

CHAPTER 21

Budget

Part
GENERAL

A

1. Introductory—The Punjab Budget Manual contains detailed instructions in regard to all matters concerning the preparation of budget estimates. This manual should be consulted whenever any question regarding the budget arises. The instructions given below are intended only for a brief summary of the principal points to be borne in mind by judicial officers in dealing with expenditure.

2. Sanction and budget provision necessary for expenditure—The mere fact that budget provision exists is no authority for incurring expenditure. Sanction of competent authority must in all cases be obtained before any expenditure is incurred; and the sanctioning authority must ascertain whether budget provision exists before according sanction.

3. Heads of departments, controlling and disbursing authorities—For the purposes of these rules the Head of the Department, Controlling Officer, and Disbursing Officer for each major or minor head of accounts concerning the Judicial Department shall be the authority named in the following statements:

1	2	3	4	5
Major Heads including group heads	Minor Heads including sub-heads thereunder	Disbursing Officer	Controlling Officer	Head of Department

1	2	3	4	5
thereunder				
27— Admin- stration of Justice	A—High Court	Registrar, High Court	Registrar, High Court	Chief Justice of the High Court
	E—Civil and Session Courts—			
	1. District and Sessions Judges	District and Sessions Judges	District and Sessions Judges	Chief Justice of the High Court
	2. Subordinate Judges	Senior Subordinate Judges	Ditto	Ditto
	3. Process-serving establishment, District and Session Judges Courts	District and Sessions Judges	Ditto	Ditto
	4. Process-serving establishment, District and Session Judges Courts	Senior Subordinate Judges	Ditto	Ditto

1	2	3	4	5
	5. Circuit and Sessions Houses	District and Session Judges	Ditto	Ditto
	F—Courts of Small Causes G—Criminal Courts	Judges of Small Cause Courts Deputy Commissioners	Ditto	Ditto
			Ditto	Ditto

4. Responsibility for the preparation of the statements of estimated revenue and expenditure, as well as for applications for supplementary grants, or demands for excess grants lies with the Controlling and Disbursing Officers shown above.

Part
PREPARATION OF BUDGET ESTIMATES AND SCHEDULES B
NEW EXPENDITURE OF

1. **Estimates**—All demands for supply in the ensuing year must be entered in one of the following estimates:—

- (1) Estimates of Ordinary Charges.
- (2) Schedule of New Expenditure.
- (3) Supplementary Schedule of New Expenditure.
- (4) List of Major and Minor Works.

The list of Major and Minor Works is dealt with in Chapter 22-A.

2. Budget Forms—Budget forms are supplied direct to District and Sessions Judges and Deputy Commissioners by the Finance Department. On their receipt, these officers should take immediate steps to collect the necessary material for compilation of the estimates. If forms are not received in time, copies should be typed from the specimens in the Budget Manual.

3. Date of submission of estimates—The dates for submission of the estimates are printed at the top of the budget forms, and are also given in Appendix D of the Budget Manual. Controlling and Disbursing Officers are responsible for seeing that estimates are submitted punctually on the date fixed.

4. Classification of items of the estimates—There is room for considerable misconception in the matter of distinguishing items which should appear in the estimates of ordinary expenditure and in the Schedule of New Expenditure, and particular care is necessary in this respect. The principle which should guide officers in deciding whether expenditure of a particular kind is to be included in the estimates of ordinary expenditure or in the Schedule of New Expenditure is laid down in detail in paragraphs 5.1, 5.4, 7.1, of the Budget Manual. The Schedule should be drawn up Form B.M. 16.

5. Estimates of ordinary expenditure—Particular attention is drawn to the following points in connection with the estimates of ordinary expenditure:—

Pay of Officers and Establishment

(i) Provision should be made with reference to the pay due on April 1 and increment which may be due during the year.

(ii) The estimate should be supported by a nominal roll, prepared separately for gazetted and non-gazetted officers, showing the pay to be drawn by each officer during the year for which the estimate is made.

(iii) The number of posts should be carefully checked. Any variations in the number of posts or pay should be explained, a reference being given to the orders of Government, if any.

(iv) Permanent and temporary establishment should be shown separately.

(v) Special care should be taken to show voted and charged expenditure separately.

Miscellaneous expenditure

(vi) All variations must be clearly explained in a separate note.

(vii) For fluctuating expenditure, the modified grant and last year's actuals should be taken as a guide, regard being had to any extraordinary expenditure had or anticipated.

(viii) No change may be made in the contract contingent grants without the previous sanction of Government.

(ix) with the estimates of ordinary expenditure estimates should be submitted for—

(a) Rewards for examinations in oriental languages.

(b) Official publications the cost of which is adjusted, on the books of the Accountant-General, and not paid in cash. These estimates should be submitted in accordance with paragraphs 5.18 and 5.14 of the Budget Manual.

(x) Under the head "Other contingencies" provision should be made for the cost of—

(a) Survey maps.

(b) Bicycles.

(c) Law books (including official publications) paid for in cash.

6. Schedule of New Expenditure—For any item which it is proposed to include in the Schedule of New Expenditure, administrative approval must be obtained in good time before the Schedule is submitted.

Any item not supported by administrative approval (which should be clearly quoted) will be automatically cut out.

7. Order estimates—In addition to the estimates mentioned in paragraph 5 above, the following statements are also required:—

(1) Forecast of stores likely to be purchased through the High Commissioner in England.

(2) Estimates of leave and deputation allowances to be drawn from the Home Treasury.

(3) Stationery to be obtained from the Controller of Printing and Stationery, Punjab.

(4) Estimates of advances payable to Government servants, *e.g.*, house building, conveyance and purchase of typewriters.

(5) Estimates of superannuation allowances, pensions, and commuted value of pensions.

Provisions should be made for all articles of Stationery which are obtainable from the Controller of Printing and Stationery so as to reduce local purchases of such articles to a minimum. Local purchases, due to a failure to make proper budget provisions are frequently brought to light during audit.

8. Instructions should be strictly followed—Although the personal attention of District and Sessions Judges has been drawn to the necessity of complying with these instructions the Judges regret to notice that the estimates received continue to exhibit the same defects as before. The only conclusion to be drawn is that little or no trouble is taken to read and understand these instructions.

9. Importance of punctual submission of correct estimates—Owing to the submission of estimates to the Legislative Assembly on a fixed date, a great burden is thrown upon the Finance Department of the State Government in collecting and co-ordinating estimates received from all departments throughout the State within a time which is comparatively short for the work involved. The late submission of a single return relating to one head delays consideration of all the other returns which may have been received in time. Incorrect classification makes submission of the estimates in the form required by Assembly impossible; and when errors cannot be corrected at headquarters, the result is a final estimate which may lead to a reduced allotment of funds.

10. Common errors—The Honourable Judges trust that District and Sessions Judges will bear these considerations in mind, and after taking a note of the dates on which the various estimates are due, they will themselves personally insist on the preparation of estimates by their office before these dates. Among errors which are most frequently noticed are the failure to distinguish between voted and charged expenditure, the failure to submit the names and designations of officers and the lack of explanations for variations in expenditure proposed compared with the modified grants for previous years. These are the principal omissions, but there are many others of the same kind which occur. Punishment has already been awarded to the ministerial officers responsible for delays, errors and omissions. It is, however, necessary to repeat that disciplinary action will again be taken if serious irregularities continue to occur.

Part

C

APPROPRIATIONS AND RE-APPROPRIATIONS

1. Primary units of appropriation—When a grant has been voted by the Legislative Assembly, the amount voted, together with any sum assigned to the sum major head or heads of account which does not require the vote of the Assembly, is communicated to the Head Court by the Finance Department in the shape of lump sums allotted under minor and sub-heads of account distributed under one or more of the following heads:

Primary Units of Appropriation

1. Pay of Officers.
2. Pay of Establishments.
3. Travelling allowances.
4. Other allowances and honoraria.
5. Contingencies.
6. Grants-in-aid, contributions and donations.
7. Works.
8. Assignments and compensations.
9. Establishment charges paid to other Governments, Departments, etc.
10. Reserve.
11. Suspense.

2. Appropriation of the supply—Out of the supply allotted in each primary unit of appropriation, the High Court, and any officer to whom it has distributed supply, has full power to appropriate sums to meet expenditure falling under that unit, provided that:

(a) supply provided for charged items of expenditure must not be appropriated to votable items, and without the previous consent of the Finance Department, supply provided for voted items must not be appropriated to charged items;

(b) supply must not be appropriated to any item of expenditure which has not been sanctioned by an authority competent to sanction it;

(c) supply shall be appropriated only to objects for which the grant is sanctioned;

(d) no expenditure shall be incurred without previous approval of competent authority on objects the demands for which have been specifically refused or the provisions for which has been specifically reduced either by the legislature or by the Government;

(e) supply shall not be appropriated towards expenditure which should be met from a contract contingent grant beyond the amount specified in the grant.

3. Re-appropriation—No re-appropriation can be sanctioned by Controlling or Disbursing Officers, except from one secondary unit to another secondary unit subordinate to the same primary unit.

4. Ditto—Other re-appropriations require the sanction of the High Court, and are subject to the same rules as those set out in paragraph 2 above.

5. Application for additional appropriation—Applications for additional appropriations shall be prepared in Form B.M. 33 and shall set forth the particular primary unit of appropriation, the provision for which has been exceeded or is likely to be exceeded.

6. Reasons—The reasons for the insufficiency of the appropriation and remarks regarding re-appropriations should be given in the form by the Disbursing Officer, and also, if necessary, by Controlling Officer, and the Head of the Department. No separate re-appropriation statement or covering letter is required.

7. Additional appropriation already sanctioned should be mentioned—If the amount shown in column 2 includes any additional appropriation already sanctioned during the year, the number and date of the order sanctioning it should be quoted.

8. Submission of the application—The application will be numbered and dated by the Disbursing Officer, and subject to paragraph 11 below, forwarded through the Controlling Officer to the High Court.

9. Duty of forwarding authority—The officer forwarding the application should endeavour to suggest a source of re-appropriation; and if he is competent to sanction it himself he should do so, instead of forwarding the application.

10. Prompt submission of the application—All applications for additional appropriations must be submitted by the Disbursing Officer as soon as the necessity can be foreseen and should not be postponed.

11. Additions to contract contingent grants—In the case of applications for additions to contract contingent grants for the current year only, the Disbursing Officer should report the savings, if any, from his grant for the previous financial year.

CONTROL AND DISTRIBUTION OF GRANTS

1. Communication of grant to the High Court—As soon as the Legislative Assembly has voted a grant, the Finance Department communicates to the High Court the amount so voted, together with any sum assigned to the same major head or heads of accounts which does not require the vote of the Assembly. The amounts are communicated in the shape of lump sums allotted under minor and sub-heads of account and distributed over such of the prescribed primary units of appropriation as may be necessary. Such grants are communicated not later than the 15th April in each year.

2. Grant for pay of officers and establishment—Grants under the primary units of appropriation "Pay of Officers" and "Pay of Establishment" which represents the cost of permanently sanctioned posts borne on State Service's Scales, are regarded as supply distributed by the Finance Department, and are not distributed.

3. Distribution by High Court—The High Court, out of the supply allotted to it, distributes among the Controlling and Disbursing Officers concerned in such manner as may appear suitable—

(a) any portion of the grants for the primary unit "Travelling Allowances".

(b) any portion of the grant under the primary unit "Contingencies" other than sanctioned contract grants.

(c) any portion of the grant under the primary units "Other Allowances and Honoraria", "Works", "Contributions", "Suspense" or "Reserve" as is not excluded from distribution (*see* paragraphs 10.5 and 10.6 of the Punjab Budget Manual).

4. Reserve—The High Court may in carrying out such distribution retain a portion of the grant as a reserve in its own hands. The distribution is carried out not later than the 15th May in each year.

5. General Control of High Court—The High Court exercises general control over the actual expenditure incurred against grants communicated to Controlling and Disbursing Officers. Article 55 of the Audit Code lays down that the authority administering a grant and not the Audit Department is ultimately responsible for keeping expenditure within the grant. For this purpose monthly statements are prepared and forwarded to the Accountant-General for reconciliation. Both the Head of the Department and the Accountant-General are responsible for reconciling differences and correcting misclassifications.

The High Court may issue such instructions to Controlling and Disbursing Officers in this matter as may appear necessary for carrying out the duty of control.

Should the grant under any minor head appear likely to be exceeded, the High Court will arrange for the excess being provided by a re-appropriation or, if necessary, for the sub-mission of a supplementary demand.

6. Duty of controlling Officer to prevent expenditure beyond grant—The Controlling Officer is primarily responsible for watching the progress of expenditure against grants allotted to him under each primary unit of appropriation concerned and for taking necessary steps to prevent expenditure in excess of a grant—

(a) by transfer from one Disbursing Officer to another under his powers of appropriation within the primary unit of appropriation.

(b) by exercise of his delegated powers of re-appropriation ;

(c) by application for an excess grant under the prescribed rules as soon as the necessity arises for this course.

The Accountant-General will on request supply him with the same information as to progress of actuals as is given to the High Court, and he may all for returns from Disbursing Officers.

7. Duty of Disbursing Officer—The Disbursing Officer is the officer directly responsible for the expenditure incurred against the grants allotted to him under each primary unit of appropriation. He shall keep a close watch over the progress of expenditure, and in no case watch over the progress of expenditure, and in no case should he allow the appropriation for any unit to be exceeded without obtaining the approval of competent authority. He shall pay prompt attention to any warnings received from the Accountant-General and arrange to submit an application for an additional appropriation as soon as the necessity arises.

8. Money to be spent only on the objects for which sanctioned—The Disbursing Officer is required to utilise the appropriations placed at his disposal only towards-expenditure on the objects for which the grants are sanctioned and, in particular, no expenditure should be incurred without previous approval of competent authority on objects the demands for which have been specifically refused either by the Legislature or by the State Government.

9. Duty of Audit Officer—The duty of the Audit Officer is to keep a close watch over orders of appropriation and re-appropriation and to pay attention to the progress of expenditure against (1) the grant as a whole, (2) the appropriations for primary units. The Accountant-General will report to the Head of the Department any excesses likely over the grant as a whole.