

INDIAN COUNCIL OF AGRICULTURAL RESEARCH
KRISHI BHAVAN: NEW DELHI

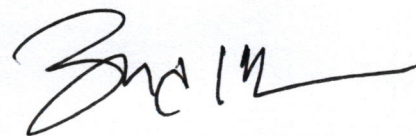
F.No. FIN/22/1/2016-CDN(A&A)

Dated the: 16th February, 2023

ENDORSEMENT

Sub.: Excess over Voted Grants and Charged Appropriations - reg.

In addition to endorsement made vide council's letter F.No. Fin/22/02/2022-CDN (A&A) dated 1st February, 2023 on the above mentioned subject, it is instructed that **all the funds allocated may be utilized in such an effective manner that any future liabilities could be avoided.**



(Amitabh Singh)
Sr. Finance & Accounts Officer

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INDIAN COUNCIL OF AGRICULTURAL RESEARCH
KRISHI BHAVAN: NEW DELHI

F.No. FIN/22/2/2022-CDN(A&A)

Dated the: 7th February, 2023

ENDORSEMENT

Sub.: Excess over Voted Grants and Charged Appropriations- regarding.

Ministry of Finance, Deptt. of Expenditure, Public Procurement Division, New Delhi has issued an O.M. No. F.No.1(14)/2022-E.II(A) dated 17.01.2023 on the subject mentioned above.

As approved by the Competent Authority, this O.M. No. F.No.1(14)/2022-E.II(A) dated 17.01.2023 has been posted on the IC AR Web-Site www.icar.org.in for information, guidance and compliance.

Mans

(K.G. MATHEW)
SECTION OFFICER

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F.No.1(14)/2022-E.II(A)
Ministry of Finance
Department of Expenditure
E.II(A) Branch

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New Delhi, dated the 17th January, 2023.

OFFICE MEMORANDUM

Subject: Excess over Voted Grants and Charged Appropriations – regarding.

This is in reference to Budget Division, Department of Economic Affairs O.M. No.7(4)-B(AC)/2022 dated 29.08.2022 forwarding the recommendations contained in Para 9 of 50th Report of the PAC(2021-22), 17th Lok Sabha on Excess over Voted Grants and Charged Appropriations wherein the Committee has taken note of the recommendation No. 4 (para 6.7) of the NIFM Report related to increasing the accountability of Chief Accounting Authority and vide D.O. No. 6(5)-B(AC)/2022 dated 05.12.2022 on revamp mechanism by Ministries/ Department to eliminate excess expenditure over Voted Grants/appropriations.

2. In this context, the Committee has observed that, “ recommendation No.4 (para 6.7) of the NIFM Report is regarding increasing the accountability of Chief Accounting Authority. Yet, the Ministry of Finance (Department of Economic Affairs) have merely, stated that necessary provisions already exist in Rule 70 of General Financial Rules, 2017 and the Department of Expenditure has also been impressing upon grant controlling authorities to take all measures to ensure proper planning and monitoring of expenditure for curtailment of excess expenditure. The Committee are concerned that despite having the rules/provisions in this regard and the oft repeated measures taken by the Department of Expenditure the position of incurring excess expenditure has only worsened in the last 10-15 years, which is clearly indicative of the fact extant rules are not fully effective and no sincere efforts have been made by the Government towards fixing accountability of Chief Accounting Authority. As incurring large amount of excess expenditure is a regular feature by various Ministries/Department despite issuance of the elaborate instructions by the Government in pursuance of the recommendations of the PAC for containing the excess expenditure to the barest minimum, the Committee strongly recommend that at least now, in pursuance of NIFM recommendations, necessary steps be taken to increase the accountability of Chief Accounting Authority with at view to curbing the tendency of incurring excess expenditure to the barest minimum, if not eliminating it altogether. The Committee, therefore, desire to be apprised with the specific measures initiated by the Ministry of Finance(Department of Economic Affairs) in this direction.”

3. In this context, attention is invited to Rule 57(1) of the GFRs, according to which Departments of the Central Government shall be responsible for the control of expenditure against the sanctioned grants and appropriations placed at their disposal.

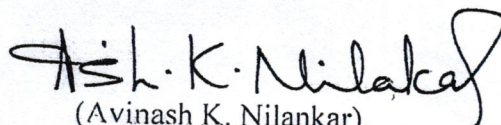
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The control shall be exercised through the Heads of Departments, and other controlling officers, if any, and Disbursing officers subordinate to them. Rule 57(3) further provides that no expenditure shall be incurred which may have the effect of exceeding the total grant or appropriation authorized by parliament by law for a financial year, except after obtaining a supplementary grant or appropriation or an advance from the Contingency Fund. The GFRs also lay down detailed instructions on the procedure for effective control over expenditure by the Department controlling and disbursing officers. The ultimate responsibility of control of expenditure against the grant/appropriation lies with the authority administering a grant/appropriation. Attention is also invited to Rule 70 of GFRs, wherein it has been provided that the Secretary of a Ministry/Department who is the Chief Accounting Authority of the Ministry/Department shall:-

- (i) be responsible and accountable for financial management of his Ministry or Department.
- (ii) take effective and appropriate steps to ensure his Ministry/Department avoid unauthorized, irregular and wasteful expenditure.

4. In the light of the observations of the PAC made in paragraph 9 of 50th report and 53rd report, Secretaries to the Government of India, being Chief Accounting Authority, are once again requested to take all measures, including use of electronic systems, to ensure proper planning and monitoring of expenditure vis-a-vis voted grants so that excess expenditure is avoided. Further, scrupulous scrutiny of the budget proposal, both at the time of preparation of Demands for Grants and Supplementary Demands for Grants, and compliance to provisions of the General Financial Rules may also be ensured to eliminate the possibility of excess expenditure, under-spending, wrongful appropriations etc. Ministries/Departments are advised to revamp their existing budgetary mechanism and financial control in consultation with the Ministry of Finance (Department of Economic Affairs) and Controller General of Accounts in the Ministry of Finance (Department of Expenditure) to altogether eliminate excess expenditure or ensuring containing excessive expenditure to the barest minimum under the Grants/Appropriations operated by them.

5. This issues with the approval of Finance Secretary & Secretary (Expenditure)


(Avinash K. Nilankar)
Deputy Secretary, E.II(A)

1. All Secretaries to the Government of India
2. All Financial Advisers.