

Office of the Controller General of Defence Accounts
Ulan Batar Road, Palam, Delhi Cantt.
Important Circular No. 78 of 12/2011

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

dated: 16/12/2011

To

*All PCs DA/CSDA
(except BR, CSD, Pension, fund & Training)*

Subject: Monitoring and control of Defence Expenditure

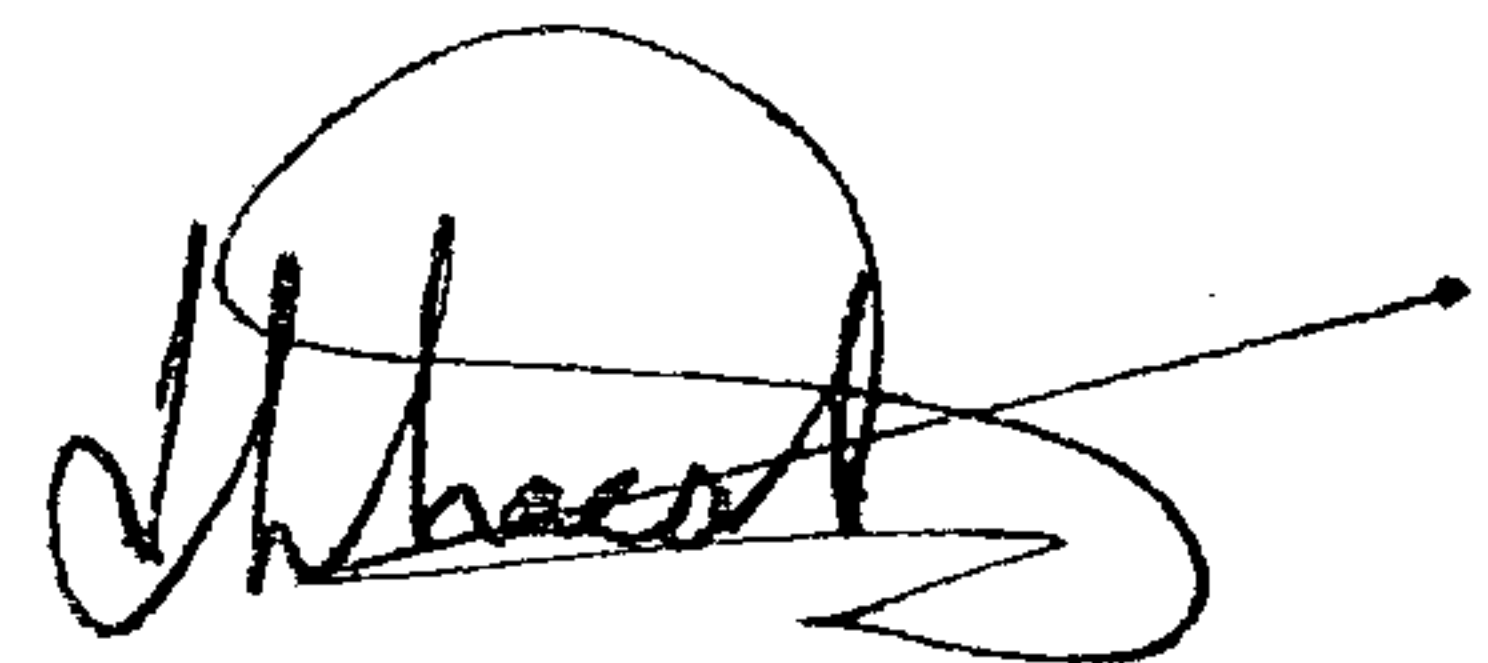
The Public Account Committee, in Para 12 of its 36th report on action taken by the Government on observations/recommendations contained in the 7th Report (15th Lok Sabha) on "Excess over voted Grants and Charged Appropriations (2007-08)", has observed that no firm measures have been put in place as yet by the Ministries/Departments concerned to avoid excess expenditure by the defaulter Ministries. The Committee's scrutiny reveals that the Ministries which scrupulously adhere to the General Financial Rules and have unwavering commitment to financial discipline and prosperity do succeed in avoiding excess expenditure. The committee finds no cogent reason for the inevitability of excess expenditure when Government get opportunities to present the Supplementary Demands for Grants during the three sessions of Parliament in a year. In an age of e-governance made feasible by computerization and instant connectivity between field formations, subordinate offices and Head Quarters, irregularities like excess expenditure should not recur. The committee express their displeasure over the tepid approach of the defaulter Ministries/Departments and reiterate the need for scrupulous scrutiny of the budget proposal, rigorous monitoring of the pace of expenditure and strict compliance of General Financial Rules to eliminate the possibility of excess expenditure, under spending, wrongful appropriation etc.

This HQR office, from time to time, has been issuing instructions/guidelines stressing the need to ensure financial discipline. This office latest IMPORTANT CIRCULAR bearing no. A/B/II/11244/Mont-XXIV dated 21.10.2011 refers 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. It is imperative to devise a proper monitoring mechanism to ensure timely and accurate compilation of expenditure and to ensure even pace of booking.

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 and to ensure that expenditure especially under Locally Controlled heads does not exceed budget allocation.

Please acknowledge receipt.


Jt. CGDA (A/Cs & Budget)