

IMPORTANT CIRCULAR NO. 07

No. A/III/CGDA/COORD/18-19
Office of the CDA
Udayan Vihar, Narangi-781171
Dated: 21/02/2019

To

1. All compiling Groups/Sections in Main Office.
2. AAO Shillong.
3. PAO (ORs) 58 GTC Shillong.
4. PAO (ORs) ARC Shillong.
5. All AOGEs.

Subject: Issues relating to excess expenditure and suggestion for improving planning of budget.

As intimation by HQrs Office, Delhi Cantt vide letter no. A/B/II/11244/Meeting dated 28/01/2019, Fourth High Level Committee meeting was held on 06/12/2018 wherein the issues relating to excess expenditure had been discussed. For improving planning of budget and to avoid excess expenditure, some decisions have been taken by the High Level Committee which are disseminated in HQr Office above mentioned letter for strict compliance.

Copy of HQrs Office above mentioned letter is enclosed herewith for guidance and strict compliance please.

Budget monitoring authorities in main office viz. E/I (For AOGEs), AN/II, AN/III, AN/IV and AN/V (including Accounts Section) and the sub-offices are requested to ensure that monitoring of expenditure vis a vis budgetary allocation is done on regular basis and henceforth file may be submitted upto the level of CDA as advised by HQrs Office.

CDA has seen.

Encl: As above.

Dy. Controller (A/es)

Copy to:

1. The O i/c
EDP Section
(Local)

2. The O i/c
AN-1A Section
(Local)

For uploading in CDA Guwahati website please.

For information please

Sr. Accounts Officer (A/es)

2/15/2
ANIB

AAO(Gr III)
Pl. expedite immediately



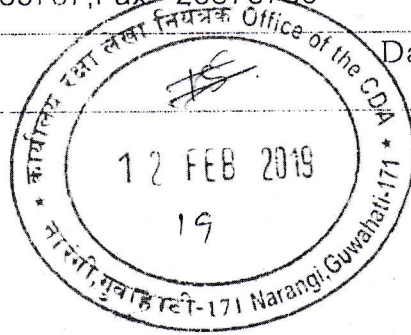
कार्यालय रक्षा लेखा महानियंत्रक
Office of the Controller General Of Defence Accounts

उलान बटार मार्ग, पालम, दिल्ली छावनी-110010
Ulan Batar Road, Palam, Delhi Cantt.-110010
लेखा एवं बजट अनुभाग Accounts & Budget Section
Ph-25665787, Fax-25675786



No. A/B/II/ 11244/Mceting

Dated 28 .01.2019



To

The CDA, Guwahati

Subject: Minutes of the fourth high level committee meeting held on 06.12.2018.

Reference: MoD(Fin.) ID No. 6(3)/Budget - I/2015/Pt File dated 15/01/2019(Copy enclosed).

Fourth High Level Committee meeting was held on 06.12.2018 under the chairpersonship of AS & FA(Acq) to discuss issues relating to excess expenditure and to suggest measures for improving planning of Budget. After detailed deliberations, the decision taken by the High Level Committee are as under.

(i) A system needs to be evolved to reduce gap in opening of LC and cash outgo for the same. Proper monitoring needs to be done in order to ensure that funds will be available at the time of payment of LC.

(ii) Heavy payments after 20th of every month to be avoided and may be released only after obtaining approval of Ministry of Finance. In this regard Ministry of Finance's O.M. dated 21/22.08.2017 to be strictly followed.

(iii) Daily monitoring to be done in respect of Minor Heads reaching 95% of expenditure. PsCDA/CsDA should also ensure that no payment will be released if allocation exceeds under heads.

2. It is advised that above mentioned decisions of the High Level Committee may be strictly complied with and it may be ensured that no payment is released if allocation exceeds under any heads. It may be ensured that monitoring of expenditure vis a vis budgetary allocation is done on regular basis and file submitted upto the level of PCDA/CDA henceforth.

3. Further , it is also requested to send your office official E.mail ID, Fax No. and Telephone No., as also called for vide this HQrs office even No. dated 13.12.2018, for onward transmission to DGFP.

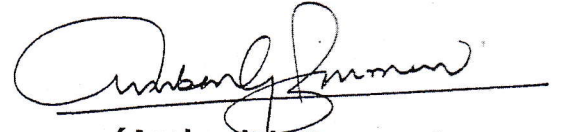
This has the approval of Jt. CGDA(A&B).

[Signature]

Ministry of Defence (Finance)
Budget Division

Subject: - Minutes of the 04th meeting of High Level Committee held on 06th December, 2018.

Please find enclosed herewith a copy of the minutes of the 04th meeting of High Level Committee held on 06th December, 2018 for kind perusal and further necessary action.



(Ambarish Barman)
Member Secretary/ Deputy Secretary (Fin/Budget)
Tel No. 2301 2554

1. Jt. CGDA (A&B), O/o CGDA, Ulan Batar Road, Palam, New Delhi
2. ADGFP, Sena Bhawan.
3. ACNS (P&P), South Block.
4. ACAS (Fin P), Air HQrs.
5. ACIDS (Budget), HQ IDS.
6. Addl. Budget Officer, DEA, MoF, New Delhi
7. Deputy CGA, INA, New Delhi

MoD(Fin)IDNo. 6(3)/Budget-I/2015/Pt File dated 15/01/2019

Copy to:-

1. PPS to AS & FA (Acq)
2. PS to Addl. FA (AN) & JS

Advt. (SM)
may kindly see the
minutes of meeting held
on 6.12.2018 in MOD
at desk stage
Suitable intms
be issued to the
all concerned
16/11

BFI

Jt. CG (A&B)
Pl examine & put up
26/11

SAs

3
18.1.19

59
18.1.19

178
7

Minutes of 4th High Level Committee meeting held on 06/12/2018 at 11:00 PM in South Block, New Delhi

4th Meeting of the High Level Committee was held on 6th December, 2018 under the Chairpersonship of AS & FA (Acquisition) to discuss issues relating to excess expenditure and to suggest measures for improving planning of Budget. The list of participants is annexed.

2. Addl. FA (AN) & JS made a brief presentation about the constitution and mandate of the Committee and decisions taken in the previous three meeting. He also explained about the adverse comments made by the PAC in its report on excess expenditure. Agenda points for the meeting were also briefed. It was emphasized that RE ceilings for the current year in respect of all the Demands should be strictly adhered to and under no circumstances, the ceiling is breached as per the instructions received from the Secretary (Expenditure) MoF (dated 20.11.18).

3. The Chairperson, while going through the presentation and details of expenditure incurred during the FY 2017-18 and 2018-19, enquired about the reasons of the excess expenditure. She enquired the reasons behind the time lag between opening of new LC and Cash outgo of payments. Jt. CGDA was asked about the time taken by the CGDA to provide the details of booking as there is lag in booking of expenditure. It was also insisted that under no circumstances, the ceilings conveyed under QEP/ MEP should be breached.

4. Services gave the suggestion that MEP/QEP should be flexible and it may be revised at least once in a FY. The period between opening of LC and Cash Outgo should be minimized. Processing of high value bills should be given priority by PCsDA for early clearance. Navy raised the issue relating to GST, as no separate provision for booking of expenditure amongst various categories i.e. IGST; SGST; CGST is available in the Compilation. Services also requested that a list of Contact Person in PCsDA / CsDA should be made available on the web site of CGDA, so as to contact them in case of urgency.

5. Addl.FA (AN) & JS also suggested that the suggestion given by the Services to make changes at least once in their QEP / MEP during the FY within the overall ceiling conveyed by MoD could be considered, due to dynamic nature of operational requirements. He also requested that, Services will ensure submission of the reasons of excess expenditure to MoD by the 10th of the following month, so as to apprise MoF accordingly. It was also recommended that CGDA in consultation with the Service HQrs may evolve a system where monitoring can be done in respect of LC cases, between opening of new LC and

Cash Out go for the same and to ensure that funds will be available at the time of payment of LC, so that funds will not be surrendered.

6. Jt. CGDA, informed that the expenditure is daily uploaded by the PCsDA on CGDA's web-site. Expenditure is also monitored on daily basis. Service HQrs were requested to provide PCsDA/CsDA wise allocation of funds after RE finalization. Jt. CGDA further intimated that Services should provide the bills to PCsDA / CsDA in order to avoid the delay in releasing the payments.
7. DEA representative flagged the issue of reporting of expenditure during the course of the year. He also reiterated PAC remarks on excess expenditure and advised that preventive steps to avoid excess expenditure in CFY may be taken.
8. The Chairperson instructed that reporting of expenditure must be prompt and there should be no delay in reporting. Report on MEP/QEP with reason of excess expenditure, if any, must be informed to MoD by 10th of coming month. Services may also develop their own monitoring system, like Navy, to monitor expenditure closely. CGDA as well as Service HQrs to work jointly to reduce time lag between actual payment and booking of payment. QEP/MEP may be revised within the ceiling of total Budget allocation. Services may confirm funds availability before processing of bills and ensure no diversion of funds till payment. CGDA may ensure that no payment will be released if allocation exceeds under heads. It was also stated that after reaching 95 % of budget allocation daily monitoring should to be done.
9. Addl. FA(AN) & JS informed the Service representative that they have given MEP targets which will be stringently monitored and reviewed regularly. Heavy payments after 20th of every month may be avoided and may only be released after obtaining approval of Ministry of Finance. Directions in this regard are already circulated by Ministry of Finance vide OM no. 15(39)-B(R)/2016 dated 21/22 August, 2017. Jt. CGDA was also requested to pass instructions to CDA to stop payment, if allocation exceed under head.
10. Decisions taken in the meeting are summed up as under:
 - i. As and when RE 18-19 ceilings are conveyed, the same needs to be strictly adhered to, ruling out any possibility of excess expenditure.
 - ii. MEP/QEP targets may be strictly followed and may be revised after communication of RE 18-19 ceilings. Reasons for variation from MEP/QEP targets may be furnished by 10th of next month without fail.

iii. A system needs to be evolved to reduce gap in opening of LC and cash outgo for the same. Proper monitoring needs to be done in order to ensure that funds will be available at the time of payment of LC.

iv. Service HQrs to provide PCsDA/CsDA wise allocation of funds after RE finalization.

v. Heavy payments after 20th of every month to be avoided and may be released only after obtaining approval of Ministry of Finance. In this regard Ministry of Finance's O.M. dated 21/22.08.17 to be strictly following.

vi. Daily monitoring to be done in respect of Minor Heads reaching 95% of expenditure. Stop payment instructions to be issued to CDA in respect of Heads exceeding allocations.

11. Next meeting of the High level committee may be held after RE allocations in first week of January, 2019.

The meeting ended with vote of thanks to the chair.

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List of participants of 4th Meeting of the High Level Committee held on 06/12/2018 at 11:00 PM in Room No. 112, South Block, New Delhi

1. Ms Mala Dutt, AS & FA(Acq)- In Chair
2. Shri A. N. Das, Addl. FA(AN) & JS
3. Ms. Vinakshi Gupta, Jt. CGDA
4. Sh. T. Uthaya Kumar, Addl. Budget Officer, MoF
5. Maj Gen Pankaj Saxena, VSM ACIDS (FP) HQ IDS
6. Brig S S Bajaj, FP Dte, Army
7. Cmdr V S McCarty, PDNP
8. Air Cmdr V. N. Srinivas, Air Force (FP)
9. Capt P Gopalan, DNP
10. Col S. K. Singh, HQ IDS
11. Gp. Capt. Atul Pokhriyal, Capital (Budget), Air Force