

D.O. No. 2008/IV-B-I/99

**GOVERNMENT OF MADHYA PRADESH
FINANCE DEPARTMENT**

V.N.Kaul
Principal Secretary

Bhopal, dated 20 August, 1999

Dear Shri,

We are now in the process of formulating the budget for the next Financial Year. On review of the Budget Calendar I find that most Departments are not furnishing information as per the schedule enclosed. Delay in furnishing the information to Finance Department means that the time for consultation with Departments is reduced and the Finance Department is forced to resort to provisioning on an ad hoc basis. We are trying in the Finance Department to rectify the situation this year because we do not want Departments to spend next year complaining about unrealistic provisions in the Budget. The most essential requirement for realistic provisioning is timely submission of budget information to Finance Department by the Administrative Departments. Departments that delay their bids should not complain later. Therefore, please ensure that proposals relating to your Department reach the Finance Department according to the Budget Calendar enclosed.

2. In order to ensure that the budgetary proposal sent by you are realistic (keeping in view the objectives set for the next Financial Year) information about actual expenditure incurred during the past 3 years has to be accurate and credible explanation provided regarding every item of fluctuating charges or with respect to abnormal variations. I hope you will personally look into this.

3. Other matters relating to the Budget that require your personal attention are the following :—

(1) SURRENDER OF FUNDS

Savings in the Grant or appropriation in the current financial year should be communicated as soon as these are identified or foreseen without waiting till the end of the Financial Year. You must ensure that proposals for surrender are furnished well in time so that sanctions accepting surrenders are issued before 31st March, 2000. Surrenders can only be effective after the sanction of the Government. Also kindly ensure that the proposals for surrender do not contain vague reasons such as posts remaining vacant, sanctions not issued etc. Specific reasons for surrender should be given so that the process of issue of sanction is timely.

(2) RE-APPROPRIATION OF BUDGET PROVISION

Rules provide that sanctions for re-appropriations also should be issued before the end of the financial and that these sanctions should be correct in all respects. This is not being done and Accountant General has taken objection to cases of delay.

(3) EXCESS BUDGET PROVISION

Serious objections have been raised by Accountant General in cases of expenditure exceeding budget provisions. From this year onwards Budget Controlling Officers will be held personally responsible for any excess. Please make sure that a special review of excess expenditure for 1998-99 Financial Year is undertaken in your department and reasons for the excess furnished to Finance Department in time. More importantly this information will enable you to ensure that adequate provision is made in the Budget for the next Financial Year and unless the department gives detailed reasons for the excess this will not be possible.

4. There are two other issues which I would like to bring to your notice. The first relates to reconciliation of expenditure with books of A.G. (A & E) which is overdue in many departments. Chief Secretary has already specially written to you on the issue. I will be grateful if the matter is reviewed at your level. The second important point is regarding K-Deposits. While our objective should be to avoid this malpractice altogether, it may not be realistic to liquidate these deposits in one or two years. Hence please try to review pending deposits and furnish to me a list of preferred withdrawals according to your priorities. I will be grateful if this information is furnished by order of priority and deposit wise to me demi-officially by end of September. If I do not get your letter in time the Finance Department will be inclined to presume that you do not consider the release of the funds important. This may lead to lapse of the deposits. However, if your priority list is available with Finance Department then the K-Deposit will be secured under rules and its withdrawal/lapse will be governed by current instructions.

5. I will be grateful for your personal attention to matters raised in this letter.

With regards,

Encl :—one

Yours sincerely,
Sd/-
(V.N.KAUL)

Secretary,
Govt. of Madhya Pradesh,
..... Deptts.
BHOPAL

Copy to Chief Secretary, Govt. of M.P., Bhopal for information.