

OFFICE OF THE CONTROLLER GENERAL OF DEFENCE ACCOUNTS

ULAN BATAR ROAD, PALAM, DELHI CANTT. 10

(ACCOUNTS & BUDGET DIVISION)

A/B/I/0107/AA-Corr/2015-16

Dated: 12/08/2015

To

All PCsDA/CsDA/PCA (Fys)/AN-VII (HQrs office)

Subject: Instruction/ cautions for preparation of Revised/ Budget Estimates on realistic basis to avoid savings or excess w.r.t. total allocations / grant under each sub/detailed head.

Ministry of Defence (Finance) has commented upon the cases of huge savings/ excess expenditure which has occurred under Major Heads 2052, 2055, 2075, 2408, 2852 and 4047. A copy of Ministry of Defence (Fin) ID No. 1(8-ATN)/Fin(MO)/2014-2015/583 dated 24-07-2015 is enclosed. Ministry of Defence has observed that persistent trend of savings/excess expenditure over budget provision shows systematic weakness in budgetary control and same type of explanations/reasons are given for the savings/excess occurred year after year without even addressing the basic issues involved for such recurrences which shows that no sincere efforts have been made to arrest the savings to an optimum level.

2. Ministry of Defence (Finance) has now again stressed that utmost caution and accuracy be ensured while estimating requirement of funds for RE 2015-16 and BE 2016-17 after taking into consideration all the instructions issued by Ministry of Finance from time to time and adhere to the expenditure control during the current/ensuing financial year as well. In order to ensure that the budgetary projections are made after an accurate and realistic assessment of the requirements and visualization of the actual/ anticipated expenditures, detailed reasons by giving the numerical impact in respect of each components of the respective detailed/sub-head should invariably be recorded where the estimation is increased or decreased by 10% or more w.r.t. the actual expenditure during the last financial year (i.e. 2014-15).

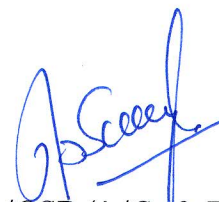
3. Though the ultimate responsibility of controlling the expenditure lies with the authorities to whom budget allotments are made, there is no denying the fact that Controllers have also got an important role to play in controlling the expenditure especially under Locally Controlled Heads specifically in respect of organizations like AFT, CGO, DoD(P&S), DAD, DGDE, JAKLI and CSD.

4. In spite of issuance of necessary instructions from time to time to the PCsDA/CsDA payment without verification of budget availability was allowed. In this connection reference is invited to this office Circular No. A/B/I/0107/AA-Corr/2013-14/Vol-II dt. 26/11/2014 wherein it has been instructed that the cases of abnormally high/unusually low expenditure including cases where expenditure has been booked without allotment and cases of nil booking against allotment/cases of excess expenditure than allotment may brought to the notice of the executive authorities

5. Necessary instructions may kindly be issued to all concerned under your jurisdiction including the Main Office and Sub-Offices to avoid excess or significant savings over the approved grant as also erroneous bookings/misclassification. The cases of significant savings under relevant heads may also be reported to the Executives for ensuring proper utilization of the same or consider timely surrender of the same to their higher authorities.

6. The contents of this circular may please be got noted by all concerned.

Please acknowledge receipt.



PCDA/OSD (A/Cs & Budget)

Copy to:

1. EDP (Local): It is requested to upload the above circular on CGDA web-site.
2. IFA - Wing: It is requested to consider circulating the MoD (Fin) ID cited above to all the concerned PIFAs/IFAs to enable them to render advice on this matter in order to ensure that necessary measures are taken by the Executive Authorities to avoid savings/excess over the approved grants. The executive authorities may also be advised by IFAs to take utmost caution and ensure accuracy while estimating requirement of funds for RE 2015-16 and BE 2016-17.

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PCDA/OSD (A/Cs & Budget)

MINISTRY OF DEFENCE (FINANCE)
(Main Office)

Subject: - Instructions Cautions for preparation of Revised/Budget estimates on realistic basis to avoid savings or excess w. r. t. total allocations/grant under each sub/detailed head.

It has been noticed that despite pointing out repeatedly by this Division & Audit, excess has occurred under Major Heads -2052, 2055 & 2408 in Revenue Section and under MH-4047 in Capital Section and savings have occurred under the MH-2075 & 2852 in Revenue section & overall under Capital Section, which indicates systemic weakness in Budgetary control. Besides, same type of explanations/reasons are given for the savings/excess occurred year after year without even addressing the basic issues involved for such recurrences which shows that no sincere efforts have been made to arrest the savings to an optimum level.

2- Persistent Savings being reported under various heads repeatedly would therefore require responsibility being fixed for such recurrences after obtaining the justifications/clarifications from all the defaulter budget controlling authorities and concrete remedial action must be taken immediately to arrest the savings/excess to an optimum level.

3- It is, therefore, stressed that utmost caution and accuracy be ensured while estimating requirement of funds for RE 2015-16 BE 2016-17 after taking in to account all the instructions issued by Ministry of Finance from time to time and adherence to the expenditure control during the current/ensuing financial year as well. In order to ensure that the budgetary projections are made after an accurate and realistic assessment of the requirements and visualization of the actual / anticipated expenditures, detailed reasons by giving the numerical impact in respect of each components of the respective detailed/sub-head should invariably be recorded where the estimations are increased or decreased **by 10% or more** w. r. t. the actual expenditure during the last financial year (i.e.2014-15), etc. Moreover, the OM No. 7(10)/E. Coord/2012 dated 31.05.2012 regarding "Expenditure Management- Economy Measures and Rationalization of Expenditure" issued from Ministry of Finance, Department of Expenditure & circulated by this Division vide MoD (Fin) ID No. 1(1)/MO/2012/287 dated 6.06.2012 among all the user departments under Grant no. 20, should be kept in view while projecting the estimates regard RE 2014-15 & BE 2015-16.

4- These instructions may please be circulated to all concerned for avoiding savings or excess over the approved grant. Remedial measures / corrective action taken in this regard may kindly be intimated to this Division for apprising the position to DGA,DS.



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|---|-----------------------------------|
| 1- JS (E)/DS (Genl.) | - in r/o DOD, DPS, DR&D, DESW |
| 2- Principal Registrar | - in r/o AFT |
| 3- DFA (E/Genl.) | - in r/o Finance Division |
| 4- Director, IDSA / PO (Def) | - in r/o IDSA |
| ✓ 5- Jt. CGDA (AN), / OSD (DAD/Coord) | - in r/o DAD |
| 6- Addl. DG (Admn), New Delhi / Addl. FA (K) | - in r/o DEO |
| 7- G.M. CSD, "ADELPHI," 119, Maharshi Karve Road, Mumbai, 400020/
BOCCS, "L" Block, N/Delhi / Addl. FA(RS) | - in r/o CSD |
| 8- Director (Plans), Coast Guard HQ/ DFA (CG) | - in r/o Coast Guard Organization |
| 9. Director (FP)/DDGFP-A | - in r/o JAK LI |
| 10- CDP, Kirshi Bhawan | - in r/o APO |
| 11- Dir. (PSUs) | - in r/o Defence PSUs. |

MOD (Fin) ID No- 1(8-ATN)/Fin (MO)/2014-2015/5 83 dated: 24 July, 2015

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