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[Despatch Abstract.]

STATEMENT OF EXCESSES OVER THE BUDGET GRANTS.

Recording resolution of the Government of India ordering submission by the Accountant General and Comptrollers to the Local Governments and Administrations concerned of a copy of the local appropriation report together with the annual consolidated----

C.P.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
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Gov. of {1895} Madras. FINANCIAL.

Issued

Recd.

Encl.

G.O., 15th February 1895, No. 154.

FEBRUARY.

Statement of excesses over the Budget Grants.

Recording resolution of the Government of India ordering submission by the Accountants-General and Comptrollers to the Local Governments and Administrations concerned of a copy of the local Appropriation report, together with the annual consolidated —.

15TH FEBRUARY 1895, No. 154, FINANCIAL.

GOVERNMENT OF MADRAS.
FINANCIAL DEPARTMENT.

READ—again the following paper :—

G.O., dated 6th January 1890, No. 3, Financial.

ABSTRACT.—Communicating to Departments of Government Resolution of the Government of India directing the submission by the Departments noted of consolidated statements showing excesses over sanctioned grants.

READ—also the following paper :—

Resolution of the Government of India, Finance and Commerce Department (Accounts and Finance—Estimates, etc.), dated Calcutta, the 31st January 1895, No. 553-A.

Read—again—

Resolution in this Department, No. 6056, dated 29th November 1889.

Resolution.—In paragraph 1 of the resolution of 29th November 1889, read in the pream, Civil Accountants-General and Comptrollers were directed to submit annually to the Government of India, through the Local Government concerned, a consolidated statement showing, for each major head of expenditure in the Civil Department, (1) the amount of expenditure incurred in excess of the budget grant of the year, (2) the amount of such excess already sanctioned, and (3) the amount still requiring sanction (a) of the Government of India and (b) of the Local Government. In paragraph 2 of the same Resolution it was further directed that this statement should be furnished to the Local Government on the date prescribed for the submission of the annual Appropriation Report to the Comptroller and Auditor General.

2. It appears, however, to the Governor-General in Council that the object, with which the submission of these statements was prescribed, has been imperfectly understood. It may, therefore, be explained that, in accordance with the prescribed system of control by Budget estimates, the Government of India, as the central authority, place at the commencement of each year certain sums, technically called "grants," at the disposal of Local Governments and Administrative Departments for their expenditure during the year. The expending authorities in question have no power to exceed the grants so placed at their disposal, though they have certain powers of re-appropriation from one grant to another. After the close of the year, if the grants have not been completely utilized, the unspent balances lapse in ordinary course; but if expenditure has, for any reason, been allowed to exceed the grants, the Local Government or the Department concerned has to apply to the Government of India for a further grant to meet the excess. What is required in this case is not a sanction to the expenditure as such, but the issue by the central authority of an order which will enable the Account Officer (who has already upon his books credited the expenditure head with the amount of the budget grant) to charge off the net debit remaining under the head, namely, the excess of the expenditure debited over the budget grant credited.

3. The object, therefore, of requiring a report of the expenditure incurred in excess of the budget grants is not to examine the propriety of the expenditure, considered on its merits, but to see whether sufficient reasons have been shown for its being incurred in excess of the funds allotted in the "Budget orders" at the commencement of the year. This latter is, however, also one of the main objects of the Appropriation Report, in which all important differences between estimates and accounts have to be fully explained; and the Government of India accordingly consider that the purpose which they have in view will be most conveniently secured by linking together the submission of the Appropriation Report and of the statement of expenditure in excess of grants, and by requiring that the excesses, being explained in detail in the Appropriation Report, shall be explained in the expenditure statement merely by reference to the relative paragraphs of the Appropriation Report.

4. His Excellency in Council is accordingly pleased to direct that the Accountant-General or the Comptroller shall submit a copy of the local Appropriation Report along with the annual consolidated statement to be submitted to the Local Governments and Administrations in accordance with the orders quoted in paragraph 1 above, and that the explanation of excesses in the latter be furnished by a reference to the relative paragraph of the former.

5. It will be seen from paragraph 4 (8) of the resolution above quoted that it is assumed that the Local Government concerned will have already made the necessary re-appropriation, or have already applied for additional grants, in all cases in which excess expenditure could be foreseen; and that the annual statements of excesses over grants, alluded to in this resolution, should be made use of by them for the purpose of applying, with any remarks they have to add for the necessary additional grants, only in cases in which the excess is trifling or could not be foreseen before the end of the year.

Order.—Ordered, that this resolution be communicated to all Local Governments and Administrations; to the Home, Revenue and Agriculture, Foreign, Military, and Public Works Departments; to the Director-General of the Post Office of India; to the Comptroller and Auditor General; and to all Accountants-General and Comptrollers, for information and guidance.

(Signed) H. J. McINTOSH,
Offg. Under-Secy. to the Govt. of India.

ORDER—dated 15th February 1895, No. 154, Financial.

Recorded.

(True Extract.)

J. F. PRICE,
Chief Secretary.

To the Departments of the Secretariat,
,, Accountant-General.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—the following paper:—

Resolution of the Government of India, Department of Finance and Commerce (Accounts and Finance—Estimates and Accounts), dated Calcutta, the 29th November 1889, No. 6056.

Read—again the following Resolutions in this department:—

No. 3922, dated 29th December 1870.	No. 785, dated 12th February 1889.
„ 2784 „ 18th September 1872.	„ 6055 „ 29th November „
„ 474 „ 22nd April 1884.	„ 6057 „ 29th „ „
„ 251 „ 14th January 1889.	

Resolution—

In clause (e), paragraph 6, of the Resolution of the 22nd of April 1884, read in the preamble, it was directed that, in cases of petty excesses over the budget grants of the year requiring the sanction of the Government of India, application for such sanction should be made at the end of the year in a consolidated statement. These statements are not received from all provinces, and a uniform system is not adopted in the preparation of those that are received. In the case of some provinces, only Civil expenditure finally brought to account in the Civil Department is entered, and in the case of others Public Works expenditure and expenditure on Military Works are included. With the object, therefore, of securing uniformity and of requiring formal sanction to any excess over a sanctioned grant to be obtained, the Governor-General in Council directs that in future each Civil Accountant-General and Comptroller shall submit annually to the Government of India, through the Local Government concerned, a consolidated statement showing for each major head of expenditure in the Civil Department only—leaving other departmental expenditure to be dealt with as required by paragraph 3 of this Resolution—

- (1) the amount of excess expenditure;
- (2) the amount of such excess already sanctioned (with number and date of Government Order); and
- (3) the amount still requiring sanction—
 - (a) of the Government of India, and
 - (b) of the Local Government.

[When some of the minor heads under a major head are Imperial and some Provincial, the statement should contain details of such minor heads also.]

2. This statement should be furnished to the Local Government on the date prescribed for the submission of the Annual Appropriation Report to the Comptroller and Auditor-General.

3. Statements in the same form dealing with expenditure in the Public Works,

Military, Marine (Imperial), and Post Office Departments should be prepared by the chief Account officers of those departments, and submitted to the Finance Department through the administrative departments concerned, on the dates fixed for submission of the Departmental Appropriation Reports to the Comptroller and Auditor-General. The statements of Military and Imperial Marine expenditure should be in greater detail than is required in the case of the other departments, and should show the variations from the budget grants in the case of each minor head of the Military and Marine estimates.

4. The Resolutions read in the preamble define the rules under which expenditure is limited by the sanctioned grant in each case, and the procedure to be followed when the grant is exceeded, or is likely to be exceeded. The stricter control now exacted requires the modification of some of those rules; and the following orders will in future regulate the procedure of Account officers and of Local Governments and Departments of the Government of India in administering the budget grants. Special orders defining the powers of the Military Department are about to be issued in a separate Resolution:—

- (1) Save for exceptional reasons, expenditure for which no provision has been made in the estimates of the current year should not be proposed, and cannot be sanctioned. In the absence of such reasons, the Government of India assumes that any expenditure proposed is intended to have effect from the beginning of the following financial year, and not earlier.
- (2) Expenditure which cannot be met from the grant made at the beginning of the year requires, *ipso facto*, and apart from all other rules, the sanction of the Government of India in the Finance Department, or, in the cases provided for in (5), (6), and (7) below, of the Local Government or the Department of the Government of India concerned. It has been laid down in Financial Resolution, No. 251, dated 14th January 1889, that every application for such sanction should be accompanied by a statement showing how the expenditure is proposed to be met. A copy of this statement should be forwarded by the sanctioning authority, together with the order of sanction, to the Audit Office. Where re-appropriation is made from an existing grant, the Audit Office will conduct the audit against the reduced grant.
Sanction to an application of this nature authorises the expenditure during the year.
- (3) It is a very important part of the duty of the head of an Audit Office to immediately warn the Government or Department concerned of the first appearance of any excessive proportionate outlay under any grant; and when the monthly abstract exhibits such excess, the Government of India expects that the head of the Audit Office will at once inform and warn the Local Government, or, if the administration be Imperial, the Department of the Government of India concerned.
- (4) A Local Government or a Department of the Government of India cannot, without reference to the Finance Department, sanction expenditure which will cause an excess over the budget grant for a major head which is wholly Imperial.
- (5) A Local Government may, without reference to the Government of India, sanction expenditure in excess of the budget grant under any Provincial or Local major or minor head, provided the increase does not cause the aggregate budget grant for Provincial and Local expenditure to be exceeded. In these cases specific re-appropriation is required, as explained in Rule 2.
- (6) In the case of major heads divided in a fixed proportion between Imperial and Provincial, and also in the case of minor heads similarly divided, a Local Government may, without reference to the Government of India, sanction expenditure in excess of the budget grant, provided specific re-appropriation from Imperial and Provincial grants respectively is made, as explained in Rule 2.

- (7) The Home, Revenue and Agricultural, and Foreign Departments of the Government of India have the power to sanction transfers of grants between detailed heads under the same major head of the estimates of any Imperial Department directly administered by them. This authority is subject to the conditions (a) that transfers from savings under "Salaries of Gazetted Officers" shall not in any case be made; and (b) that savings under "Establishments" shall be utilised only for the purpose of meeting the cost of small additions to establishments which may be sanctioned under the authority conferred by Resolution, No. 6057, dated 29th November 1889, and not for contingencies or other charges.

[Under these orders, the Foreign Department, subject to the limitations mentioned above, can make transfers from savings in the estimates of one Political Agency to those of another, so long as the total of the sanctioned estimates of all the Political Agencies under the direct control of that department is not exceeded.]

- (8) Where these orders require a reference to the Government of India in the Finance Department—
 - (a) in cases where the excess over the sanctioned grant is trifling, and
 - (b) in cases where the excess could not be foreseen before the close of the year,
 application for sanction to the additional grants may be made in the consolidated statement prescribed in paragraph 1 of this Resolution. In all other cases application for additional grants must be made and sanction must be obtained before any expenditure not provided for in the estimates is incurred.
- (9) Application for sanction to excess expenditure incurred by the Civil Account and Currency Departments should be submitted by the Accountants-General to the Comptroller and Auditor-General, who should obtain the sanction of the Government of India when necessary.

Order—

Ordered, that this Resolution be communicated to all Local Governments and Administrations.

Ordered, also, that this Resolution be communicated to the Military, Public Works, Home, Revenue and Agricultural, and Foreign Departments; to the Director-General of the Post Office of India; to the Comptroller and Auditor-General; and to all Accountants-General and Comptrollers, for information and guidance.

(Signed) A. KENSINGTON,
Offg. Under Secy. to the Govt. of India.

ORDER—dated 6th January 1890, No. 3, Financial.

Communicated to Departments of Government.

2. The statement referred to in paragraph 1 of the Resolution should be submitted to the Financial Department.

(True Extract.)

J. F. PRICE,
Chief Secretary.

To the Revenue Department.
" Public Works Department.
" Military Department.
" Accountant-General.

Exd. A. Raitt.

Gobt. of {1890} Madras.
FINANCIAL.

Issued

Recd.

Encl.

G.O., 6th January 1890, No. 3.

JANUARY.

Accounts.

Communicating to Departments of Government Resolution of the Government of India directing the submission by the Departments noted of consolidated statements showing excesses over sanctioned grants.

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Read again fo. ~~2076~~ (P)
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— C. No. 330 — (A)

Order 15 February 1895,
No. 154.

Recorded.

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Financial Dept

CURRENT NO. 330

GOVERNMENT OF INDIA.

Finance and Commerce Department.

ACCOUNTS AND FINANCE.
Estimates, etc.

RESOLUTION.

To

No. 553 A.

Dated Calcutta, the 31st January 1895.

Recd 6/2/95.

Submission by the Accountants General and Comptrollers, to the Local Governments and Administrations concerned, of a copy of the local Appropriation Report along with the annual consolidated statement of excesses over the Budget grants.

No. 553 A.

GOVERNMENT OF INDIA.

FINANCE AND COMMERCE DEPARTMENT.

ACCOUNTS AND FINANCE.

Estimates, etc.

RESOLUTION.

Calcutta, the 31st January 1895.

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5. It will be seen from paragraph 4 (8) of the Resolution above quoted that it is assumed that the Local Government concerned will have already made the necessary re-appropriation, or have already applied for additional grants, in all cases in which excess expenditure could be foreseen; and that the annual statements of excesses over grants, alluded to in this Resolution, should be made use of by them for the purpose of applying, with any remarks they have to add for the necessary additional grants, only in cases in which the excess is trifling or could not be foreseen before the end of the year.

ORDER.—Ordered, that this Resolution be communicated to all Local Governments and Administrations; to the Home, Revenue and Agriculture, Foreign, Military, and Public Works Departments; to the Director General of the Post Office of India; to the Comptroller and Auditor General; and to all Accountants General and Comptrollers, for information and guidance.

Offg. Under-Secy. to the Govt. of India.



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READ AGAIN G.O. No.
189

DATED

CURRENT No.

ENCLOSURES TO G. No.

ORDER OF GOVERNMENT

LETTER OF GOVERNMENT

STATEMENT WITH DITTO.

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