

Budget Note

This is a preface to the Budget of Kerala Agricultural University for the financial year 2019-20 and the modifications effected to the estimates for 2018-19. The purport is to provide a brief detail on the financial background, proposed methodology and expected performance from the users.

The Financial position of Kerala Agricultural University is currently not prospective though it has been weighing all options to bring down the revenue-expenditure gap. KAU reliant mostly on State Government Non Plant grant for its non-plan expenditure strives hard to meet the payment of wages/salary/pension owing to the implementation of wages/pay revision and filling up of the vacant posts in non-teaching and teaching posts as well. Even a considerable increase in the Non-plan grant for Kerala Agricultural University for the financial year 2019-20 which pegged at Rs.374.451 is insufficient to meet the Non-plan expenditure of Kerala Agricultural University. Since no additional financial assistance has been received from Government so far, payments of arrears of Wage Revision/ Pay Revision & Pension Revision have also worsened our financial stability. Filling up the Vacant Posts of Teaching staff of various colleges and Research stations of Kerala Agricultural University will also result in significant increase in additional Non-Plan expenditure and will add extensive financial burden to existing liabilities of Kerala Agricultural University.

The cut short of 20% of plan funds for 2018-19 and the plummeting of internal revenue will take a hit and increase the gravity of the situation due to the devastating flood of Kerala. Also, non availability of Plan funds on time will add to our financial woes. Strict financial discipline and propriety is the only way forward to tide over the situation. All DDO shall in no way construe the budget provision an authorization to incur expenditure and they are bound to

comply with the directions and formalities in force while dealing with financial transactions and need to ensure that sufficient funds are released specifically for the purpose for which expenditure is made. It is the responsibility of Drawing and Disbursing Officer to ensure that the money spent is accounted properly and timely in the University Functional Accountability System (UFAST) and they have to see that the accounting procedures have been properly followed in every respect in UFAST.

Revolving funds of KAU are those funds intended to be operated in a self sustaining mode and its operating expenditure can in no way be more than the accruing income. If an expenditure in the RF tends to overcome the revenue, some financial restrictions are unavoidable and need to be put in place. The Drawing and Disbursing Officer and Officer in charge of such Revolving Fund should either restrict the scope of financial activities and should take up the matter with the concerned superior officers for effective remedial measures.

The Finance wing with the co-operation of Kerala State Audit Department has to ensure that Audited Utilization Certificates of externally aided projects are forwarded to funding agency for approval within three months after the completion of the projects. An attempt on the part of Internal Audit wings to clear the long pending accumulated audit paras has to be initiated. They have to act in such a manner that these wings become more helpful and beneficial to the Kerala Agricultural University. Feedback and requirements from the UFAST users have helped Centre for e-Governance wing in providing more reports, customized and easily retrievable data. More advantageous suggestions are always welcome for streamlining the financial and accounting procedures in order to meet the requirements of each wing.

COMPTROLLER