

CHAPTER IV

BUDGET ESTIMATES, EXPENDITURE AND BUDGETARY CONTROL AND COMPLETION REPORTS

SECTION 'A'

Introduction

4.1. Budget Terms

4.1.1. Budget Estimates.—Every Railway Administration has to prepare estimates of expenditure expected to be incurred by it in a year and submit them on prescribed dates well in advance of the beginning of that year to the Railway Board for obtaining the sanction of the Parliament or the President. Such estimates are called " Budget Estimates ".

4.1.2. Demands for Grants.—On the basis of the Budget Estimates received from the various Railway Administrations and other spending units, the Railway Board prepare their " Demand for Grants " and present them to the Parliament or the President, as the case may be, for sanction.

4.1.3. Grants and Appropriations.—The ' Demands for Grants ' as finally approved by the Parliament are called the Budget ' Grants ' and those sanctioned by the President without reference to the Parliament are called ' Appropriations '.

4.1.4. (i) Budget Orders and Allotments.—The Railway Grants and Appropriations for a year are distributed by the Railway Board to the various Railway Administrations and other spending units directly under the Railway Board through what are known as ' Budget Orders'. The Budget Orders are accompanied by the Budget Documents.

(ii) The Grants and Appropriations distributed to the various Divisions and spending units are called Budget ' Allotments '.

4.1.5. Budget Documents.—The complete Budget, is printed in the form of books as under :—

(i) Demands for Grants ;

(ii) Explanatory Memorandum showing the financial results of the year ;

(iii) Works, Machinery and Rolling Stock Programme of Railways.

4.1.6. Re-appropriation.—The transfer of funds originally assigned for expenditure on a specific object to supplement the funds sanctioned for another object is called " Re-appropriation ". The powers of the Railway Board and Railway Administration in respect of re-appropriation are detailed in Chapter III of the Indian Railway Financial Code Volume I (extracts at Annexure ' 11 ').

4.1.7. Review of Expenditure.—The sufficiency or otherwise of the sanctioned budget allotments shall be reviewed periodically by each Railway Administration on the basis of expenditure actually incurred upto the time of review and the anticipated expenditure during the remaining portion of the financial year. The detailed procedure in regard to review of Expenditure is contained in Chapter III of the Indian Railway Financial Code, Volume I (extracts at Annexure ' 12 ').

4.2. Demands for Grants.—All revenue working expenses of the Railway are classified under 13 sub major heads with separate abstract for each sub major head. The sub major heads are divided into minor, sub and detailed heads as detailed in Volume II of the Indian Railway Financial Code (Minor, sub and detailed heads, relevant to Signalling and Telecommunication are at Annexure ' 13 ')

4.3. Revenue and Works Budgets.—Budget estimates of the Signal and Telecommunication Department comprise mainly of the following :—

(i) Estimates of Working Expenses.—These are based on the Working Expenses for the repairs and maintenance of Signaling, interlocking and Telecommunication Services and comprise estimates of expenditure against Demand Nos. 3, 7 and 8 referred to in para 4.2.

(ii) Works Budget.— Open Line Works Budget' otherwise known as ' Annual Works Programme ' comprises estimates of requirements for Works against Demand No. 16.

(iii) Plant and Machinery Programme comprises estimates of requirements for Machinery and Plant against Demand No. 16.

SECTION ' B '

Estimates for Working Expenses or Revenue Budget

4.4. Compilation

4.4.1. The Revenue Budget or Estimate of Working Expenses is compiled in the prescribed forms in the Headquarters Office on the basis of proposals submitted by the Divisions/Extra Divisional Units in accordance with instructions contained in Chapter III of the Indian Railway Financial Code. Volume I (extracts at Annexure ' 14 ')

SECTION ' C ' Works, Machinery and Rolling Stock Budget

4.5. Detailed instructions for preparation and submission of Works, Machinery and Rolling Stock Budget are contained in Chapter III of Indian Railway Financial Code, Volume I (extracts at Annexure' 15 '). The classification of expenditure by primary units of expenditure are contained in Volume II of the Financial Code (Heads relevant to Signal and Telecommunication Department at Annexure ' 16 ').

4.6. Compilation of Plant and Machinery Programme—

4.6.1. The detailed instructions for the preparation and submission of the Plant and Machinery Programme are contained in Chapter XV of the Indian Railway Code for the Mechanical Department (Workshops).

4.6.2. The requirements of machinery in Signalling and Telecommunication Workshops shall be collected and shown in Plant and Machinery Programme. The

description of machinery, number, allocation, cost etc., shall be shown on the prescribed forms and submitted along with the programme. This programme is submitted 15 months in advance of the financial year.

SECTION 'D'

Administering the Budget

4.7. Detailed instructions for administering the Budget are contained in Chapter III of the Indian Railway Financial Code (extracts at Annexure ' 17 ').

SECTION ' E'

Maintenance of Accounts

4.8. Code Rules.—Rules in regard to the maintenance of Open Line accounts are contained in Chapter XIV of the Indian Railway Code for the Engineering Department.

4.9. Accounting

4.9.1. The expenditure incurred is brought to account through various vouchers. Subject to such powers as may be delegated to him, the Divisional Signal and Telecommunication Engineer may incur expenditure on all ordinary maintenance works and establishments upto the limits of the provision in the Revenue Budget Estimates, sanctioned for his unit for the year.

4.9.2. All vouchers, such as debit notes for stores supplied, freight bills shall be carefully scrutinised before acceptance as to the reasonableness and propriety of the debits raised. Wherever necessary, such debits shall be correlated and checked with the initial records in the office, such as indents and work orders on Workshops, and necessary endorsements made thereon.

4.10. Departmental Registers on Extra-Divisional Units

4.10.1. Revenue Allocation Register.—The Divisional Signal and Telecommunication Engineer in charge of an Extra-Divisional Unit shall maintain a Register of Revenue expenditure, if any, incurred by him under the relevant grants in order to keep himself acquainted with the progress of expenditure in his unit as compared with the sanction in the Authorisation Rolls. The detailed instructions in regard to the maintenance of Revenue Allocation Register are contained in Para 1469 of Engineering Code (Annexure 18 ')

4.10.2. Register of Works.—The object of maintaining the Register of Works and Instructions in regard to maintenance of the same are contained in Paras 1472, 1473, 1474 and 1475 of Engineering Code (Annexure ' 19 ')

4.10.3. Reconciliation of Registers.—The registers of the Divisional Office shall be sent monthly to the Accounts Office with a clerk on such dates as mutually agreed upon in order that the entries made therein may be reconciled with similar registers maintained in the Accounts Office.

4.11. Departmental Registers on Divisions.—On Divisions where the initial accounts are maintained by the Accounts Department, neither Allocation Register nor Register of Works need be maintained by the Departmental Officers. There will be only one set of registers and these will be maintained by the Accounts Officer both for his own use and for that of the other Departmental Officers, who will continue to be responsible

for the efficient control of expenditure against estimates and allotments.

SECTION ' F '

Control over Expenditure

4.12. The manner in which the budgetary and expenditure control is to be exercised by the various units is indicated in Chapter V of the Indian Railway Financial Code (relevant extracts at Annexure ' 20 ')

413. Indents and Work Orders

4.13.1. When passing requisitions for materials and tools, for works or maintenance, and also while sanctioning temporary and seasonal labour, the Divisional Signal and Telecommunication Engineer shall ensure that the amounts involved are within the allotments and also within provision in the sanctioned estimates.

4.13.2. Before execution of agreements and work orders with contractors the Divisional Signal and Telecommunication Engineer shall ensure that these have been carefully checked in every respect. Rates allowed in bills received from firms shall be carefully scrutinised before they are passed for payments.

SECTION 'G'

Completion Reports

4.14. Code Rules.— Rules in regard to the preparation and submission of Completion Reports are contained in Chapter XVII of the Indian Railway Code for the Engineering Department (relevant extracts at Annexure ' 21 ')