

IMPORTANT CIRCULAR

Speed Post



Office of the Controller General of Defence Accounts  
(Accounts & Budget Division)  
Ulan Batar Road, Palam, Delhi Cantt

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

Dated: 11.06.2010

To

All PCsDA/CsDA

**Subject: Monitoring and Control of Defence Expenditure- 2010-11.**

Ministry of Defence (Finance) has pointed out that PAC as well as C&AG of India have been commenting on recurring instances of excess expenditure in some Grants of Defence Services. The Ministry has therefore issued instructions to all the Service Hqrs and Directorates concerned to monitor the progress of Defence expenditure to avoid large scale savings or excesses.

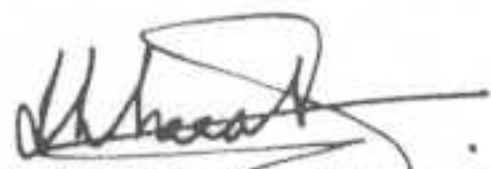
While the main responsibility for controlling the expenditure against budget allocations rests with the budget holders/spending authorities concerned, the PCsDA/CsDA have an important role to play as the authority responsible for payment, accounting and providing MIS to the executive authorities on expenditure booked to the service heads. To avoid that the Department does not unnecessarily get blamed for high/low pace of expenditure, there is a need to have dialogue/close liaison with the executive authorities concerned to devise a monitoring mechanism to ensure that the progress of expenditure keeps pace with the budget allocations throughout the financial year and there is no heavy rush of expenditure towards the end of financial year.

As per the guidelines of Ministry of Finance, 67% of the budget allocation should be booked by the end of December and not more than one third (33%) of the budget estimates should be spent in the last quarter of the financial year. The booking during the month of March should be limited to 15% of the budget estimates. These yardsticks are however found to have been flouted during the past years. In order to ensure that norms laid down by the Ministry of Finance are adhered to by all concerned, necessary steps would need to be taken to ensure that even pace of expenditure is maintained during the whole financial year. In this regard a proper watch on progress of expenditure relating to payments made by the executive authorities through S&S Imprest Accounts and Cash

Assignment Accounts, would be necessary. Timely compilation of expenditure and proper review of the compiled actuals needs to be ensured to depict the correct position of expenditure and to obviate the misclassifications.

A series of instructions in this regard have been issued by this Hqrs in the past. It is reiterated that the same may please be followed scrupulously. It may please be ensured that payments are released subject to availability of funds and there are no cases of overbooking of expenditure. Action may also please be initiated to pursue the matter with the spending authorities concerned to submit the bills/accounts in time so that booking of expenditure is done concurrently and there are no heavy bookings of expenditure towards the end of financial year.

Please acknowledge the receipt.

  
Jt. CGDA (Accounts & Budget)