



Policy Guidelines of Financial Concurrence (Approved on 161st Board Meeting dtd.24.03.2008)

Preamble

The objective of these guidelines is to protect financial interests in decision making while ensuring financial propriety as a part of internal control system. The internal control is exercised through the vetting and concurrence by Finance department so that decision making is in accordance to the policies, guidelines, rules, regulations, provision of budgets etc. and to ensure the decision is beneficial to the Company

The financial concurrence facilitates achievement of transparency in the decision making which is subject to the scrutiny of various government agencies like audits etc.

Guidelines

1. Financial Concurrence - Procedural Aspects.

- The financial concurrence shall be prior to the approval by final approving authority. It will be done by a delegated officer of the F&A Wing.
- All proposals requiring approval of Chairman /Board shall be first concurred by head of finance of the concerned Division followed by concurrence by Director (Finance). In the absence of Director (Finance), finance concurrence will be accorded by the Executive Director (Finance).
- In case of disagreement between the views of the concurring authority and approving authority, the approving authority may overrule the advice of the concurring authority and record the reasons in writing. However, such cases shall be brought to the notice of the authority one level higher than the approving authority. The one level higher authority shall not be below the level of General Manager.
- In case where either the required financial concurrence is not taken or the intimation regarding the over ruling of the advice of the concurring authority is not brought to the notice of the authority one level higher than the approving, such approvals shall not be considered as approval and approving authority shall personally be liable for all consequences.
- The Chairman may add any item to the list which in his opinion requires financial concurrence.



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- To provide flexibility and to meet the administrative requirements, the financial concurrence within the competence of Head of Finance may be sub delegated by Divisional Finance, HOD's to the officers subordinate to him with the approval of Director (Finance).

2. Matters Requiring Financial Concurrence.

All matters bearing financial implications shall require financial concurrence such as:

2.1 Budget

- Capital & Revenue Budget
- Reappropriation of Capital & Revenue Budget

2.3 Capital Investment

- Proposal for Capital Investments in new schemes & Revised Capital Cost of the approved schemes.

2.4 Works, Purchases & Sales

- Estimates for works/purchases - more than **Rs.1 lakh**
- Evaluation and acceptance of tenders including commercial terms & conditions.
- Issue of works/purchase orders - more than **Rs.1 lakh**
- Negotiations with tenderers regarding price and. /or the terms & conditions of the contract (subject to CVC guidelines/clarifications).
- Variations in the standard terms & conditions of contracts
- Any change in the quantity, terms and conditions and scope of the concluded contracts.
- Any changes in the rates of concluded contract (excludes impact of statutory changes as per contract) agreed to in the approved contract.
- Advance payment to contractors/suppliers with or without security
- Termination of contracts



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2.5 Claims, write offs & Waivals.

- Referring disputes for arbitration or initiating court cases
- Settlement of disputed claims outside the court of law
- Grant of compensation to any party (excludes statutory requirement)
- All write off of losses, book debts, claims, recoverables and advances.

2.6. Personnel

- Proposals involving variations with reference to the existing wages structure, emoluments, perquisites and service rules including negotiations with Unions on such matters.
- Sanction of recoverable advance to employees in excess of budget provisions.
- Payments to employees in respect of matters not covered by specific rules including ex-gratia payment.

2.6 General

- Price fixation of products/materials/services(including discounts, rebates and incentives to customers) for sale
- Expenditure on publicity schemes
- Contribution to External Agencies
- Fixation of rent for quarters, lands, building etc. belonging to the Corporation
- Hiring of office accommodation, plant & machinery etc.
- Advance payment to outsiders with or without security
- Permitting credit arrangements for outside parties
- Disposal of materials – Surplus or otherwise
- Material arrangements
- Sanction of imprests and arrangements relating to handling of cash



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- Matters relating to the change in the accounting systems

3. Matters Not Requiring Financial Concurrence.

Following matters are specifically excluded from financial concurrence.

3.1 Works and Purchases.

- Orders for work and purchases of Rs. 1 lakh and below.
- Financially vetted estimates prepared on the basis of Project Schedule of Rates for Work orders would not require financial concurrence for award of work order.

3.2 Personnel

- Sanction of advances, benefits and payments to employees within the rules & regulations and approved schemes of the Corporation.

3.3 General

- Legal charges and other professional fees upto Rs.50000/- in each case.
 - Expenses incurred on tender publication, Publication of notices as per the norms of the Corporation and advertisement for recruitment.
 - Other advertisement upto Rs. 5 lakhs.
 - Publicity expenses upto Rs. 1 lakhs

4. Financial Concurrence – Scope Limitations

- In order to avoid duplication of jobs, the following shall not be within the scope of financial concurrence and the project initiating department/agency shall be wholly responsible for:
 - Arithmetic accuracy of all calculations indicated in the proposals.
 - Factual accuracy of technical analysis and assumptions thereof as indicated in the proposal.



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- Factual accuracy of technical, statutory requirements and their compliance like explosive Rules, Factory act, Environmental Acts, various Safety Rules etc.

5. Changes in Guidelines.

Any changes in above guidelines can be approved by Director(Finance) considering exigencies of work, nature of transaction, need and extent of financial concurrence requirement, adequacy of internal control system etc.