

GOVERNMENT OF WEST BENGAL
FINANCE DEPARTMENT
BUDGET BRANCH

No. : **152-FB**

Dated Kolkata the **27th April, 2012**

MEMORANDUM

Subject: Introduction of Financial Adviser in different Departments

Under the present Delegation of Financial Powers, the Administrative Departments are required to send the proposals to the Finance Department for incurring expenditure out of the State Plan Funds beyond the powers delegated to them. The State Government vide Finance Department's Memo No.1880-F dated March 7, 2007 constituted a Departmental Approval Committee (DAC) for granting administrative approval to projects/schemes with estimated cost not exceeding Rs.3 crore. The powers of the DAC were enhanced from Rs.3 crore to Rs.5 crore vide Finance Department's Memo No.9144-F(Y) dated September 22, 2011. Now, in order to further facilitate expeditious implementation of development and welfare programmes, the State Government has decided to enhance the financial powers of the Administrative Departments and improve their competence in the field of financial management by effectively delegating certain financial powers to Administrative Departments.

Keeping these objectives in view, the Governor has been pleased to introduce the system of Financial Advisers in the Administrative Departments. The new system requires that all proposals for expenditure on schemes/projects are subjected to detailed financial scrutiny by the Financial Adviser of the Administrative Department instead of being sent to the Finance Department. The present financial powers delegated to the Secretaries will also continue.

1. Role of Financial Advisers

The Financial Advisers will have the following responsibilities subject to the conditions prescribed in para 4 of the Memorandum:

- (i) Render advice to the Additional Chief Secretary/Principal Secretary/ Secretary/ Special Secretary-in-Charge of the Department on all financial matters including procurement proposals which would otherwise have required concurrence of the Finance Department.
- (ii) To screen all expenditure proposals requiring to be referred to Finance Department for concurrence or comments.
- (iii) To ensure maintenance of accounts of expenditure against the grants or Appropriations.
- (iv) To advise the Drawing and Disbursing Officers (DDOs) in proper maintenance of Accounts.

- (v) To watch and review the progress of expenditure against sanctioned grants through maintenance of necessary Control Registers and to issue timely warnings to Controlling Authorities where the progress of expenditure is not even.
- (vi) To screen the proposals for supplementary demands for grants.
- (vii) Monitoring Non-tax Revenue Receipts.
- (viii) To watch the settlement of audit objections, Inspection Reports, draft audit paras, etc.
- (ix) To ensure prompt action on Audit Reports and Appropriation Accounts, Reports on Public Accounts Committee, Estimates Committee and Committee on Public Undertakings.
- (x) To ensure regular and timely submission of reports to the Finance Department and to ensure immediate uploading of release of funds on the website of the Finance Department. (www.wbfin.nic.in).
- (xi) To ensure timely submission of monthly reports on the releases made during the month by the 7th Day of the following month to the Finance (Budget) Department.

2. Delegation of Financial Powers Rules

The FA shall exercise the following delegated powers under the West Bengal Financial Rules, 1978:

- (i) Accord concurrence for administrative approval of any plan expenditure upto Rs.10 crore within the budgetary allocation and subject to general directions issued by Finance Department from time to time. Government Orders for administrative approval and financial sanction will be issued by Joint Secretary or Special Secretary authorized by the Departmental Secretary.
- (ii) According concurrence for release of fund from schemes for which Central Assistance is available, subject to the following:
 - (a) FA will be required to take a written confirmation direct from the Finance Department, Budget Branch (Group-N) that the Central share has been credited to the State Exchequer.
 - b) FA will ensure release of fund as per requirement of the specific schemes and exercise all necessary precautions to ensure the effective utilization of such project funds within overall budget provisions and also that the budgetary allocations are not exceeded in any manner.
 - c) FA may ensure before according concurrence for releasing any fund on these accounts that the previous released amounts have been substantially utilized, so that the money do not remain idle in the bank accounts
 - d) It may be ensured that expenditures are made on approved items as per approved project/scheme and also to be careful that

expenditures are not incurred on inadmissible items against which Central share will not be available.

- e) It may be ensured that releases are made only for the administratively approved projects. Thus, Administrative approvals will be needed for new scheme as per the existing procedure.
- (iii) In case of release of State Share of Centrally Sponsored Schemes/Centrally Assisted Schemes the FA will be competent to accord concurrence for release within budget provision provided that the Central share has been credited to the State Exchequer or in the Bank Account of the implementing agency.
- (iv) To accord concurrence for re-appropriation of any amount within the sub-detailed heads under detailed head 01-Salaries, 13-Office Expenses and 21-Material & Supplies/Stores & Equipments of the Demand of the Department provided the approval of the head of the administrative department is there. But this re-appropriation will have to be done through software that will be made available in the Finance Department's website www.wbfin.nic.in. The Departments will be allotted a user code and password for this purpose. The re-appropriation of fund is also subject to the following condition:
 - a) That the grant is not exceeded.
 - b) That the expenditure which will be met by the Re-appropriation does not involve the undertaking of a new or unapproved or recurring liability
 - c) That the savings are known in sufficient time to permit their being spent to good purpose and that the expenditure is not incurred merely to prevent lapse of savings.
 - d) That a re-appropriation sanctioning the undertaking of a new service is not involved
 - e) Any appropriation or re-appropriation within the grant of a year can be authorized at any time before, but not after the expiry of financial year to which it relates.
 - f) Re-appropriation of funds from one grant to another grant are not permissible, as such re-appropriation will have the effect of reducing or increasing amounts of the grant concerned as specified in the schedule of authorised expenditure appended to the Appropriation Act and will thus be ultra vires of the provisions of the constitution.
 - g) No re-appropriation from a "voted" to a "charged" head and vice versa is admissible.

- h) Re-appropriation of fund from revenue to capital/loan heads and vice versa is not admissible
- i) Provisions under plan scheme including Centrally Sponsored /Central Sector scheme should not be diverted to non-plan scheme and vice versa.
- j) Provision of Office Expenses should not be increased by re-appropriation.
- k) Re-appropriation from Salary to Non-Salary head is not admissible.

3. FAs will not be authorized to accord concurrence in respect of the following items:

- (i) Any new scheme and continuing scheme, in which there are deviations from the existing norms and yardstick as approved by the Finance Department.
- (ii) Sanction any augmentation of fund.
- (iii) Relax any tender Rules
- (iv) Sanction any matter relating to pay and any allowances of any type or any other establishment matters that require approval of Finance Department. Such proposals of Administrative Departments must be routed through the FA and FA will record his view in writing before the proposal is sent to the Finance Department.
- (v) Sanction creation of posts including promotional post, Recruitment/appointment of Officer/staff, Casual or contractual appointment, Fixation of remuneration/pay etc and other Service matters. Creation of new offices, Declaration of Head of Office and DDO, purchase or hiring of new vehicles.
- (vi) Sanction to open any bank account, grant or increase of 'Permanent Advance', Advance Drawal of fund, grant of tiffin or any sort of extra allowances other than those already approved by Finance Department.
- (vii) Sanction scheme/projects which involves introduction of a new policy/practice likely to lead to increased expenditure in future.
- (viii) Sanction new telephone or internet connection and any non-plan expenditure beyond the delegated powers of the Additional Chief Secretary/ Principal Secretary/ Secretary of the Department.

- (ix) Matters pertaining to the following schemes/subjects will be dealt exclusively by the Budget Branch (Group 'N') of the Finance Department subject to any Special delegation made in respect of any of these schemes/subjects. Matters relating to these schemes/ subjects shall be referred to the Finance Department through FA or with the comments of FA :
- a) Externally Aided Projects (EAP).
 - b) Rural Infrastructure Development Fund (RIDF).
 - c) Schemes implemented with assistance from HUDCO.
 - d) Schemes implemented with assistance from NCDC.
 - e) National Social Assistance Programme (NSAP)
 - f) Upgradation/special problem grants and local body grants recommended by the Thirteenth Finance Commission.
 - g) Schemes implemented out of one-time Additional Central assistance (ACA).
 - h) Release of fund under State Finance Commission's recommendations.
 - i) Prime Minister's Gramoday Yojana (PMGY).
 - j) Schemes of RKVY.
 - k) State Government guarantee.
 - l) Conversion of loan into grant/equity.
 - m) Writing off of loans.
 - n) Partial or full waiver of interest.
 - o) Authorization of LOC.
 - p) Grant of Loan.
 - q) Sanction of Subsidy
 - r) Raising of loan.

4. General Instructions

1. The Additional Chief Secretary/ Principal Secretary/ Secretary of the Department or any officer not below the rank of Joint Secretary specifically authorized by the Additional Chief Secretary/ Principal Secretary/ Secretary of the Department will refer the files of the Department to the Financial Adviser.
2. The FA will send all files directly to the head of the Administrative Department (Additional Chief Secretary/ Principal Secretary/ Secretary).
3. After the concurrence of the Financial Adviser the order will be issued by the competent authority as may be specified by the under the internal delegation orders of the Department. The following line has to be inserted "This issues with the concurrence of the Financial Adviser of theDepartment vide his U.O. Nodated"

4. FAs would be consulted in all cases relating to the exercise of the financial powers delegated in terms of the Memorandum. While normally FAs advice would be expected to be adhered to, there could be instances/cases in which the Departmental Secretary feels that there are valid reasons for some modification/deviation. In such rare instances, Secretaries of the Administrative Departments can exercise their power to overrule FAs advice by an order in writing. All such decisions should be forthright communicated to the Finance Secretary.
5. The head of the Administrative Department and other functionaries will continue to enjoy the powers delegated to them under the W.B.F.R, 1978 as amended or under any special delegation without any reference to FAs. However, they may seek on their own accord the advice of the FAs on any matter within their delegated financial powers and the FAs shall render necessary advice on such matter.
6. FAs are not expected to do any routine administrative functions.

5. Organizational Structure:

There shall be an FA Branch in each Department where FA system consisting of the following personnel:

- i) **Financial Adviser**
He will be equivalent in the rank and status of Special Secretary or Joint Secretary of Finance Department. The Department of Personnel and Administrative Reforms, Government of West Bengal would be responsible for posting FAs to the Departments.
- ii) **Deputy Financial Adviser(s)**
There will be one or two posts of Deputy Financial Adviser who would be responsible for Accounts and Audit Branch. The Deputy FA will be in the rank of Deputy Secretary. The Department of Personnel and Administrative Reforms/Department of Finance Government of West Bengal would be responsible for posting DFAs to the Departments.
- iii) **Accounts Officer/(s)**
The post will be borne in the cadre of West Bengal Audit and Accounts Service (10 years in service). The Finance Department, Government of West Bengal would be responsible for posting of Account Officer(s) to the Departments.
- v) **Section officer**
- vi) **Upper Division Assistant**
- vii) **Lower Division Assistant**
- viii) **Group-D**

The Support Staff outlined above at Sl.No.(v) to (viii) shall be arranged by the Administrative Departments from the existing manpower.

- ix) The officers and staff posted to FA Branch shall not be entrusted with any other departmental work.
- 6. This new system shall be introduced in the following departments in the first instance:
 - i) Home Department.
 - ii) Health & Family Welfare Department.
 - iii) Urban Development Department.
 - iv) Public Health Engineering Department.
 - v) Public Works Department.
 - vi) Panchayat & Rural Development Department.

The present system of Departmental Approval Committee will stand dissolved in the above Departments.

- 7. The FA System will take effect from 01.6.2012 in the above Departments.

Sd/-
H. K. Dwivedi
Secretary to the
Government of West Bengal

No. : **152/1(100)-FB**

Dated Kolkata the **27th April, 2012**

Copy forwarded for information and necessary action to :-

- (i) The Additional Chief Secretary / Principal Secretary / Secretary
_____ Department.
- (ii) Principal Accountant General (A & E), West Bengal
- (iii) Principal Accountant General (Audit), West Bengal
- (iv) Accountant General (Receipt, Works and Local Bodies Audit), West Bengal
- (v) All Special Secretaries / Joint Secretaries of the Finance Department
- (vi) All Groups of the Finance Department
- (vii) The Director of Treasuries and Accounts
- (viii) Guard File


OSD & E.O. Joint Secretary