



GOVERNMENT OF KERALA

Finance (PAC) Department

CIRCULAR

No.95/2014/Fin.

Thiruvananthapuram, Dated, 25.10.2014.

Sub :- Finance Department – Public Accounts Committee (2011-14) 47th Report - Regularisation of excess expenditure by Administrative Department - Instructions Issued.

*Ref :-1. Circular No.16/87/Fin dated 17.03.1987.
2. Circular No.65/2007/Fin dated 16.08.2007.
3. Circular No. 62/2008/Fin dated 16.10.2008.
4. Circular No. 38/2009/Fin dated 07.05.2009.*

The Constitution of India envisages that no money is expended by the State Government without the authorisation of the Legislature. As such, the Administrative Departments are not entitled to spend in excess of amounts allotted by the Legislature, and if any excess expenditure is incurred in certain inevitable conditions, it needs to be regularised. Moreover the provisions of the Kerala Budget Manual, 'The Hand Book of Instructions' and circular issued by Finance Department from time to time also emphasises the need for restricting expenditure within the amount granted for the service for that year and that in case of excess expenditure over budget provision, the Administrative Department concerned should submit notes in time for regularisation of excess expenditure.

As per circulars cited above specific instructions were issued on the points to be covered and the procedure to be followed while preparing explanatory notes for regularisation of excess expenditure and also issued the following instructions for strict compliance by all Controlling Officers/Drawing and Disbursing Officers:

- (i) Periodical reconciliation of Departmental figures of expenditure with those booked by the treasuries concerned and the Accountant General (A&E) should be carried out, so that the chances of spending in excess of the authorised provisions and misclassification before the closing of accounts can be eliminated.

- (ii) Expenditure in excess of authorised provisions should not be incurred in anticipation of authorization of additional funds.
- (iii) In cases of inevitable excess expenditure over budget provisions, prompt action should be taken to move supplementary demands at appropriate time to meet such excess expenditure.

The Public Accounts Committee (PAC) observes that on certain cases inspite of repeated instructions issued by the Government, there has been inordinate delay in furnishing explanation notes to the committee. As a result a large number of cases of excess expenditure remains to be regularized due to non-submission of explanatory notes by the concerned Administrative Departments. Hence on the Public Accounts Committee (2011-14) in its 47th Report viewed this very seriously and it was recommended to take disciplinary action against the delinquent officers.

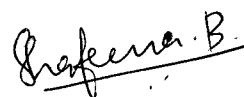
In these circumstances, Government once again direct all Administrative Departments / Chief Controlling Officers to strictly adhere to the instructions in the circulars cited above scrupulously and any non-compliance to the Government directions in this regard will be viewed seriously and stringent action should be taken against those concerned.

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Additional Chief Secretary (Finance)

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.
The Accountant General (A&E), Kerala, Thiruvananthapuram.
All Departments/ (parliament sections) in the Secretariat.
The Secretary, Kerala Legislative Assembly, Thiruvananthapuram.
The Officers of the Secretariat and above the rank of Under Secretaries
(including Law and Legislature Secretariat)
All Heads of Departments and Officers.
The Stock File/Office copy.
✓ Nodal Officer, www.finance.kerala.gov.in

Forwarded / By Order,



Accounts Officer