

Financial Rules & Principles of Govt. Accounting

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Contents...

- 1. General System of Financial Management**
- 2. Sanction**
- 3. Control of Expenditure against Budget**
- 4. Procurement of Goods - GeM**
- 5. While discussing the above we will have a glimpse of preparation of Govt. Accounts.**

General System of Financial Management

- All moneys received by or on behalf of the Govt. either as dues of Govt. (Consolidated Fund) or for deposit, remittances or otherwise (Public Account) should be brought into Govt. A/c without delay.
- [Art 150 & 283 of the constitution]

General System of Financial Management

- Head of Accounts to which such moneys shall be credited in or withdrawn from shall be governed by the relevant provisions of GAR, 1990 and Jharkhand Treasury Code.

General System of Financial Management

- Receipts and Dues are to be correctly and promptly assessed, collected and duly credited to Govt. A/c.
- Credit of receipts and dues is to be supervised by the Controlling Officer through monthly accounts and returns and the statements furnished by the accounts officer
- Every authority having the power to impose/realize fine shall ensure that all money is realized, duly checked and deposited into treasury/bank immediately.
and
- Refund of fines, if any, are checked to avoid double refunds.

General System of Financial Management

Standards of Financial Propriety

Envisage to enforce financial order and strict economy and observance of the relevant financial rules and regulation by:

- His own office and
- Sub-ordinate office.

General System of Financial Management

Expenditure from Public Fund

No expenditure to be incurred or liability to be entered into without sanction of a competent authority.

Delegation of Financial Powers

Financial powers are delegated to various subordinate authority as per DFPR

Powers not delegated shall vest in the Fin. Min.

SANCTION

General System of Financial Management

Sanctions:-

All sanctions to the expenditure shall indicate the source of fund.

Proposal for sanction to expenditure shall indicate whether such expenditure can be met by valid appropriation or re-appropriation.

If it becomes necessary to issue a sanction before funds are communicated, the sanction to specify that the expenditure is subject to the funds being communicated in the budget.

Lapse of Sanction:

Ž A Sanction for any fresh charge shall, unless it is specifically renewed, lapse if no payment in whole or part is made during the period of 12 month from the date of its issue.

Ž Exceptions:-

- When the period of currency of the sanction is prescribed in the departmental regulation or in the sanction itself,
- If expenditure is to be met from the budget provision of a specific year mentioned therein,
- In case of purchase of stores, if tenders have been accepted or indent has been placed on the CPO within one year of the date of issue of sanction

CONTROL OF EXPENDITURE AGAINST BUDGET

CONTROL OF EXPENDITURE AGAINST BUDGET

- Deptt. on whose behalf grant/appropriation is authorised is responsible for control of expenditure.
- Control is exercised by HoD/Controlling Officer/DDO
- Grant/appropriation to be utilized only to cover the charges of the financial year including liabilities, if any, of the past year.
- It lapses on expiry of the financial year.
- No expenditure to be incurred which may have the effect of exceeding the grant.

› **Procedure for Drawal of Money:**

› For drawal of money, the DDO shall:

- Prepare and present bill for “charged” and “voted” expenditure separately.
- Enter on each bill the [full accounts classification](#) from major head down to the object head.
- Enter on each bill the progressive total of expenditure upto date under the object head of account including the amount of the current bill.
- Maintain a Bill Register in form TR-28 to note all bills presented for payment.

- Maintain a Cash Book to immediately enter into it all cash transactions taking place in his office.
- Book adjustments/e-transaction etc. need not be entered in the cash book.
- Maintain a “Cross Cheque and Bank Draft Transit Register” and “Register of Valuables”.
- Cash Book should be closed regularly and on monthly basis also.

- **Maintenance of Liability Register:**
 - Controlling Officer to obtain from DDOs a liability statement starting from the month of October (GFR 3A)
 - Controlling officer also to maintain a Liability Register (GFR 3).
- **Excess Expenditure:**
 - Accounts Officer shall not allow any expenditure in excess of the budget provision unless there is specific approval of Chief Accounting Authority.
 - FA and CAA shall ensure availability of fund through re-appropriation/supplementary demand for grant before authorizing excess expenditure.

Savings

Reasons for saving can be:

- Actual postponement of expenditure
- Real savings due to economy
- Normal saving due either
 - Øto original over-estimating
 - Øto slow pace of utilization of fund

- Ž Dept. should surrender to FM all anticipated savings before close of the FY
- Ž Saving should be surrendered immediately as soon as they are anticipated without waiting till the end of the FY.
- Ž Saving should not be held in reserve for future excess in other object heads.
- Ž Rush of expenditure at the end of FY is an indication of poor financial management and should be avoided.
- Ž *Target:*
 - Ž *Not more than 33% during last quarters*
 - Ž *Not more than 15% during last month*

- **Reappropriation of Funds**
- Reappropriation of funds (RoF) from one primary unit of appropriation to another such unit within a grant/appropriation may be sanctioned by a CA at any time before the close of the FY
- RoF shall be made only when savings are anticipated

PROCUREMENT OF GOOD AND SERVICES

Rule 131 of JFR

- **What is goods?**
- ‘Goods’ include articles, materials, commodities, livestock, furniture, fixtures, raw material, spares, instrument, machinery, equipment, industrial plants purchased or otherwise acquired by Govt. but **excludes** books, publications periodicals etc. for a library.

Fundamental Principles for public buying

The description of the subject matter of procurement should:

- be objective, functional, generic, and measurable and specify technical, qualitative and performance characteristics.
- not indicate a requirement of a particular trade mark or brand
- the specification and quantity to be clearly spelt out keeping in view the specific need of the deptt.
- the specification worked out should meet the basic need without including superfluous features.

Fundamental Principles for public buying

- to avoid purchasing quantity in excess of requirement.
- offer should be invited following a fair, transparent and reasonable procedure
- the procuring authority should be satisfied that price of the selected offer is reasonable and consistent
- procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.

Goods - not available on GeM

| Procurement value | Procurement procedure |
|------------------------------------|--|
| Up to ₹15,000 | <ul style="list-style-type: none">• Quotations not mandatory• To be certified by competent authority that ‘ goods purchased are of requisite quality and specification and have been purchased from a reliable supplier at a reasonable price’. |
| Above ₹ 15,000 up to ₹ 1,00,000 | <ul style="list-style-type: none">• Through a ‘Local Purchase Committee’• Market Survey to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. |
| Above ₹ 1,00,000 | <ul style="list-style-type: none">• By inviting bids |

Goods - not available on GeM

| Procurement value | Procurement procedure |
|---------------------|--|
| Up to ₹25,00,000 | <ul style="list-style-type: none">• Limited Tender Enquiry (LTE)• Copies of the bidding document to be sent directly to registered supplier(by post/courier/mail) available on the list of registered suppliers• Bidding supplier firms should be more than three.• LTE shall be published at both Central Public Procurement Portal and Department's web site• Unsolicited bids should not be accepted |
| ₹ 25 lakh and above | <ul style="list-style-type: none">• Advertised Tender Enquiry |

Types of Bidding Process

Standard method of obtaining bids are

- Advertised Tender Enquiry
- Limited Tender Enquiry
- Single tender Enquiry

Advertised Tender enquiry

- For estimated value of Rs. 25 lakh and above
- Publication of NIT on CPPP (www.eprocure.gov.in), GeM and the website of the deptt.
- Complete bidding documents to be posted on website and CPPP.
- When competitive offers are expected from abroad, the ministry/deptt should send tender document to Indian embassies well as foreign embassies in India
- Min. time allowed for submission of bids is 3 weeks. And 4 weeks in cases where bids are invited form abroad.

Limited Tender Enquiry

- Estimated upto Rs. 25 lakh
- Copies of bidding doc to be sent to firms borne on the list of registered suppliers.
- Supplier firms should be more than 3
- Web based publicity should be given
- Unsolicited bids should not be accepted.

Single Tender Enquiry

- If a particular firm is the sole manufacturer of the required goods
- In case of emergency
- Standardization of machinery/compatible spare parts

Rate Contract.....

Two bid system:

- In this process, both the technical and financial bids are received simultaneously.

Two Stage Bidding:

- In this process first the technical bid is invited and then final bid along with financial bid is invited from the technically qualified bidders.

Content of Bidding Documents:

- Instruction to Bidders
- Condition of Contract
- Schedule of Requirement
- Specification and Allied Technical Details
- Price Schedule (to be utilized by bidders)
- Contract Form
- Other standard forms, if any, to be utilized by the purchaser or bidders

Bid Security/Earnest Money:-

(2 – 5)% of estimated value of procurement to be asked from the bidders against their withdrawing or altering the bids.

Performance Security:-

(5 – 10)% of the value of contract to be obtained from the successful bidders to ensure due performance of contract.

Introduction to GeM

Procurement of Goods & Services by the Min/Dep will be mandatory for Goods/services available on GeM.

Jharkhand Procurement Goods & Services Manual 2024

Role of buyer

- HOD –Primary user;
- Buyer (Designated) – Secondary user
- Buyer to
 - Obtain administrative and expenditure sanction
 - Search and shortlist items using filters such as quantity, technical parameters, delivery period, warranty period, consignee location(s), Seller's eligibility etc. as per requirements.
 - Ascertain reasonability of the price of the selected offer

Primary User

Head of Office or Head of Department

Role:

- Registers the organization on GeM.
- Authorizes creation of secondary users.
- Assigns roles and responsibilities.
- Overall administrator of the GeM account.

Secondary User Buyer

Role:

- Initiates procurement process (direct purchase, bid, or reverse auction).
- Prepares technical specifications and scope of work.
- Uploads and manages bid documents on GeM.
- Selects L1 vendor as per procurement guidelines.
- Forwards purchase for approval to competent authority.

Secondary User Verifier

Role:

- Verifies the details entered by the Buyer.
- Ensures specifications and quantities are in line with requirements.
- Helps prevent errors and inconsistencies before order placement.

Secondary User

Consignee

Role:

- Receives goods or services at the delivery location.
- Verifies quality, quantity, and specifications.
- Issues Consignee Receipt and Acceptance Certificate (CRAC) on GeM.
- Initiates return/rejection if items are not satisfactory.

Secondary User

PAO/DDO

Role:

- Processes payment after CRAC is generated.
- Verifies invoice and ensures fund availability.
- Completes payment using PFMS integration.

Procurement process

| Estimated cost | Selection of supplier | Exception |
|---------------------------------------|---|---|
| Up to ₹25,000 | From any supplier on the GeM, Meeting the requisite quality, specification and delivery period | |
| Above ₹25,000/- and up to ₹5,00,000/- | L1 among at least three suppliers / three different manufacturers available on GeM, meeting the requisite quality, specification and delivery period. | Automobiles where limit of ₹30,00,000/- |
| Above ₹5,00,000/- | L1 after mandatory bidding process, Using online bidding or reverse auction tool Meeting the requisite quality, specification and delivery period | Automobiles where limit of ₹30,00,000/- |

Purchase Procedure

- Buyer login
- Browse for the product required
 - With specifications, consignee location, quantity, seller location (if necessary) etc
- Fix the quantity & consignee address

Purchase process

- If the estimated cost is up to ₹ 25,000/-
 - Choose the product which meets criteria
 - Take screen shot and print
- If the estimated cost is above ₹25,000 up to ₹5 lakh
 - Find the L1 product
 - Compare with similar products of at least three different OEM fulfilling the criteria
 - Take a printout of the Comparison Statement

Purchase process

- Obtain administrative and financial sanctions
- Go to cart, select and proceed to checkout
- Fill the mandatory fields specifying consignee address, DDO, delivery period etc
- Upload sanction orders of competent authority (Print-get signed-scan-upload)
- Verify details & Enter OTP
- Take printout of purchase sanction order & contract order

Purchase process

- If estimated cost more than ₹5 lakh
 - Select the parameters and product which meets the specifications
 - Select quantity
 - Add to cart
 - Check specifications
 - Select bid & proceed
 - Check specifications, consignee address, quantity,
 - Fix delivery period

Purchase Process- Bidding

- Fix the bid specifications
- Specify Bid duration, bid cycle, bid validity, eligibility criteria, documents required, Bid security (EMD), Performance guaranty etc
- Select additional terms and conditions as per requirement
- Verify details & enter OTP
- Publish bid

Purchase Process- Bidding

- Open the bids, verify the bids and documents submitted online (Technical and Financial)
- Prepare a comparative statement
- Prepare a technical evaluation report (**Optional**-Can be done online in GeM by examining the documents submitted by the Sellers)

Purchase Process- Bidding

- Select L1 among the accepted Technical bids
- Obtain sanction orders
- Upload the orders
- Verify the details and enter the OTP
- Award the Contract (Sanction Order and Contract Order)

**Welcome
to**

Right to Information Act 2005

Information is the currency of democracy — *Thomas Jefferson*

Process in a nutshell

- Receipt of Application [section 6(1)]
- Check custody of information [section 6(3)]
- Dealing with third party information [section 7(7) & 11]
- Identify related records, decide whether the same can be disclosed
- Estimate cost of providing information & intimate applicant [section 7(3 & 5)]
- Rejection of request [section 7(8)]
- Severability [section 10]
- First Appeal
- Second/Final Appeal

Thank You