भारत सरकार Government of India

रेल मंत्रालय Ministry of Railways

रेलवे बोर्ड (Railway Board)

RBA No. 47/2016
For personal attention

No. 2016-BC-AP-Chapter-2/14-15 28.6.2016

General Managers,
All Zonal Railways/PUs

Sub :- Action taken on Misclassifications of Expenditure and Objectionable Expenditure in Accounts-2014-15 (C&AG's Report No. 53 of 2015)

-x-x-x-

The Comptroller and Auditor General of India in their Report for the year ending 2015 for Railways have observed following observations critically.

Para No.	Observations made by C&AG	Action to be taken by Zonal Railways/Production Units
2.8	Instances of misclassification of expenditure and other accounting mistakes had been noticed while verifying the Accounts of Zonal Railways. Despite issue of repeated exhortation, Ministry of Railways have not been able to stop misclassification of expenditure in their future accounts	As already brought out in Railway Board's instruction from time to time, misclassification of expenditure reflects the inadequacy of the professional competency for carrying out the correct accounting transactions and therefore, Railway Board has been insisting that suitable internal audit mechanism may be put in place, to ensure there is no occasion of mis-classifications. Instructions issued vide RBA No. 10/2015 is re-iterated for strict compliance. Necessary validations and checks in the computerized environment should be ensured. Responsibility may also be fixed at appropriate levels, wherever necessary, for clear lapses. Now that IPAS has been rolled out, it may be ensured that all the transactions are correctly mapped to the allocations so that incidence of mis-classification is eliminated.
2.9	Unsanctioned expenditure as of 31st March, 2015, included Rs. 6240 crore (51.50 % of total unsanctioned expenditure) related to items which were more than two years old. Ministry of Railways needs to strengthen the control mechanism and ensure that all the unsanctioned expenditure is regularized on priority basis.	Increasing trend of unsanctioned expenditure in successive Audit Reports on Railways is a cause of concern for Board. Railways must put in place an effective monitoring mechanism and ensure regularization of these items in a time bound manner. **Special emphasis must be given to more than one year old items for regularization.** It is also requested that item-wise details of all cases of unsanctioned expenditure may be listed out and an action plan may be urgently chalked-out for its regularization.

Kindly furnish Action Taken Report on the recommendations contained in the C&AG's Report ibid and also furnish information in the prescribed format urgently.

(B.B. VERMA)
Adviser (Accounts)
Railway Board

Copy to FA&CAOs, / all Zonal Railways and PUs