

Financial Rules, 2006

In exercise of the powers conferred by Section-26 of the ¹[Khyber Pakhtunkhwa] Registration and Functioning of Private Educational Institutions Ordinance, 2001 (²[Khyber Pakhtunkhwa] Ordinance No. XXVII of 2001) the Government of the ³[Khyber Pakhtunkhwa] is pleased to make the following rules, namely;

“⁴[Khyber Pakhtunkhwa] HIGHER EDUCATION REGULATORY AUTHORITY FINANCIAL RULES, 2006”

1. Short title, Commencement and Application

- i. These rules may be called Higher Education Regulatory Authority Financial Rules 2006.
- ii. These rules shall come into force at once.
- iii. Where there is no provision for any items in these rules or in case of any hardship, the Authority may decide the same upon the recommendation of the Finance Committee for reasons to be recorded in writing.

2. Definition

- i) In these rules, unless the context otherwise require, the following expressions shall have the meaning respectively assigned to them as given below.
 - a. “Secretary” means the Secretary of the Authority.
 - b. “Accountant” means the Accountant of the Authority.
 - c. “Regulatory Authority” means the Regulatory Authority of the Higher Education Regulatory Authority.
 - d. “Budget” means the budget estimate of the Authority for the financial year beginning from 1st July and ending on 30th June follow duly recommended by the Finance Committee and approved by the Authority.

¹ Sub.by the Khyber Pakhtunkhwa Act No. IV of 2011.

² Sub.by the Khyber Pakhtunkhwa Act No. IV of 2011.

³ Sub.by the Khyber Pakhtunkhwa Act No. IV of 2011.

⁴ Sub.by the Khyber Pakhtunkhwa Act No. IV of 2011.

- e. “Chairman” means Chairman of the Authority appointed in pursuance of the ⁵[Khyber Pakhtunkhwa] Registration and Functioning of Private Educational Institutions Ordinance, 2001.
 - f. “Finance Committee” means the Committee appointed by the Authority for recommendation on financial matters like, Budget, Expenditure, Audit and Account.
 - g. “Fund” means the fund of the Authority.
 - h. “Inspection Committee” means a committee constituted by the Authority for carrying out physical verification of stock.
 - i. “Officer” means an officer of the Authority.
 - j. “Purchase Committee” means the Committee notified for the purchase by the Authority.
 - k. “Stock” means all the consumable and non-consumable articles purchased out of the Authority fund.
- ii) All other expressions herein used but not defined shall have the same meaning respectively as assigned to them under the ⁶[Khyber Pakhtunkhwa] Registration and Functioning of Private Educational Institutions Ordinance, 2001.

3. Fund of the Authority

- i. The Authority shall have a fund to which shall be credited its income from registration fee, yearly renewal fee, trusts, bequests, donations, endowments, grants, bank profits, interests, dividends and any other source etc. Bank Account(s) for the Authority fund may be opened with any scheduled/approved bank(s) and operated by the Chairman. No contribution, donation or grant which may directly or indirectly involve any immediate or subsequent financial liability of the Authority or which may involve an activity not included in its program for the time being shall be accepted without the prior approval of the Authority.

ii. Authority’s own resources

The Authority shall function on the principles of self-financing through its own resources as listed below: -

⁵ Sub.by the Khyber Pakhtunkhwa Act No. IV of 2011.

⁶ Sub.by the Khyber Pakhtunkhwa Act No. IV of 2011.

- a. The Registration Fee/Renewal of Registration Fee/Fines.
- b. Donations, Gifts, Awards etc.
- c. Income from the advertisement charges received from the institutions for their display on the Authority's Website.
- d. Miscellaneous income, which is not covered under the aforementioned and which may be accounted for under the miscellaneous Head.

iii. Registration/Registration Renewal Fee for Private Sector Universities/Degree Awarding Institutions/Colleges/Institutions

The following Registration and Registration Renewal Fee for the Private Sector Universities/Degree Awarding level Colleges/ Institutions functioning or to be opened in future in ⁷[Khyber Pakhtunkhwa].

S. #	Name of Institution / Status	Registration Fee	Yearly Renewal Fee
1	University/Degree Awarding Institutions.	2,00,000/-	25,000/-
2	Medical/Engineering College	1,50,000/-	20,000/-
3	Other Vocational/Professional Institutions	1,00,000/-	10,000/-
4	Degree Colleges	50,000/-	3000/-
5.	Application Processing Charges (non refundable)	1,000/-	
	Defray Charges		
6.	a. University/Degree Awarding Institutes.	25,000/-	
	b. Professional Colleges/ Institutions.	20,000/-	-
	c. Common Degree Colleges.	10,000/-	

The registration/registration renewal fee will be required to be deposited in the relevant bank account of the Higher Education Regulatory Authority (HERA).

iv. Recovery of the Authority's Dues

Registration, Application Form Processing Fee and Defray Charges for the Scrutiny Committee (non-refundable) shall be recovered in advance.

⁷ Sub.by the Khyber Pakhtunkhwa Act No. IV of 2011.

4. Jurisdiction and Powers of the Authorities

i. The Regulatory Authority

The Regulatory Authority, in addition to other functions, shall:

- a. Control and Administer the property and funds of the Authority.
- b. Govern and regulate, with due regards to the advice of the Finance Committee in this behalf, the finances, creation of posts, audit and accounts and investments of the Authority and for the purpose to appoint such consultants as it may deem fit.
- c. Transfer and accept transfer of moveable and immovable property on behalf of the Authority.
- d. Cause proper books of accounts to be kept for all sums of money, received and expended by the Authority and for all the assets and the liabilities of the Authorities.
- e. Receive and manage any property transferred and grants, bequests, trusts, gifts, donations, endowments and other contributions made to the Authority.
- f. Administer any fund at the disposal of the Authority for the specified purpose.
- g. Control and administer any funds on behalf of the Authority and after giving due regards to the advice of the Finance Committee, invest such funds in Government Securities or in Short and Long Term Investment with Commercial Banks/ National Saving Centers.
- h. Consider the audit report on account of the audit carried out by the audit team appointed by the Government and to settle and drop paras, or give advices or instructions thereon. The Authority may formulate and authorize a committee for this purpose duly represented by the Audit department to deal with the audit notes/paras.

ii. The Chairman

The Chairman will be the Principal Accounting Officer of the Authority and will have the powers to:

- a. Sanction all expenditure provided for in the approved budget and to re-appropriate funds, as delegated in Annex-A.
- b. Exercise and perform such other powers and functions as may be prescribed by the Regulatory Authority in accordance with the ⁸[Khyber Pakhtunkhwa] Registration and Functioning of Private Educational Institutions Ordinance, 2001.
- c. Sign all contracts on behalf of the Authority.
- d. Write off any loss of property, up-to a maximum of Rs.50,000/- in a Financial Year after proper inquiry in to the loss of property with the report to be sent to the Regulatory Authority, Government and Audit with full justification.

iii. Purchase Committee

The Purchase Committee will be constituted by the Chairman from time to time.

iv. Finance Committee

- i. Constitution of the Finance Committee shall be as under;
 - a. Chairman of the Authority
 - b. Member (Full Time)
 - c. Ex-Officio Member
 - d. Additional Secretary, Higher Education Department, Government of ⁹[Khyber Pakhtunkhwa], Peshawar or his nominee.
 - e. Additional Secretary, Finance Department, Government of ¹⁰[Khyber Pakhtunkhwa], Peshawar or his nominee.
- ii. The Finance Committee shall advise the Chairman on matters related to finances of the Authority. Its functions shall be to:
 - a. Consider the Annual Statement of Accounts and Annual Budget estimates and revised Budget Estimate, and advise the Authority.

⁸ Sub.by the Khyber Pakhtunkhwa Act No. IV of 2011.

⁹ Sub.by the Khyber Pakhtunkhwa Act No. IV of 2011.

¹⁰ Sub.by the Khyber Pakhtunkhwa Act No. IV of 2011.

- b. Review periodically the financial position of the Authority.
- c. Advise the Authority on all matters relating to planning, development, finance, creation of posts, investment and accounts of the Authority.
- d. Perform such other functions as may be prescribed under these rules.

5. Budget of the Authority

- i. The Chairman shall carry out the compilation of the budget in April each year. The Budget shall be prepared on the estimated expenditures of the financial year from 1st July to 30th June follow.
- ii. The Finance Committee shall scrutinize and finalize the proposed Budget, which shall be placed, along with revised estimates, by the Chairman before the Regulatory Authority for approval in May/June every year.
- iii. No expenditure shall be made or liability incurred unless provision exists in the budget under the particular head of expenditure. Prescribed income and expenditure ledger shall be maintained showing budget targets under various heads of income and expenditure against which the actual receipts and disbursement shall be recorded. Deviation from the budgeted figures shall be highlighted so that corrective action could be taken well in time.

6. Procurement of stores

- i. No officer may incur any expenditure or enter into a contract to create a liability from Authority funds until the expenditure has been approved in the Annual Work Plan by the Regulatory Authority and sanctioned by the Chairman.
- ii. The activity for which procurement proceedings are to be initiated should be reflected in the work-plan and adequately budgeted to cover the costs of the procurement.
- iii. The Chairman may authorize the purchase committee of the Authority to purchase any kind of store for the Authority to the extent of any amount allowed by the Chairman.
- iv. Procurements of stores may be made through calling of quotations/tenders as per procedure notified by the Government from time to time as under:

- a. quotations from as many contractors or suppliers as practicable shall be requested, however, in no case the number of quotations shall be less than three.
 - b. a single price quotation from each contractor or supplier shall be entertained, and the contractor or supplier shall not have the right to modify or change the quotation once submitted, and
 - c. contract shall be awarded to the contractor or supplier whose quotation is the lowest-priced and meets the specifications and quality needs of the Authority.
- v. The Chairman may constitute a Purchase Committee for procurements of Rs.50,000 or above. Such procurements shall follow open tendering system.
- a. The specification of the goods and equipment to be procured shall be got approved from the officer authorized to sanction or incur the expenditure before placing of advertisement in the local daily newspapers.
 - b. The Purchase Committee shall place the advertisement in at least two local daily newspapers. The advertisement shall contain the specifications of the goods and equipments, if not specifically mentioned in the tender documents and the date and place for submission and opening of bids.
 - c. Reasonable time will be given for submission of bids from date of publication of the advertisement. The Chairman may reduce the time for submission of bids for reasons to be recorded in writing.
 - d. Bidders will provide 2% earnest money of their bid amount at time of submission of bids and 10% tender security upon award of contract. No bid without 2% of earnest money shall be considered for evaluation.
 - e. All tender documents shall be kept in safe custody.
 - f. Following procedures shall be followed at the tender opening:
 - i. all the envelopes received containing tenders shall be counted and initiated by the Purchase Committee.
 - ii. the names of contractors or suppliers who have withdrawn their tenders shall be announced.

- iii. all the tenders received in time shall be opened in the presence of bidders/suppliers or their authorized representative on a given date.
 - iv. a record of the corrections noticed at the time of the bid opening shall be taken cognizance of.
 - v. the name of the tenderers and the quoted prices shall be announced. The price shall be circled in ink and page initialed by the Tender Inviting Authority.
 - vi. the fact whether earnest money security has been deposited and other documents required have been produced shall be indicated.
 - vii. Minutes of the tender opening shall be recorded.
- g. Purchase Committee shall cause an initial examination of the tenders submitted in order to determine their substantial responsiveness. During the initial examination the following factors shall be considered.
- i. whether the tenderer meets the eligibility criteria laid down in the tender documents?
 - ii. whether tender form has been duly signed?
 - iii. whether the requisite earnest money has been deposited?
 - iv. whether the tender is substantially responsive to the requirements set out in the bidding documents including the testing of samples where required.
- h. Of the tenders found to be substantially responsive after the initial examination, the qualified tenderer who has bid the lowest price in accordance with the evaluation criteria shall be determined. In determining the lowest evaluated price, the following factors shall be considered:
- i. The quoted prices shall be corrected for arithmetical errors.
 - ii. In case of discrepancy between the prices quoted in words and in figures, lower of the two shall be considered, and
 - iii. The evaluation shall include all taxes and duties inclusive of local levies as a part of the price.

- i. If the purchase required is to be of patented article of a required specification available from an authorized dealer or manufacturer, it can be purchased from him with the prior approval of the Chairman without calling other quotations. However, if the article is available with more than one dealer at competitive rates, quotation shall be invited in the usual manner.
- j. Purchase Committee shall prepare detailed evaluation report which shall be considered by the officer authorized to incur expenditure before taking a final decision on the tender. The contract shall be awarded only to a qualified supplier in according with the criteria set out, who has offered the lowest price or lower evaluated price as the case may be.
- k. Where the lowest price or the lowest evaluated price is not acceptable, reasons in writing shall be recorded.
- l. As soon as the tenderer qualified to perform the contract is identified the authorized officer shall pass orders accepting the rates and communicate the order of acceptance to the successful bidder.
- m. The bidder whose bid has been accepted shall execute a contract agreement in the specified format within thirty days of the dispatch of the decision of bid acceptance.
- n. If the bidder whose bid has been accepted fails to sign the contract, or fails to provide any required security for the performance of the contract, the authorized officer shall order the forfeiture of earnest money and shall give order of acceptance to second lowest, or in case of the second bidder to the third lowest bidder and so on, on the same term of forfeiture of earnest money, besides blacklisting the concerned firm
- o. If different suppliers/firms quote different lowest prices for an item and different lowest for the other item, the Chairman may decide to purchase one specific item from one lowest bidder and the other specific item from the other lowest bidder.
- p. The Chairman shall release the earnest money or tender security deposited with the tender or contract on:

- i. The expiry of prescribed period/completion of assigned task.
 - ii. The termination of the tendering proceedings without its culminating in signing of a contract.
 - iii. The withdrawal of the tender prior to the deadline for submission of tender, provided the Procurement Committee receives the notice to withdraw prior to the deadline for submission of tenders.
- q. Purchase Committee shall maintain a record of the procurement proceedings as per detail given below:
- i. a brief description of the goods, works or services to be procured, or of the procurement need for which the Purchase Committee requested proposals or offers.
 - ii. The names and addresses of contractors or suppliers that submitted proposals, offers or quotations, and the name and address of the supplier or contractor with whom the contract is entered into and the contract price;
 - iii. Information relating to the qualifications or non-submission of any such qualifications, of suppliers or contractors who submitted proposals, offers or quotations;
 - iv. The price, or the basis for determining the price, and a summary of the other principal terms and conditions of each proposal, offer or quotations and of the procurement contract, where quotations are known to the Purchase Committee;
 - v. A summary of the evaluation and comparison of proposals, offers or quotations;
 - vi. If all proposals, offers or quotation were rejected a statement to that effect and the grounds thereof; and
 - vii. The Authority shall not be liable to contractors or suppliers for damages owing to failure to maintain a record of the procurement proceedings.

- r. The Chairman may reject all tenders, proposals, offers or quotations at any time prior to the acceptance of a tender, proposal, offer or quotation.
- s. The Chairman shall incur no liability by virtue of invoking its authority under sub-rule (o) towards contractor or supplier that have submitted tender, proposals, offers or quotations.
- t. Notice of the rejection of all proposals, offers or quotations shall be given to contractor or supplier that submitted tender, proposals, offers or quotations.
- u. Unbiased technical specifications shall be prepared by observing the following safeguards and form part of the tender documents, namely: -
 - i. Use of brand names and catalogue numbers shall be avoided and where it becomes unavoidable, along with the brand name the expression “or equivalent” shall be added.
 - ii. In the case of works tender, the technical authorities shall prepare estimates based on the schedule of rates as revised from time to time.
- v. Extension in delivery of goods shall not be allowed as a matter of routine. Where necessary extensions may be allowed subject to:
 - i. Liquidated damages at the rate of 2% of the value of undelivered goods/equipment per month or a part thereof and shall be recovered from payments due to the supplier from the contract.
 - ii. Extensions beyond a period of one month may be allowed after obtaining further security of 2½% of the value of the contract from registered firms and 5% from unregistered firms.
 - iii. Extension shall not be granted where higher prices were accepted due to short delivery period offered by the supplier.
- w. Payment for goods and equipment procured under these rules shall be made after a confirmation has been received

from the supplier and the consignee that the goods and equipment supplied/received are in accordance with the advertised specifications and of desired workmanship/quality.

7. Maintenance of Account

- i. The accounts of the Authority shall be maintained on double entry system.
- ii. No expenditure shall be made from the fund of the Authority unless the bill for its payment has been internally audited.
- iii. The account shall be subjected to internal and external audit as explained in clause No.9 of the Rules of Business.

8. Delegation of Financial Powers

The financial powers of the Regulatory Authority are given in Annexure-A.

9. Procedure for Finance and Accounts

The procedure as laid down in Annexure-B shall be followed.

Annexure-A**FINANCIAL POWERS**

The financial powers shall be as under:

S. #	Nature of Power	To whom delegated	Extent and Condition if any
(1)	(2)	(3)	(4)
1.	Powers to abolish Posts	Chairman	Full Powers
<p>Note: All order regarding abolition of posts passed by Chairman shall be communicated to Regulatory Authority with full justification. However, powers of abolition of posts given to the above Officer shall be without prejudice to powers of the Regulatory Authority.</p>			
2	a. Local Purchase of indigenous stores other than Stationery	1. Chairman	Full Powers subject to observance of codal formalities.
		2. Member (Full Time)	Not exceeding Rs.5,000/-
	b. Purchase of durable goods, Equipments, Plants, Machinery, Spare Parts and other Materials.	Chairman	Full Powers
<p>Note: These Purchases will be made subject to the following conditions:</p> <p>i. Procurement Plan has been approved as part of the Work Plan by the Regulatory Authority</p> <p>ii. Funds are available with the Authority</p>			
3.	Powers to incur expenditure on Development Schemes.	Chairman	Full Powers
<p>Note: i. The expenditure will be incurred after approval of the Annual Work Plan by the Regulatory Authority and subject to availability of funds.</p> <p>ii. All cases involving purchase of vehicles/motor cycles shall have prior concurrence of the Regulatory Authority.</p>			

S. #	Nature of Power	To whom delegated	Extent and Condition if any
(1)	(2)	(3)	(4)
4.	Powers to incur Expenditure debitable to heads. Repairs and Maintenance of durable goods and works and “Commodities and Services” on item specifically shown in the budget estimates in detail.	i. Chairman ii. Member (Full Time)	Full Powers Upto Rs. 10,000 at a time
5.	Powers to incur Expenditure debitable to heads. Repairs and Maintenance of durable goods and works” and “Commodities and Services” where lumpsum budget provision exists and individual items are not specified in detail: -		
5 (i)	Local purchase of Stationery Note: - i. Subject to the availability of funds. ii. After adopting procedure prescribed in the Financial Rules.	Chairman	Full Powers
(ii)	Local Purchase of other Stores (not involving Expenditure in foreign Exchange).	i. Chairman ii. Member (Full Time)	Full Powers Rs. 5,000/- For one article or a class of similar articles of stores without splitting the indent during the period of one year.
	Note: i. Subject to availability of funds ii. After adopting procedure prescribed in the Financial Rules		

S. #	Nature of Power	To whom delegated	Extent and Condition if any
(1)	(2)	(3)	(4)
(iii)	Electricity, Sui Gas, water charges and Government and Local taxes.	i. Chairman ii. Member (Full Time)	Full Powers Full Powers
	Note: i. Subject to availability of specific provision in the budget and release of funds. ii. Budget provision in respect of Gas, Water, Taxes, Internet, Fax, Telephone and Electricity charges will not be diverted/re-appropriated for any other purpose.		
(iv)	Service Postage	i. Chairman ii. Member (Full Time)	Full Powers Full Powers
	Note: - i. Office telephone will be allowed to officers. Residential telephones will be sanctioned by the Chairman upon recommendation of Finance Committee.		
(vi)	Hot and Cold Weather Charges	i. Chairman ii. Member (Full Time)	Full Powers Up to Rs. 5,000/-
(vii) a.	Purchase of Liveries	Chairman	Full Powers
	Note: - In accordance with the scale prescribed by the Government and after inviting tenders.		
b.	Purchase of Typewriters Duplicators, Bicycles, Photostat Machines and Computers	Chairman	Full Powers
	Note: - i. Subject to availability of funds and after observing the codal formalities. ii. For purchase of computers or Computer Local Area Network a specialist not having conflict of interest may be associated for expert opinion.		

S. #	Nature of Power	To whom delegated	Extent and Condition if any
(1)	(2)	(3)	(4)
c.	Purchase of Toners/ Computer Ribbons/Computer Stationery	i. Chairman ii. Member (Full Time)	Full Powers Upto Rs.10,000/-
	Note: These may be purchased after observing the codal formalities and subject to availability of funds.		
(viii)	Purchase of Periodicals and Newspapers.	Chairman	Full Powers
ix.	Addition to or repairs of office equipments, instruments, and furniture (excluding machinery)	Chairman	Full Powers
x.	Charges for printing at Government/private presses	Chairman	Full Powers
xi.	Copying and Translation Charges	Chairman	Full Powers
xii.	Expenditure in emergent cases on account of binding work executed locally	Chairman	Full Powers
xiii.	Expenditure on rent on non-residential buildings	Chairman	Full Powers
	Subject to the explicit conditions that:		
	a. the accommodation is according to the scale prescribed by the Regulatory Authority.		
	b. the rent does not exceed the rent assessed by the Excise and Taxation Department for the purpose of Urban immoveable Property Tax or the rent to be paid is made the basis of property tax.		
	c. assessment made by the Works and Services Department.		

S. #	Nature of Power	To whom delegated	Extent and Condition if any
(1)	(2)	(3)	(4)
xiv.	Honoraria/Overtime allowance. Note: Only in case where funds for payment of honoraria are approved in the budget and grant of bonus has been approved by the Regulatory Authority.	Chairman	Full Powers
xv.	Law Charges Note: This is subject to availability of funds. Where law charges have to be in relaxation of rules, because of case exigencies, the clearance of Regulatory Authority be obtained at the earliest convenience.	Chairman	Full Powers
xvi.	Compensation payable to any individual under law, rules or judgment of courts. Note: Subject to budgetary provision.	Chairman	Full Powers
xvii.	Servicing of Computers, Photostat Machines, Electrical Typewriters, and Oiling, Servicing and Repair of typewriters.	Chairman	Full Powers
Miscellaneous Expenditure			
xviii.	Conferences/Seminars/Workshops/Symposia	Chairman	Full Powers subject to availability of Funds, and provided the activity is part of Annual Work Plan.
xix.	P.O.L. Charges Note: Subject to availability of funds.	Chairman	Full Powers

S. #	Nature of Power	To whom delegated	Extent and Condition if any
(1)	(2)	(3)	(4)
xx.	Royalties, Rates and Taxes	Chairman	Full Powers
xxi.	Publicity and Advertisement Charges	Chairman	Full Powers
xxii.	Payment to other for services rendered.	Chairman	Full Powers
xxiii.	Contribution and subscription. Note: Subject to availability of funds.	Chairman	Full Powers
xxiv.	Miscellaneous and Emergency Expenditure	Chairman	Full Powers
xxv.	Audit Fee Note: Subject to the budgetary provision as per approved rates.	Chairman	Full Powers
xxvi.	Bank Charges	Chairman	Full Powers at the prescribed bank rates.
xxvii.	Staff Training Note: Subject to the budgetary provision and approval by the Regulatory Authority.	Chairman	Full Powers
6.	Administrative approval to works/Development Schemes Notes: Provided the Regulatory Authority has approved the project document and estimates of the works to be undertaken.	Chairman	Full Powers

S. #	Nature of Power	To whom delegated	Extent and Condition if any
(1)	(2)	(3)	(4)
7.	Re-appropriation of funds. Subject to the following conditions: <ol style="list-style-type: none"> i. No re-appropriation will be made from funds allocated for a particular financial year after the expiry of that financial year. ii. Funds may not be re-appropriated to meet any expenditure which is likely to involve further outlay in a future financial year. iii. No re-appropriation will be made to meet expenditure not sanctioned by an authority competent to sanction it. iv. Re-appropriation will not be made to meet expenditure on purposes not contemplated in the approved work plan pertaining to a particular financial year. If funds to meet such expenditure may be made only after authorization by the Regulatory Authority. v. Re-appropriation will not be made out of lump-sum provision. vi. Re-appropriation will not involve undertaking of recurring liability. vii. No re-appropriation will be made to or from the primary units of appropriation pay of officers, traveling allowances, medicines and dietary charges, telephone, electricity, gas, water charges and taxes. viii. No-appropriation will be made to or from appropriation for POL, Advertisement, Rent Printing Charges, Stationery, without prior approval of Regulatory Authority. ix. Re-appropriation will not be made so as to divert the provision for specified new items to other purposes. x. No re-appropriation will be made from a unit with intention of restoring or restoring the diverted appropriation to that unit when saving becomes available under other unit later in the financial year. xi. In the case of expenditure on works: - <ol style="list-style-type: none"> a. No re-appropriation will be made to meet any expenditure which is likely to involve further outlay in future financial year. b. No re-appropriation will be made from, or the units “Major Works”, “Minor Works” and “Repairs” or “Maintenance and Repairs”. c. No re-appropriation will be made from the allotment for a new original major work to any other work or item or vice versa; and d. Re-appropriation can be made from an original major work in progress only to a work or works of the same category. 	Chairman	Full Powers

S. #	Nature of Power	To whom delegated	Extent and Condition if any
(1)	(2)	(3)	(4)
8.	Declaration of Stores (including vehicles) surplus and unserviceable. Note: Subject to the following Conditions: i. Brief justification for declaring stores surplus or unserviceable should be intimated to the Director Local Fund Audit. ii. The Dead Stock Register will be maintained and accounts updated for each item.	Chairman	Full Powers
9.	Power to dispose surplus or un-serviceable motor vehicles, machinery, equipment, spares, stores by auction after due publicity. Note: i. The officer concerned shall indicate date of purchase, book value, usage up to date of declaring surplus or unserviceable and detail justification for such declaration. ii. A copy of the order so passed shall be communicated to the Director Local Fund Audit.	Chairman	Full Powers
10.	Purchase and Replacement of vehicles and Motorcycles	Chairman	Full Powers
	Note: 1. Subject to the following conditions: i. that the strength of vehicle in the Authority has been sanctioned by the Regulatory Authority and the replacement is required for keeping up the sanctioned strength; ii. the vehicles has completed required mileage and years of service prescribed by the Authority. iii. the vehicles to be replaced has been declared condemned by the competent authority. iv. that there is specific budget provision for the expenditures; and		

S. #	Nature of Power	To whom delegated	Extent and Condition if any
(1)	(2)	(3)	(4)
	<p>v. that the sanctioning authority is satisfied that the work for which the vehicle was originally sanctioned has not under gone substantial reduction making it redundant to replace the vehicle.</p> <p>Note: 2. Authority competent to replace vehicles will also be competent to condemn them.</p> <p>Note: 3. The expected life in years and the mileage expected to be completed by Authority owned motor vehicles before considering them for condemnation will be seven years and one hundred and sixty thousand km respectively for all kind of vehicles.</p>		
11.	<p>Powers to sanction expenditure on Repairs, Replacement of parts, overhauling etc. of vehicles and Motorcycles, light machinery, other tools.</p> <p>Note: 1. These powers are subject to the conditions that: i. open tenders are invited before execution of works; and; ii. the expenditure should prove to be economical with reference to the service period of the tools or machinery.</p> <p>Note: 2. All those vehicles, whose annual repair charges work out up to 30% or more of their book value after completion of prescribed age may be abandoned and auctioned as per prescribed procedures.</p>	Chairman	Full Powers
12.	<p>Powers to Refund in accordance with rules or in pursuance of decisions of court in respect of which no appeal is proposed to be filled.</p>	Chairman	Full Powers

S. #	Nature of Power	To whom delegated	Extent and Condition if any
(1)	(2)	(3)	(4)
13.	To write off losses on account of negligence or fraud	Chairman	Up to Rs.20,000/- provided a report is sent to the Regulatory Authority and Audit with full justification.
14.	To write off losses other than those due to negligence or fraud Note: i. All cases involving loss of property, etc, exceeding Rs.50,000/- should be reported to audit for comments before final orders are passed with regard to writing off of loss by the Chairman. ii. A self-contained report should be sent to the Regulatory Authority with regard to the circumstances of the loss and the Regulatory Authority would be entitled to call for such other documents and record is necessary.	Chairman	Up to Rs. 50,000/- Subject to prescribed conditions and a report sent to the Regulatory Authority and Local Fund Audit.
15.	Powers to incur expenditures on ceremonial functions Note: Subject to the following Conditions: i. Subject to the budgetary provision. ii. Subject to approval of holding function by Regulatory Authority.	Chairman	Full Powers
16.	Powers to incur expenditure on other official entertainments in connection with official meetings.	Chairman	Full Powers
17.	Relaxation of the prescribed time limit for submission of TA Bill where no TA advance was drawn.	Chairman	Full Powers

S. #	Nature of Power	To whom delegated	Extent and Condition if any
(1)	(2)	(3)	(4)
	Note: Where TA advance was drawn, TA adjustment bill shall be submitted within one year of the date of performance of journey by the Authority employee, failing which the advances will be recovered.		
18.	Grant of traveling and daily allowances or lodging charges to members of committees setup by the Regulatory Authority and staff.	Chairman	Full Powers provided the member does not claim from any other agency/government.
19.	Powers to create posts	Chairman	For six months subject to re-appropriation of funds and to report action to the Regulatory Authority with full justification.
	Note: Subject to: - i. It does not increase the maximum limit approved by the Finance Committee. ii. Funds are available.		

Annexure-B**PROCEDURES FOR FINANCE AND ACCOUNTS****1. Duties of the Accountant**

- i. The accountant shall maintain the accounts of the Authority in such form and in such manner as may be prescribed by rules approved by the Regulatory Authority.
- ii. The Accountant, under the supervision of the Chairman shall maintain all the related accounts of the Authority. He shall maintain the following books for record and proper accounting treatment of the transactions:

Cash Book	Subsidiary Cash Book
Income Ledger	Expenditure Ledger
Bank Ledger	Private Ledger
Contractors Ledger	Advance Register
TA/DA Register	Impress Money Register
Sanctioned Posts Register	Fax and Tele Printer Register
Loan Register	Gas Bill Register
Telephone Payment Register	Electricity Bill Register
Any Other Records	

- iii. The accountant shall be responsible for all stock entries and its issuance under the order of the Chairman.

The Accountant shall maintain the following books for the very purpose:

- a. Stock Register for machinery and equipment.
 - b. Stock Register for Non-consumable items
 - c. Stock Register for Furniture
 - d. Stock Register for Consumable, including the office stationery.
 - e. Stock Register for Property.
 - f. Issue Register for non-stock items.
 - g. Issue Register for stock items.
- iv. All the financial transactions shall be coordinated and routed through the Accountant for sanction of any expenditure and obtaining approval of the Chairman.
 - v. The Accountant shall be responsible for each and every allocation/allotment of funds during the fiscal year (1st June follow) and making out expenditure for which it was allocated.
 - vi. The Accountant shall disburse all payments to legal and entitled persons/suppliers etc. The accountant shall be answerable to the

Chairman, Regulatory Authority in all cases pertaining to financial matter, and shall bring to their notice serious irregularities or any violation and breach of the financial rules for decision.

- vii. The Accountant shall be responsible for physical verification of fixture, furniture, machinery, equipment and all other non consumable items belonging to the Authority once in a year and submit a report to the Chairman.

2. **Maintenance of Account**

i. Payment / Expenditure

- a. All accounts shall be operated by the Chairman.
- b. All cheques issued shall be entered on the credit side of the cashbook giving full particulars of the payment in the serial order.
- c. Posting from the cashbook to the expenditure ledger will be made in the light of audited payment orders and vouchers will be properly maintained on the monthly basis.
- d. No over-writing and erasers will be allowed in the cashbook. In case of any corrections, the incorrect entry will be corrected with the proper initial of the Accountant.
- e. Under no circumstances blank cheques shall be signed by any of the signatories.
- f. Cheques issued by the Authority shall be crossed-chequed for the amount with red ink.
- g. On receipt of a fresh cheque book from the bank, the number of cheques contained therein will be counted before its acknowledgement is signed and sent to bank.
- h. The counterfoils of the used cheques will be preserved and kept in safe custody.
- i. Copies of letter containing standing instructions will be filed properly and kept under the custody of Accountant.
- j. The bank's advices on debit/credit will be obtained and adjusted in the cashbook and relevant ledgers regularly.

ii. Balancing and Reconciliation

- a. The bank balance at the end of each month will be reconciled with the bank ledger and reconciliation statement will be prepared by the Member/Accountant. Discrepancies will be settled amicably. Uncashed cheques, if any, which remain outstanding for long will be brought to the notice of the Chairman.
- b. A statement shall be obtained from the bank certifying the balances of each account at the close of the each month.

iii. Receipts

- a. All moneys shall be received through crossed cheques/bank drafts etc. which will be deposited in an authorized bank and recorded in the cashbook daily. If due to unavoidable circumstances the money cannot be deposited on the day it is received, the matter will be brought to the notice of the Chairman, who may take necessary precaution for the safe custody of the cash.
- b. For all moneys received other than through bank challans and the money orders, a printed receipt shall be prepared and countersigned by the Accountant. In case any receipt is cancelled, it will be defaced with rubber stamp and kept properly folded in the receipt book.
- c. All moneys received by the Authority will be analyzed date wise by the Accountant on the classification sheet prepared and recorded in the main cash book.
- d. Posting on the income ledger will be made from the main cash book. Monthly total, after the cash has been analyzed head-wise, shall be posted to income ledger.
- e. The Accountant shall maintain a bank ledger for all the transactions of daily deposits in and withdrawal of cheques from the banks. Posting of the bank ledger will be made from the main cashbook and totaled on monthly basis.
- f. When the figures are recorded in the cashbook, the classification sheet duly filled in will be kept in order by the Accountant for record.
- g. Deposits of the cheques, bank drafts and cash will be made through paying slips after issuing proper printed receipt duly numbered

under the custody of the Accountant. A brief description regarding the nature of receipt will also be noted on the counterfoil.

- h. The Accountant will ensure that the bank statement along with the copy of the counterfoil is received daily.
- i. Accounts of interest/profit credited by the bank will be properly checked and differences in rates or amounts shall be pursued with the bank till their settlement.

3. Issue of Stock and Physical Verification

- i. All the old parts replaced, news papers used and other out of order item shall be deposited in the store and entries made in the relevant stock register.

When materials are issued from stocks for use, the Accountant shall see that an indent on the prescribed form has been made and shall examine it carefully with reference to the order or instructions for issue of stocks. When materials are issued, a written acknowledgement shall be obtained from the person or his authorized agent to whom they are ordered to be delivered or dispatched.

- ii. A physical verification of all stock shall be made at least once in every year and certificate of verification of store with its results shall be recorded thereon. Verification must always be made in the presence of officer responsible for the custody of the stores or of a responsible person authorized by him.
- iii. All discrepancies, shortage, damages as well as unserviceable stores shall be report immediately to the Accountant for taking up the matter with the Chairman to write off losses or order for fixing the responsibility. Full justification and reasons shall be given while declaring a stock item unserviceable.

4. Safe Disposal and Writing off Stores

- i. A prior sanction of the Chairman shall be obtained to write off losses and deficiencies in stores
- ii. Stores, which are reported to be obsolete, surplus or unserviceable may be disposed off by sale or otherwise as directed by the Chairman.
- iii. The Chairman may write off any loss of article if the amount involved on a single item does not exceed Rs. 500/- subject to the condition that proper inquiry into the loss of item. For amount

exceeding Rs. 50,000/- approval of Regulatory Authority will be essential.

- iv. Assets beyond economical repairs shall be transferred to the stores for sale, auction/scrap. A fixed asset requirement advice shall be prepared by the officer concerned in duplicate and sent to the Accountant with the articles. The Accountant will acknowledge the receipt of the article on such advice and return one copy to the officer concerned. The transferred item will be deleted from the relevant stock register.
- v. When an asset is to be sold/auctioned with prior approval of the Chairman, the inspection committee shall be appointed by the Chairman which shall be responsible for the disposal through sale/auction. The committee shall decide the mode of sale, prepare the statement of bidders with their rate, and make necessary recommendation to the Chairman. They will include the news papers and other such materials.
- vi. Authority of approval for sale/auction rest with the Chairman for assets valuing up to one hundred thousand rupees. When the value of assets is more than one hundred thousand rupees, final approval of Regulatory Authority shall be sought.
- vii. The Chairman, however, if satisfied with the procedure, codal requirements and sale price, may in anticipation of approval of Regulatory Authority to allow the disposal of asset beyond one hundred thousand rupees. A case of disposal shall, however, be prepared and placed before the Regulatory Authority in its next meeting for obtaining the final approval. When the asset is disposed off, it shall be deleted from the stock. A disposal advice shall also be sent to Accountant to delete the asset from the record.