

FINANCE DEPARTMENT

No. 251 /F.,
Codes-33/2003

Dated, the 02.01.04

MEMORANDUM

Sub : Concurrence of Finance Department and of the Financial Advisors of the Department.

The Orissa Government Rules of Business provides the manner in which Government business will be transacted by the Departments specified in the first schedule there-to.

2. Rule 10 of the Rules of Business relates to concurrence of Finance Department on various matters affecting the finances of the State. For ready reference, Rule 10 of the Rules of Business is reproduced below.

"10 (1) No department shall without previous consultation with the Finance Department authorize any orders (other than orders pursuant to any general delegations made by the Finance Department) which either immediately or by their repercussions will affect the finances of the State or which in particular, either -

- a. relate to the number or grading or cadres of posts or the emoluments or other conditions of service or post; or
- b. involve any grant of land or assignment of revenue or concession, grant lease or licence of mineral or forest rights or a right to water-power or any easement or privilege in respect of such concession; or
- c. in any way involve any relinquishment of revenue.

(2) No proposal which requires previous consultation with the Finance Department under sub-rule (1) of this rule but in which the Finance Department has not concurred, may be proceeded with unless a decision to that effect has been taken by the Cabinet.

(3) No re-appropriation shall be made by any department other than the Finance Department except in accordance with such general delegations as the Finance Department may have made.

(4) Except to the extent that power may have been delegated to the Departments under rules approved by the Finance Department, every order of an Administrative Department conveying a sanction to be enforced in audit, should be communicated in the manner as prescribed by the Finance Department from time to time.

(5) Nothing in this rule shall be construed as authorizing any department including the Finance Department to make re-appropriations from one grant specified in the Appropriation Act to another such grant."

3. In addition, Rule 22 of the delegation of Financial Powers Rules, 1978 describes role, duties and responsibilities of the Financial Advisors. The said rule inter-alia stipulates as under.

"22(a) Financial Advisers/Assistant Financial advisers have been posted to assist Administrative Departments in Budget formulation, scrutiny of projects and programme, and for post-Budget vigilance to ensure that there are neither considerable shortfall in expenditure nor unforeseen excess for which provision has not been made in the original Budget or in the revised estimates. Close association of the Financial Adviser with the formulation and implementation of programmes involving expenditure will facilitate more effective discharge of the Financial Adviser's responsibility. It is cardinal to the working of the scheme that the Financial Adviser should be associated with the formulation of schemes from the initial stage. The Financial Adviser will also be responsible for preparation of the Department's Performance Budget and monitoring of the progress of collection of revenues and other Government dues. Maintenance of an efficient accounting system is essential for the purpose.

(b) The Financial Adviser shall be consulted in the matter of exercise of powers delegated under these rules. In all such cases where the Secretary of the Administrative Department proposes to over-rule the advice of the Financial Adviser reference may be made to the Finance Department.

(c) The duties and responsibilities of the Financial Advisers/Assistant Financial Advisers are defined and detailed in Annexure-E. The Financial Advisers should not be saddled with pure administrative functions and items of work of miscellaneous and routine nature as that may hamper in due discharge of the duties and responsibilities specifically entrusted to them. The Financial Advisers and Chief Accounts Officers/Accounts Officers attached to the Heads of Departments and other officers shall matatis mutandis discharge the duties and functions entrusted to the Financial Advisers/Assistant Financial Advises attached to the Department.

(d) All proposals referred to the Finance Department should be accompanied with the comments of the Financial Adviser/Assistant Financial Adviser."

4. Despite clear provisions in the Rules of Business and Delegation of Financial Powers Rules, 1978 referred to above, it is seen that decisions are being taken by some Administrative Departments having financial implications without the concurrence of Finance Department or without concurrence of Financial Advisors of the Administrative Departments where powers have been delegated to the Administrative Departments. It is also seen that orders having financial implications are being taken from the Hon'ble Minister of the Department or orders of Hon'ble Chief Minister are being obtained without prior concurrence of Finance Department or even without consulting Financial Advisor of the Departments as the case may be. This practice should be dis-continued forth-with.

5. Instructions were issued in Finance Department Memo No.10126(45)/F., dt.08th March, 2000 regarding timely submission of counters/ para-wise comments

and timely compliance of the orders of Hon'ble Courts with prior concurrence of Finance Department. It has come to the notice of Finance Department that in certain cases, Hon'ble Court's orders having financial implications have been implemented by the Administrative Department without taking concurrence of Finance Department. This should be avoided and the officers responsible for implementing such orders without concurrence of Finance Department shall be personally held responsible.

6. Sometime meetings are being taken up by Hon'ble Ministers or Secretary of the Administrative Departments or other senior officers where the representative of Finance Department are invited to attend such meetings. The decisions taken in such meetings are, some-time, being interpreted as concurrence by Finance Department on the ground of presence of the representative of Finance Department in the said meetings. In this context, it is hereby clarified that concurrence of Finance Department is accorded to a proposal only after examining various aspects of the issue and after approval of the Principal Secretary, Finance Department or Hon'ble Minister, in-charge of Finance as the case may be. Hence, mere presence of the representative of Finance Department in the meetings should not be taken as concurrence of Finance Department. The decisions taken in such meetings may be treated as suggestions or recommendations made in the meeting which have to be vetted by the Finance Department at the level of Principal Secretary/ Secretary of Finance Department or Hon'ble Minister, in-charge of Finance as the case may be.

7. The Administrative Departments are requested to scrupulously follow the guidelines enumerated in the Rules of Business, Delegation of Financial Power Rules, 1978 and the instructions issued from time to time by Finance Department as indicated in the preceding paragraphs. In case the procedure out-lined in the preceding paragraphs have not been followed, Finance Department will not make any budgetary provision for implementation of such decisions and the Finance Department will not be a party to such decisions.

Sd/-
Principal Secretary to Government