controlling officers, if any, and disbursing officers subordinate to them. Rule 52 (3) further provides that no expenditure shall be incurred which may have the effect of exceeding the total grant or appropriation authorized by Parliament by law for a financial year, except after obtaining a supplementary grant or appropriation or an advance from the contingency fund. The GFRs also lay down detailed instructions on the procedure for effective control over expenditure by the Department controlling and disbursing officers. The ultimate responsibility of control of expenditure against the grant/appropriation lies with the authority administering a grant/appropriation.

3. Instructions have already been issued to all Financial Advisers on 26th October, 2009 to forward separate reports on a quarterly basis on pending ATNs in respects of paras selected by PAC. It is now advised that necessary steps may be taken by Secretaries to Govt. of India, being the Chief Accounting Authorities as per Rule 64 of GFR, to ensure rigid enforcement of prescribed financial rules and to see that no instance of excess expenditure takes place in future for reasons which can be anticipated and taken care of in advance either in BE or Supplementary grants, except in rare or exceptional circumstances. Special attention of Deptt. of Economic Affairs, M/o Defence, M/o Railways, Company Affairs and M/o Mines is invited to ensure that the phenomena of excess expenditure is not repeated.

S. Nath
(Sushama Nath)
Secretary (Expenditure)

1. All Secretaries to Government of India
2. All Financial Advisers