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DELHI JAL BOARD GOVERNMENT OF NCT OF DELHI  
OFFICE OF THE DIRECTOR (FINANCE & ACCOUNTS)  
VARUNALAYA PHASE II KAROL BAGH NEW DELHI

NO: F. (2)/DIR (F&A)/2004-

73895

Date: 27-5-04

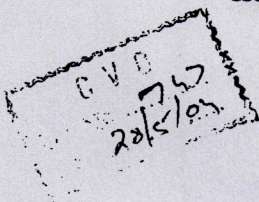
**INSTRUCTIONAL ORDER**

**Subject: Streamlining of Finance Department-1**

A decision has been taken to streamline the functioning of finance department to balance the needs for faster project implementation and to maintain appropriate checks and balances over budget and resources. In this connection, the following procedure shall be followed in relation to the various activities connected with Finance Department:

**1. Budget Allocation Mechanism**

At the beginning of each financial year, the Executive Engineers concerned shall submit an annual action plan of works, along with estimated amounts of expenditure to be carried out in that financial year, for each budget head, listing out the works in order of priority. The works should be divided into three categories: undischarged liability of previous year, ongoing works, new works(including works for which work order is issued but work has not been started). This **annual work program** should be approved by the SE and CE concerned. Thereafter, a review shall be held in the Finance Department for discussing the proposed action plan. Thereafter, a detailed budget allocation order shall be issued from the Finance department, giving details of approved schemes and the amounts allocated against various schemes. The budget allocated shall be the net available budget for works, excluding the provision for establishment kept under Plan each year. Under no circumstances shall





the Executive Engineers take up works outside the approved action plan. In certain exceptional circumstances, a deviation shall be allowed after a recommendation by the concerned CE, and concurrence by Director Finance.

The Executive Engineers shall be responsible to ensure that under no circumstance do they authorise expenditure beyond budget allocation. No cases will be processed for payment for which budget allocation does not exist. Of course, for purposes of booking budgetary liability, the earlier instructional order shall continue whereby real liability gets created only at the stage of issue of work order and only to the extent of the expenditure to be incurred in the currency of that financial year. The Junior Accountants shall be maintaining a record of tentative/real liability booked as per Performa circulated earlier.

The performance of Executive Engineers on fund management and budgetary controls shall be reviewed periodically.

## **2. Fund Management Mechanism**

It has been decided that henceforth, all divisions shall operate separate bank accounts for plan works under their control. The Finance Department shall make quarterly/periodic fund transfers to these accounts, subject to the ceiling of overall budget allocation to the concerned divisions. The Divisional head and the concerned junior accountant shall be responsible jointly for ensuring that they donot authorise expenditure beyond the budget allocations. The phasing/scheduling of works can be done at the discretion of the concerned Executive Engineers depending on the prevailing requirements of the area. However, it has to be ensured that in terms of disbursement of payment, a strict seniority is maintained in the order in which it falls due. The Junior accountant concerned shall be



responsible for reconciliation of all cheques issued from that account. Henceforth, all cheque reconciliation shall be done at the divisional level.

### **3. Delegation of Financial Powers**

In order to give greater functional flexibility at the operational level, it has been decided to increase the present level of delegation of financial powers. Reference is drawn to the latest delegation of financial powers approved in the Board meeting dated 25/5/04.

### **4. Expenditure Control Mechanism (cheque signing)**

As per revised delegation of powers, the ACA shall be the co-signing authority with full powers along with the concerned divisional engineer. Director Finance shall retain full powers for inter account transfers, with drawl of funds and additional allocation of funds.

### **5. Financial Concurrence Procedure**

The recent circular issued on the manner of grant of Financial concurrence shall continue to be followed. The Finance department shall scrutinize all cases of financial concurrence, whether at the stage of estimates or at the stage of tender acceptance, on the Financial buff sheet.

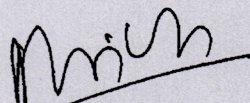
### **6. Mechanism for Reconciliation of Accounts**

The divisional engineers shall ensure that the reconciled accounts on TALLY reach the Finance department latest by 7<sup>th</sup> of each month. Any default on this shall be viewed seriously.



## 7. Monitoring and Evaluation Mechanism

The Finance department shall be receiving monthly statements from the bank for each current account on the expenditure for each division. This shall also be reconciled with the monthly statement of accounts being sent through TALLY. A quarterly review meeting shall be conducted to review the expenditure level for each budgetary head for each division. The Finance department shall reserve the right to make transfer allocations at the end of quarterly review in cases of poor performance. All cases of sub optimal expenditure levels shall be reported to the Administration and Personnel Department for making appropriate entries in the CR appraisal. Divisions defaulting on expenditure flows, budgetary controls and timely submission of accounts shall be held directly accountable

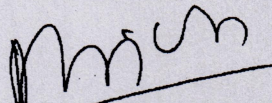


**ASHISH KUNDRA**

**DIRECTOR(F&A)**

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2. Vice-Chairman, DJB- for kind information.
3. C.E.O., DJB- for kind information.
4. C.V.O., DJB- for kind information.
5. Member (A)/Member (F)/Member (Dr.)/Member (W)-for kind information.
6. Addl.C.E.O.,DJB-for kind information.
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**DIRECTOR (FINANCE & ACCOUNTS)**