

Government of West Bengal
Finance Department
Writer's Buildings, Kolkata-700 001

No. 8117(80)-F

October 31, 2008

To
Additional Chief Secretary/Principal Secretary/Secretary Department.

Sub: Framing of Revised Estimates realistically to avoid excess expenditure.

Sir/Madam,

The Departments have started forwarding Revised Estimates (RE) to Finance (Budget). I would request you to please frame RE realistically, taking into account the requirement of Non-Plan funds that may be necessary upto March 2009 and also 10% cut on Non-Plan provision other than salary and a few other items, imposed by Chief Secretary's Economy Circular issued on June 11, 2008.

This is necessary to ensure that there is no excess expenditure, over and above the amount sanctioned by the Legislature. Incurring of excess expenditure amounts to financial indiscipline and the Public Accounts Committee (PAC) of the Assembly has taken serious exception to the recurrence of such irregularity in the past.

In pursuance of the directives given by the PAC in the review meeting on excess expenditure held on June 11, 2008 we had analysed the reasons for incurring excess expenditure in consultation with a few Departments and have identified the following factors behind this

- a) Release of funds in excess of RE provisions.
- b) Drawal of bills in anticipation of allotments.
- c) Material purchase by Engineering Departments at the fag end of the financial year and booking such expenditure under "Suspense" A/c.
- d) Failure on the part of the Administrative Departments to transmit the orders of re- appropriation immediately after March to the office of the Principal Accountant General (A&E), so that the correct position is reflected in the Annual Accounts of the State Government.

In the context of above it has been decided to take the following steps:-

- a) No release of fund will be allowed by Budget branch in excess of RE provision.
- b) No drawal of bill in anticipation of allotment under any Head be allowed in the last quarter of the Financial year. Drawals made in anticipation of allotment upto December are to be adjusted against allotments during the year. This has already been enunciated in Finance (Audit) Circular No. 5509-F Dated the 6th August, 2008.
- c) The Engineering Departments shall not make any material purchase in March, so that booking of expenditure under "Suspense" Head is avoided.

It is requested that the above decisions are followed strictly. The Public Accounts committee is being kept informed.

Yours faithfully,

Sd/- Dipankar Mukhopadhyay
Principal Secretary