

P. W. CURRENT No. 14 14

Gobt. of {1895} Madras.
FINANCIAL.

20-1-90 N^o 164 W
21-12-89 N^o 3648 W
12-6-89 N^o 2737 C
7-5-89 N^o 211 J
16-3-89 N^o 803 40 L C

Rev. 26.2.95

Issued

Recd.

Encl.

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

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L₅ 502 W d. 2 Mar. 1895

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FEBRUARY.

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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 —.

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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 preamble, 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.)

Hedimukha
Chief Secretary.

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

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