

No.F.1(8)/2015-AC/jsfina/165-173
GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
FINANCE DEPARTMENT
(POLICY DIVISION)
'A' WING, 4TH LEVEL, DELHI SECRETARIAT, I.P. ESTATE, NEW DELHI

Dated : 28-01-2022

OFFICE MEMORANDUM

Sub : Roles and Responsibilities of Integrated Financial Advisers.

Consequent upon delegation of financial powers to the Administrative Secretaries of Govt. of NCT of Delhi vide FD's OM No.F.8/3/2010-AC/usfa/41-44 dated 12.03.2015, Integrated Financial Advisers (IFA) system has been introduced in the Govt. of NCT of Delhi, vide FD's Order No.F.1(8)/2015-AC/DS-IV/2499-2479 dated 27.05.2015, in order to strengthen and improve financial management in various departments of Govt. of NCT of Delhi as well as to render advice for properly discharge of enhanced financial powers delegated to Administrative Secretariat within ambit of provisions of GFRs, DFPRs, CVC Guidelines and prevailing rules/guidelines/instructions/policies. After implementation of the IFA system, Finance Department has defined roles and responsibilities of IFAs vide FD's OM No.1(8)/2015/JSFAC/2865-2870 dated 14.09.2018.

2. Financial powers of Administrative Secretaries of Govt. of NCT of Delhi has further enhanced by Finance Department with the approval of the Hon'ble Lt. Governor of Delhi vide OM No.F.20/08/2019-AC/jsfina/2575-2674 dated 07.08.2019. During scrutiny of files of various departments in Finance Department, it has been observed that IFAs have not been involved in various key decisions, having financial implications, by the Departments. Instances have also come to the notice that while referring the files in Finance Department, IFAs have sent the file without specific views as per relevant statutory provisions in contravention of FD's OMs No.F.20/08/2019-AC-PF-I/jsfina/854-948 dated 21.05.2020, No.F.20/07/2021-Pt.File/1493-94 dated 21.06.2021 and No.F.20/08/2019-AC/Pt.File/2554-2653 dated 07.09.2021.

3. Integrated Financial Advisers would be responsible both to the Administrative Department and Finance Department. They would bring requisite financial expertise, and overall perspective of financial management of the Government, as enunciated by the Finance Department, in rendering professional advice to the Administrative Secretaries on all matters which have financial implications. The role of IFAs will be crucial for successful planning and implementation of various schemes and projects. In rendering their advice, the IFAs would be expected to accord priority to macro management with a view to help in achieving the outcomes set by the Departments as goals to themselves.

4. Appendix 2 of DFPR is an indicator of overall expanse of duties and responsibilities of the Financial Advisers. Specific tasks/duties for which IFAs would be responsible for are again reiterated as under :-

- (i) **Budget Formulation :** IFAs would continue to be responsible for budget formulation. They may ensure that the schedule of preparation of budget is adhered to by the Department and the Budget is drawn up according to the instructions issued by Govt. of NCT of Delhi from time to time. They would bring in more analytical inputs into budget formulation process, for improved budgeting and facilitating moving from 'itemized' to 'budgetary' control of expenditure. IFAs would require to assist the Administrative Department towards preparation of zero based budgeting on the basis of real evaluation and expenditure analysis.

IFAs would be actively involved in the preparation of outcome budgets. They will also be required to assist the Administrative Department to prepare their respective 'performance budget' indicating the 'outcome' of the 'Outcome Budget' of the previous fiscal year to present the picture of actual achievement/performance for the financial year gone by, in order to prepare zero based budgeting.

- (ii) **Expenditure Management :** IFAs would require to see that complete departmental accounts are maintained in accordance with the requirements under the General Financial Rules. It should, in particular, be ensured that the Department not only maintains account of expenditure against the sanctioned budget but also obtains figures of the expenditure incurred by the subordinate offices so that the Department has a complete month to month picture of the entire expenditure falling within its jurisdiction.

IFAs would also require to watch and review the progress of expenditure against sanctioned budget through maintenance of necessary Control Registers and to issue timely advisory to Controlling Authorities where the progress of expenditure is not even. This would help tighten the system of Expenditure monitoring.

- (iii) **Project/Scheme :** IFAs have to take the lead role in project/scheme formulation, implementation and monitoring in order to ensure high quality evaluation with requisite rigour. They would associate themselves with the evaluation of progress/performance in the case of projects and other continuing schemes, and to see that the results of such evaluation studies are taken into account.

IFAs would periodically review the financial management system of the various programmes/projects/Schemes of the Department and take appropriate action for making the financial management systems more effective.

- (iv) **Procurement and Contracts :** IFAs would be required to set up strong internal systems to ensure due diligence and strict observance of the instruction issued by the Finance Department, existing rules/guidelines of Govt. of NCT of Delhi/Govt. of India, General Financial Rules, Manual of Procurement of Goods, Manual for procurement of Services, DFPR, CVC guidelines and other statutory provisions with regard to purchase of goods and services in the Department.

IFAs may also see the financial angle, including penalty clause, at the time of preparation of NIT/Bid document/processing of the proposal through GeM, evaluation of bids, making payments to the vendor as per terms and conditions of contract/Agreement in accordance with the statutory provisions as per established Laws.

IFA would also ensure that the awarded value of contract is within the estimated cost as assessed initially by the Administrative Department and approved by the Competent Authority.

- (v) **Monitoring of Assets and Liabilities:** Each Department must have a comprehensive record of its assets and liabilities. IFAs would cause appropriate action for initial building up of such records and their on-going updation, as also for the maintenance and optimum utilization of the assets.

IFAs would also ensure the proper maintenance of the Register of Liabilities and commitments as required under the GFR to facilitate realistic preparation of budget estimates, watching of book debits and timely surrender of anticipated savings.

- (vi) **Accounts and Audit :** IFAs are to keep themselves informed about the overall quality of maintenance of departmental accounts by their subordinate accounts functionaries.

IFAs are also to watch the settlement of audit objections, inspection reports, draft audit paras, etc. and to ensure prompt action on Internal Audit Reports, Reports of Public Accounts Committee.

IFAs would also regularly review the progress of internal audit report and C&AG report and action taken thereon, so as to make it an important tool for financial management.

- (vii) **Grants and Loans :** IFAs are to examine all the proposals relating to Grant-in-Aid and Loans in accordance with the instructions issued by Finance Department from time to time.

IFAs to ensure formulation of budget of Autonomous Bodies/Grantee Institution in the shape of Grant-in-Aid on realistic evaluation basis based on the various instructions issued by the Finance Department on the expenditure management of Autonomous Bodies/Grantee Institutions.

IFAs should ensure formulation of Pattern of Assistance and execution of MoU by Autonomous Bodies/Grantee Institutions, having budgetary support of more than Rs.5.00 Crore per annum, as per provisions of GFR.

IFAs would ensure laying of Annual Reports and Financial Statements of Autonomous Bodies/Grantee Institution in Delhi Legislative Assembly through Administrative Department, as per provisions of GFR.

IFAs are required to review outstanding loans recoverable from the Autonomous Bodies as per instructions of Finance Department for better fiscal management of Govt. of NCT of Delhi.

- (viii) **Matters relating to PSUs :** IFAs are required to study the financial results of the PSUs in order to review the dividend policy of PSUs and outstanding loans recoverable from PSUs/Local Bodies, as per instructions of Finance Department and guidelines of GNCTD.

- (ix) **Screening of Proposals :** All the financial proposals of the Department, that are within the ambit of the delegated financial powers of Administrative Secretaries of GNCTD, should be examined by IFAs in terms of BCP analysis i.e. Budget, Competence and Procedure.

IFAs are to identify, in particular, specific savings in cases of creation of posts and to maintain a Register for this purpose and to scrutinize proposals for re-delegation of powers to subordinate authorities, as per DFPR.

While referring the proposals in the Finance Department, IFAs should adhere to the instructions conveyed vide FD's OMs No.F.20/08/2019-AC-PF-I/jsfina/854-948 dated 21.05.2020, No.F.20/07/2021-Pt.File/1493-94 dated 21.06.2021 and No.F.20/08/2019-AC/Pt.File/2554-2653 dated 07.09.2021.

(x) **Financial Adviser to Administrative Secretary :** IFAs are Financial Advisers of the Administrative Secretaries of Govt. of NCT of Delhi. IFAs would be consulted in all cases relating to the exercise of the delegated financial powers. While normally IFAs' advice would be expected to be adhered to, there could be instances/cases in which the Administrative Department feel that there are valid reasons for some modification/deviation. In such rare instances, Administrative Secretaries can exercise their power, within the ambit of delegated financial powers and provisions of GFR, DFPR, CVC Guidelines, Manual of procurement of Goods, Manual for procurement of Services, instructions of GNCTD/GOI, to overrule IFAs advice by an order in writing.

(xi) **Involvement in Key processes of Department :** It is important that IFAs are fully involved in the key processes/activities of Administrative Department which have clear economic and financial dimensions. Administrative Department shall, therefore, invariably involve IFAs in all such activities and decision making processes which would, inter alia, include the following but may not be limited to :-

- a. Formulation of annual plans and other important consultations with other departments/organizations.
- b. All proposals for consideration of EFC/Cabinet or otherwise referred to the Finance Department.
- c. Externally aided projects, and other strategies to encourage larger resource mobilization for the sector, including through Public Private Partnership (PPP), appropriate regulatory structures, etc.
- d. Policy/programme formulation and other major decisions, to facilitate proper appreciation of the consequential financial implications.

(xii) **Macro Management :** Finance Department has been increasingly moving towards macro management of issues and enhancing financial powers to the Administrative Secretaries of GNCT of Delhi. This re-delegation is reviewed periodically and is suitably enhanced as and when required. For exercising these powers by Administrative Secretaries, IFAs need to take necessary financial analysis. This may require the IFAs to call for relevant records/reports/files relating to various decisions, contracts, etc. IFAs involvement would, therefore, specifically include the right of access to all records, reports, audits, reviews, documents, papers, recommendations or other material which are the property of the Department or which are available to the Department and which relate to programmes and operations with respect to which that Department calls for accounts, data and reports.

5. This issues with the approval of Pr. Secretary (Finance).



(Prince Dhawan)
Special Secretary (Finance)

To

1. All Administrative Secretaries of Govt. of NCT of Delhi.
2. IFAs of Departments of Govt. of NCT of Delhi.

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Copy to :

1. PPS to Pr. Secretary (Finance), GNCT of Delhi.
2. Controller of Accounts (FD), GNCT of Delhi.
3. Joint Secretary (Policy)/Joint Secretary (HRD)/Joint Director (Budget/SRD), Finance Department, GNCT of Delhi.
4. Deputy Secretary (I/II/III), Finance Department, GNCT of Delhi.
5. Website of Finance Department.