

No. 5(33)06-C&V(Pt)
Ministry of Finance
Department of Expenditure
Coord. & Vigilance Cell

North Block, New Delhi
Dated January 08, 2007

OFFICE MEMORANDUM

Sub: Prior consultation with Financial Advisers.

In the meeting of Finance Minister with Finance Secretary & Financial Advisors held on 8th Sept., 2006, the issue of prior consultation with Financial Advisors before seeking approval of Minister or the Competent Authority on the proposals, was discussed. A redefined Charter for Financial Advisor was issued on June 1, 2006 to strengthen the role of Financial Advisors in the present scenario. Accordingly, with a view to achieve the intended outcomes defined in measurable and monitorable terms and to ensure 'value for money', it is important that Financial Advisors are fully involved in the key processes/activities which have clear economic and financial dimension. The benefit of advice of FA can be had and best utilized only if it is obtained before obtaining the approval of the Competent Authority; otherwise the purpose of obtaining advice gets defeated.

2. It has been decided that prior consultation with Financial Advisors would be mandatory before a proposal is sent to Ministry of Finance, on the following issues:

- (i) Creation of new posts.
- (ii) Issues involving abandonment or sacrifice of any revenue; and,
- (iii) Notes seeking approval of Cabinet or its sub-committees on matters having financial implication.

3. This issues with the approval of Finance Minister.


(Atanu Chakraborty)
Joint Secretary (Pers)

To

All Secretaries,
Govt of India

Copy to: All FAs.