

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

RBA 8 /2005

No. 2005/ACII(CC)/37/2

Dated 17th February 2005

**FA&CAOs,
All Zonal Railways**

Sub: PAC's observations for streamlining of the system of classification/control over expenditure on railways.

* * *

The Public Accounts Committee, over the last few years has commented adversely on misclassification and excess over expenditure on Railways and has desired a corrective mechanism to be put in place. In particular, the Committee has advised the Railways to review the exchequer control and monitoring system and ensure that expenditure does not exceed budget allocation. In this context, it has expressed concern over the slow implementation of computerized financial management information system, which was expected to correct the existing lacunae in the manual system.

In the light of these observations of the Public Accounts Committee, it is reiterated that Railways must continuously monitor expenditure in every demand in relation to budget provision to ensure that allocation is not exceeded. The Finance and Accounts Codes provide detailed instructions on the subject and it is expected of every Accounts officer to follow them diligently and ensure that instances of misclassification and excess/savings over budget are avoided. The existing system may be streamlined through detailed analysis of various inputs like Audit reports, internal check and Accounts inspection. Besides, a realistic assessment of charged expenditure may be carried out to plug any loophole to avoid unexpected excess over budget towards the closing months of the financial year. The entire process of budgeting also required a careful review right from the PU stage to avoid differences between expenditure and estimate. A copy of the monthly PU wise review may be enclosed with MCDO to FC.

The Board has been emphasizing the need to implement the FMIS scheme at the earliest. The necessary sanctions and directions have also been issued from time to time. But the progress of implementation so far leaves much to be desired. Despite formation of monitoring committees, targets have not been met. The importance of computerized FMIS requires no emphasis and it is expected that Railways will adhere to the completion targets given by them. FA&CAOs should personally monitor the progress to ensure its timely completion by 31.3.2005.

Kindly acknowledge receipt and confirm appropriate action being taken.

R. Ashok
(R. Ashok) 10/12/05
Adviser (AR)
Railway Board