

Section 4(b) (xi)

Budget allocated to each of its agency, indicating the particulars of all plans, proposed expenditures and reports on disbursements made

Introduction

A Budget is essentially a plan, a statement of expected results expressed in numerical terms. The process of reducing plans to definite numbers forces a kind of orderliness that helps the authority in bringing about co-ordination and effective control over different activities of an organisation. Co-ordination and control leads to methodical forecasts, setting up of some standards and targets. Such standards and targets form the yardsticks for measuring efficiency of various activities. Budget is thus the most effective device of managerial control. It is to plan work and work the plan. The latter is more important.

Essentials of a Budget

The use of the Budget as a planning as well as a control instrument has several implications. It should be based upon actual expectations rather than ideal goals. Basing on the performance of previous years and agreed targets of expected performances, taking into consideration the availability of the means of production, budget is made out in such broad details as could be worked out with as meticulous care as possible.

Technique/Procedure of Budgetary Control

The following technique/procedure is being used to make the budgetary control effective: -

1. Budget is broadly divided into centrally and locally controlled heads. Control in respect of centrally controlled heads is exercised at Central Headquarters whereas in case of locally controlled heads allotment of funds is made to lower formations that are responsible to exercise control and to ensure that the expenditure does not exceed the allotment.
2. No items of public expenditure should be incurred unless provision exists to meet it in the sanctioned budget.
3. Provision of funds under a particular head does not constitute sanction to incur expenditure unless an authority vested with powers on his behalf by the Govt sanctions it.

4. Powers are vested in different authorities by Government to incur public expenditure only up to defined financial limits and periods.
5. The ultimate responsibility for seeing that expenditure does not exceed the corresponding budget allotment rests on the Head of the Establishment
6. Allotment of funds in the budget for one category of expenditure cannot normally be used for another category e.g. funds provided for Transportation charges cannot be used for miscellaneous expenses.
7. It is the responsibility of the authorities to which allotments are made to watch the progress of expenditure and to see that it does not exceed the allotments.
8. Where additional funds under a particular heads are required, an application in this regard has to be made to the Central Controlling authority, well in advance, explaining fully the reasons thereof. Similarly, where savings can be foreseen, surrenders are required to be made immediately, explaining the reasons thereof.
9. Saving under one head cannot be re-appropriated to meet excess expenditure under another head unless so authorised by DGAQA HQ/Min of Defence.