

NO. 1 (8)(7)/36/PA/677
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL
CONTROLLER GENERAL OF ACCOUNTS
5TH FLOOR, SECRETARIAT BLDG
KHAN NAHAR ROAD, NEW DELHI - 110 003.

Dated, the 19th July, 1986.

OFFICE MEMORANDUM.

Subject:- Dispensation of Inter-departmental settlement
in respect of certain identified activities.

As a sequel to the recommendations of the Geethakrishnan Committee, instructions were issued in this Ministry's O.M.No.1(8)(7)/36/PA/1099, dated the 30th October, 1985 for dispensing with the system of inter-departmental settlement by issue of cheques in respect of certain identified schemes/activities undertaken by one Department/Ministry of the Union of India or behalf of another Department/Ministry of the Central Government. Para (3) of the O.M. ibid laid down the detailed procedure that was instead to be followed in booking expenditure in such cases. It has, however, come to the notice of the Controller General of Accounts, that the prescribed procedure is not being followed by many Ministries/Departments, which has led to avoidable delay in the matter of reconciliation of figures of Appropriation Accounts with the Statement of Central Transactions.

2. Generally, the defects noticed are all remediable and inter-alia include communication of expenditure figures by the agent Department/Ministry to the Functional Department/Ministry without any reference to the sanction according to which the work was undertaken/executed. In one case, the executing PAO was unable to give the particulars while in a few cases even the sanction was not forthcoming. In many cases figures of expenditure were not intimated to the functional Department regularly. In some cases, the agent department exceeded the budgetary limits as shown in the sanction. As all these remediable actions lead to unnecessary correspondence and delay in the finalisation of Government Accounts at the final stages, it is reiterated that instructions contained in the O.M. dated 30-10-85 should be followed scrupulously. Action as listed below may be taken to enable strict adherence to the instructions:

(a) Principal Accounts Office of the agent Department should maintain a register as per the proforma enclosed. This register should be reviewed every month by the Principal Accounts Office of the concerned Ministry/Department to ensure that action is being taken regularly by the concerned P.A.O. This register should also be submitted for review to the Chief Controllers of Account/Controllers of Account/Dy. Controllers of Account at quarterly intervals.

(b) The functional Department would issue an administrative sanction in favour of the agent Department clearly indicating therein the budget provision available during the financial year and the head of account to which the expenditure is debitable. A copy of this sanction (with two spare copies) shall also be endorsed to the Chief Controller of Accounts/Controller of Accounts/Dy. Controller of Accounts of the Ministries/Departments of the agent Department/Ministry in addition to the C.C.A./C.A./Dy.C.A. of the functional Department.

(c) On receipt of three copies of the sanction, the Chief Controller of Accounts/Controllers of Accounts/Dy. Controller of Accounts of the agent Department will paste one of the spare copies of the sanction in the Register referred to above and send the second copy to the P.A.O. who is responsible to account for the expenditure. Before pasting the copy of the sanction in the Register, the Pr. Accounts Officer will fill up the basic particulars at the top of the next page of the Register.

(d) The P.A.O. of the agent Department would furnish monthly and progressive expenditure figures to the P.A.O. of the functional department under intimation to his own C.C.A./C.A./Dy.C.A. to enable them to monitor the monthly flow of expenditure on the programme/activity. These figures shall be provided to the functional Department latest by the 20th of the month following the month of Account.

(e) On receipt of the monthly progressive expenditure figures, the concerned section of P.A.O. of agent Department would post these figures in the Register.

(f) At the close of financial year, the P.A.O. of the agent department would record a certificate to the effect that the progressive figures of expenditure, as shown in the Statement of expenditure for the month of March under the respective unit of appropriation, have been duly reconciled with the Statement of Central Transactions.

(g) The P.A.O. of the functional department while preparing annual appropriation account of its Ministry/Department would take into account the progressive figures of expenditure as reported to him by the P.A.O. of the agent department for the month of March/March Supplementary. Simultaneously, he would carry out the necessary reconciliation of expenditure through the Statement of Central Transactions in consultation with the P.A.O. of agent Department.

(h) This register should also be checked by the Internal Audit Party of the Controller General of Accounts/Ministry at the time of the inspection of the agent Department.

(1) At no stage the grant department shall exceed the budget allocations indicated by the functional Ministry/Department. If an excess is anticipated the grant Department shall immediately bring the matter to the notice of the functional Ministry/Department and request them for more allocations or further instructions. Copies of such letters shall be endorsed to the C.C.A./C.A. of the grant Department, who shall ensure that no excess draws are made.

Kindly acknowledge receipt.

HPRD
(H. PRABHAKAR RAO)
JT. CONTROLLER GENERAL OF ACCOUNTS.

Srri/Smt.....
Chief Controller/Controller/Dy.
Controller of Accounts
Ministry/Department of.....

.....
NEW DELHI.

All Ministries/Departments including Union
Territory Governments/Administrations.

P R O F O R M A

Expenditure Control Register in respect of Activities dispensing with the settlement of Inter-Departmental settlement through cheques.

Page.....1 of the Register should be used for pasting sanction.

Page.....2 of the Register:

- (1) Name of the Scheme/Activity
- (2) By whom sanctioned
(full address)
- (3) Sanction No.& date
- (4) Amount of Budget Available
- (5) Major/Minor Head of Account

Month	Expendi- ture	Progressive Expenditure	Reference to letter No. under which in- formation sent to functional Deptt.	Signature of A.C.
	Rs.	Rs.		
April				
May				
June				
July				
August				
September				
October				
November				
December				
January				
February				
March				
March (Supply)				
TOTAL				

Certified that figures of Rs.....as shown in monthly statement have been reconciled with S.C.T. and found correct.

P.R.A.C.