



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

Important Circular No. 82 of Q3/2012

No. A/B/II/11244/DP/Vol VIII

dated: 15/03/2012

To

All PCsDA/CsDA
(except BR, CSD, Pension, Fund & Training)

**Subject: Excess over Voted Grants and Charged Appropriation: Recommendations/
observations of Public Account Committee (15th Lok Sabha)**

The Public Account Committee, in its 40th report (15th Lok Sabha) on "Excess over voted Grants and Charged Appropriations (2009-10), has deplored the persistent trend of excess expenditure in grants relating to Defence Services. The committee has pointed out that expenditure over and above the budgetary provisions sanctioned by the Parliament at different stages of the budget does not augur well for fiscal prudence and undermines the parliamentary financial control. It has been stated that the unabated large excess expenditure is axiomatic of the fact that no tangible corrective measures have been taken to bring the quantum of excess expenditure to the barest minimum. Deprecating the failure to contain expenditure within budget allocation, the committee has mentioned that the problem is not intractable with effective application of IT and e-governance and recommended to ensure that no excess expenditure take place in future.

It is worth mentioning that one of the various reasons attributed for the excess expenditure during the FY 2009-10 is erroneous booking by the Controllers. This HQr office, from time to time, has been issuing instructions/guidelines stressing the need to ensure **timely and correct booking of expenditure** and adhere to financial discipline. This office latest Important Circular bearing no. A/B/II/11244/Mont-XXV dated 16.12.2011 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 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. **It may also please be ensured that expenditure is classified correctly and brought to account in time.**

Please acknowledge receipt.

Jt. CGDA (A/Cs & Budget)