

**SINDH IRRIGATION & DRAINAGE AUTHORITY, FINANCIAL REGULATIONS  
AND POWERS, 2003**

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# **SINDH IRRIGATION & DRAINAGE AUTHORITY, FINANCIAL REGULATIONS AND POWERS, 2003**

## **1. Short Title and Commencement:**

- (a) These regulations may be called as The Sindh Irrigation & Drainage Authority Financial Regulations and Powers, 2003 in accordance with the sub section 3, of section 19 of the Sindh Water Management Ordinance, 2002.
- (b) It shall come into force at once.

## **2. Definition**

In these regulations, unless the context provides otherwise, words and phrases used in these regulations shall have the meanings attributed to them in the Sindh Irrigation & Drainage Authority, Financial Regulations and Powers, 2002. In references to an individual or general person or party, the use of the singular may also denote the plural where this does not materially affect the meaning of the phrases.

- (a) “abiana” means service charge levied on farmers by a FO or, where there is no FO, by an AWB or by SIDA for the supply of surface irrigation water and the provision of drainage.
- (b) “AWB” means an Area water Board, established under the Sindh Water Management Ordinance 2003.
- (c) “Administrative Approval” means the formal acceptance by the competent authority of the proposals for incurring any expenditure on a work initiated by, or connected with the requirements of the authority. It is, in effect, an order to execute specified works within a stated sum to meet the administrative needs of the authority.

- (d) “Board of Directors” means the composition of the SIDA as defined in section of the Sindh Water Management Ordinance 2002.
- (e) “Board of Management” consists of the Managing Director and such number of General Managers, as may be appointed by the SIDA on the advice of a committee comprising four members of the SIDA, provided that at least one of them shall be an elected member.
- (f) “Competent Authority” this term means the “Authority” of any other officer of the Authority (including but not limited to Chairman and Members of the Authority) to whom relevant powers may be delegated by the Authority by these rules or by general or special order.
- (g) “Financial Year” means the period from 1<sup>st</sup> July to 30<sup>th</sup> June of the following year (both inclusive) for which a budget is prepared and for which accounts are kept.
- (h) “FO” means a Farmer’s Organization established under the Sindh Water Management Ordinance 2002.
- (i) “Government” means the Government of Sindh.
- (j) “Managing Director” means the Managing Director of the SIDA.
- (k) “Regulations and rules” means regulations and rules made under this ordinance.
- (l) “Zila” means zila as defined in the Sindh Local Government Ordinance 2001.
- (m) “Water users” means a persons whose land or property is linked to the irrigation system or water supply system by a watercourse or canal or other form of connection. The land or property may be owned or possessed by him, or occupied by him with the authority of the owner, for agricultural, industrial or other purposes.

## **POWERS OF AUTHORITY**

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**Paragraph Nos.  
Refer to the section  
Of Sindh Water  
Management  
Ordinance, 2002**

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**Description of Powers**

## **CONSTITUTIONS OF THE AUTHORITY**

- 3.** There shall be established an authority to be known as the Sindh Irrigation & Drainage Authority for carrying out the purposes of this Act.
- 4.** The Authority.
- (a) Shall be a body corporate, have perpetual succession and a common seal and shall by the same name sue and be used.
  - (b) Shall be entitled to lease, acquire, hold and dispose of property save that it shall not hold or dispose of land belonging to Government all of which shall be held in trust for Government.
  - (c) Shall exercise independent judgment in the conduct of its own business.

## **GENERAL POWER AND DUTIES OF THE AUTHORITY**

- 10.** (a) operate and maintain the parts of the irrigation system conferred on it such as barrages and outlets:
- (b) Operate and maintain the parts of the drainage system conferred on it including spinal drains and inter AWB drains:
- (c) Carry out river flood protection and maintain the infrastructure in the Province of Sindh.

- (d) Advise Government on any matter strategic or tactical, related to its functions and tasks or to the water management system as a whole e.g. irrigation or drainage contribution rates, drought management and sea water intrusion.
  - (e) Manage the transition process, to promote the formation, growth and development of the AWBs and Pos into self supporting and financially self-sustaining entitles within a period of seven to ten years of their establishment, and
  - (f) Perform any other function conferred on it, under this ordinance.
- 11.**
- (a) To maintain the irrigation, drainage and flood protection infrastructure located within its territorial jurisdiction.
  - (b) To levy and collect irrigation and drainage service fees, rates or cess and surcharge for late payment on such fees, rates or cess outside the areas of jurisdiction of AWBs and FOs, as prescribed by SIDA:
  - (c) To recover any amount payable to the SIDA under this Ordinance in accordance with prescribed terms and conditions, or as arrears of land revenue under the provisions of the Sindh Land Revenue Act, 1967.
  - (d) In consultation with the various stakeholders, to plan, design, construct improvements to the irrigation and drainage system, storage reservoirs, and flood protection.
  - (e) To acquire to sell and to operate and maintain the equipment, machinery and stores of the SIDA efficiently and in a business – like manner.

## SECTION – III

**FUNDS**

1. There shall be a fund to be known as the “SIDA FUND” vested in the SIDA.
2. The SDIA fund shall consist of :-
  - a) All sums received by the SIDA in respect of water charges sale proceeds and drainage cess:
  - b) Grants made by Government.
  - c) Loans obtained from Government.
  - d) Grants made by Councils as required by Government.
  - e) Sale proceeds of bonds or any other debt instruments issued under the authority of Government.
  - f) Loans obtained by the SIDA with the sanction of Government.
  - g) Foreign assistance and loans obtained from different foreign agencies with the sanction of and on such terms and conditions as may be approved by Government in consultation with the Federal Government and
  - h) All other sums receivable by the SIDA.

**3. Banks**

- 3.1 SIDA will open its own bank account in the scheduled banks of Government of Pakistan.
- 3.2 For each donor’s fund a separate bank account will be opened and the fund will be operated only from that particular account.
- 3.3 The Managing Director and General Manage Finance will be the authorized signatories of all the SIDA’s bank accounts.
- 3.4 A monthly bank reconciliation of all the bank accounts will be made by the Accounts Department and approved by the General Manager Finance.

**4. Budget:**

- 4.1 The Budget period will be from 1<sup>st</sup> July to 30<sup>th</sup> June of the following year.

- 4.2 The Budget will be compiled by the General Manager Finance for each project in collaboration with other department heads, and he will submit to the Board of Directors for approval by January of each year.
- 4.3 The Board of Directors will approve the budget for all the projects.
- 4.4 Grants from the Government will be allocated by the Board of Directors and copy of the allocation will be sent to the Government for information.

## **5. Petty Cash Fund:**

- 5.1 To meet the day to day petty expenditure a Petty Cash Fund amount to Rs. 10,000/- (Rupees ten thousands Only) will be created on the imprest basis, from the particular project fund from which the expenditure will be incurred.
- 5.2 The imprest amount will be reimbursed on monthly basis or earlier if the amount is spent and replenishment is required.
- 5.3 The Managing Director and General Manager Finance will approve all the expenditure made from the petty cash fund with duly supported vouchers.
- 5.4 The expenditure made from the petty cash fund will be within the budget /allocation made by the Board.
- 5.5 The Petty Cash Book will be maintained properly.

## **6. Vouchers**

- 6.1 All Vouchers will be serially numbered and dated.
- 6.2 Head of accounts as per the chart of account will be stated on all vouchers.
- 6.3 Journal vouchers will be used for recording adjustments. The Managing Director and the General Manager Finance will approve journal vouchers.
- 6.4 All the vouchers i.e. receipt vouchers, payment vouchers, petty cash vouchers and journal vouchers will be posted in the financial book by the next working day following the transaction.



## **7. Receipt**

7.1 A receipt must be given by a person authorized by the Board of Management to the payer for all the money received on behalf of SIDA.

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7.2 All the receipts must be in serially numbered.

7.3 Money received must be deposited in the SIDA's bank account by the next working day.

At any given naught the cash should be exceed Rs. 10,000/- in the office.

7.4 In the case of the post-dated cheque, the cheque must be deposited on or before the date of the cheque.

7.5 Receipt vouchers must be prepared for each receipt with the relevant supporting documents.

## **8. Payments:**

8.1 All payments will be made through crossed cheque, except for petty cash replenishment.

8.2 Payments will only be made through payment vouchers duly supported by the sanctioned bills.

8.3 Payment will be made only if it is allocated and is within the budget as approved by the SIDA Board.

8.4 Payments from the grants of the Government will be made on the basis of the allocation made by the SIDA Board.

8.5 The Managing Director and General Manager Finance will approve all the payment vouchers.

## **9. Income Tax deduction:**

Deduction from the bills on account of income tax shall be made strictly in accordance with the relevant provisions of Income Tax Ordinance 2001 as amended from time to time and the rules and orders issued there under and brought together in the Income Tax Manual.

- 10.** In the event of an emergency, the MD may, with the prior approval of the Chairman, incur expenditure which he considers necessary in order to maintain the operations of the Authority or to safeguard its assets. Any such action will be subject to the ratification of the following Board Meetings.”

SECTION – IV

**ACCOUNTING POLICY**

**1. Accounting Convention:**

The accounts will be prepared under the historical cost convention and in conformity with International Accounting Standards as applicable without taking into account the effect of inflation.

**2. Double Entry Accounting System:**

Recording of all the transactions will be made through the double-entry accounting system.

**3. Accounting Year:**

The accounting year of SIDA will be from 1<sup>st</sup> July to 30<sup>th</sup> June of the following year. Any change in the accounting year will be subject to approval of the SIDA Board.

**4. Taxation:**

No provision for taxation will be made in the financial statement in the project accounts and the projects are implemented as units of non-profitable organization.

**5. Fixed Assets and Depreciation:**

5.1 Fixed Assets will be shown at cost.

5.2 Depreciation will be charged on the straight-line or diminishing – value method depending upon the project’s nature.

5.3 A full year’s depreciation will be charged on fixed assets acquired during the year.

5.4 The schedule for rates of depreciation is as follows:-

<b><u>Particulars</u></b>	<b><u>Rates</u></b>
Vehicles	20%
Computers and allied equipments.	33.3%
Machinery & Equipment	10%
Telecommunication Equipment	15%
Furniture & Fixture	10%

## **6. Development Expenditure / Capital work-in-progress**

Development expenditure / Capital Work in Progress includes all costs including material, labour and overheads incurred on construction /re habilitation of a project / development scheme which is not complete at the end of financial year. No depreciation will be charged on the asset, as the assets will ultimately be transferred to the owners of the project.

## **7. Rates of Foreign Currency Exchange:**

All transaction in foreign currency will be translated in Pak rupees using the State Bank of Pakistan’s weighted buying rate of exchange prevailing on the date of transactions. Cash balances in bank accounts and liabilities in foreign currencies are translated at the rate of exchange prevalent on the balance sheet date.

## **8. Exchange gains & losses**

Exchange gains or losses will be accounted for as per standard accounting procedures.

## **9. Chart of Accounts**

A properly structured scheme of Chart of Accounts facilitates implementation and monitoring of financial system.

In the Chart of Account the coding structure will be of 4 levels and 8 digits.

**Level-1** The first level will be used for showing sources of Funding i.e. GoP, GoS, IDA, ADB, FO's contributing etc.

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**Level-2** The second level will be used to show the Project Component and the sub-component.

**Level-3** The third level will show the main level of the accounts category i.e. Assets, Liabilities, Revenues and Expenditure.

**Level-4** The fast level will be used for subsidiary ledgers for recording individual accounts for creditors, further details of assets and expenditure.

## **10. Books of Accounts**

The following books of accounts will be maintained in SIDA.

- i- Cash Book
- ii- Petty Cash / Book
- iii- General Ledger
- iv- Fixed Assets Leger
- v- Payroll register.

SECTION – V

**POWERS FOR RE-APPROPRIATION OF  
FUNDS WITHIN THE APPROVED BUDGET  
ALLOCATION**

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<b>Nature of Powers</b>	<b>Competent Authority</b>	<b>Monetary Limit</b>
1. Re-appropriation of funds capital works in the sanction budget	Board of Directors	Full powers, for re-appropriation of funds between various units of appropriation, sub-heads, minor heads and sub-major heads.
2. Re-appropriation of funds relating to grants from the Government	Board of Directors	Full powers, for re-appropriation of funds between various units of appropriation, sub-heads, minor heads and sub-major heads

Note: the exercise of powers under this section is subject to the following conditions:-

- a) The amount for which re-appropriation is required does not exceed the monetary limit for which a competent authority is otherwise empowered to grant administrative approval.
- b) Re-appropriation is not authorized to create a new item for which funds were specifically refused by the Authority.

- c) Re-appropriation does not entail any recurring liability for the authority.
- d) Re-Appropriation if sanction is immediately reported to the next higher administrative authority.

Re-appropriation of funds by the Authority from one project to another project is forbidden.

SECTION – VI  
**POWERS FOR CAPITAL WORKS**  
**AND OTHER ASSETS**

Nature of Powers	Competent Authority	Monetary Limit
A. Administrative approval of works	Board of Directors	Full Powers
	Board of Management	Rs. 100,000/- annually
B. Technical sanction of works, subject to the condition that the excess over the amount for which administrative approval has been obtained is not more than 15% and the price per unit has not been changed	Managing Director	Full Powers
	General Manager Operation	Full Powers
	Project Engineer	Full Powers

Notes: No administrative approval will be required where a PC-UI has already approved with sufficient details of components of the work included in the project. Where however sufficient details of components of the work have not been given in the approved PC-I, formal approval of the General Manager Operation shall be obtained.

**Notes: 1)** Where consultants have been engaged for a work, technical sanction shall be accorded by the competent authority to consultation with the consultants. In case

of a dis-agreement between the consultants and the competent authority, technical sanction by next higher authority of SIDA shall be required.

- 2) If technical sanction involves excess of more than 15 percent over the amount for which a work has been administratively approved, or may deemed to have been approved, or price per unit of any unit being changed, prior revised administrative approval of the competent authority shall be required.

C. Administrative approval of works of repair to non-residential building	Board of Directors	Full Powers
	Board of Management	Rs. 50,000/- annually

**Notes:** The above powers shall not be exercised in the case of rented building.

D. Technical sanction of works of repairs to non-residential buildings after obtaining administrative approval from the competent authority.	Managing Director	Full Powers
	General Manager Operations	Rs. 50,000/- annually

E. Administrative approval for purchase of office equipment, tools and machineries, (excluding vehicles).	Board of Management	Full Powers
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**Notes:** The above power can only be exercised if the provision in the budget /allocation is made by the Board of Directors.

F. Technical sanction to estimates for purchase of office equipment, tools, and machineries (excluding vehicles) after obtaining the administrative approval of	Managing Director	Full Powers
	General Manager Operation	Rs. 10,000/- in one time.

competent authority.

G. Placing of work orders for repairs and / or over hauling of office equipments tools vehicles, and light machineries without inviting tenders / quotations.	Board of Management	Full Powers
	Managing Director	Rs. 10,000/-
	General Manager (relevant)	Rs. 3,000/-

**Notes:** Powers under item (G) would be exercised in Unforeseeable circumstances and where calling for quotation is not practicable.

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H. Administrative approval for purchase of vehicles	Board of Directors	Full Powers
I. Technical sanction to estimates for the purchase of vehicles after obtaining administrative approval from the competent authority.	Board of Management	Full powers
J. Administrative approval for purchase of furniture and Fixtures.	Board of Management	Full Powers
	Managing Director	Rs. 25,000/- annually
	General Manager	Rs. 15,000/- Annually each General Manager

**Notes:** The above power can only be exercised if the provision in the budget allocation is made by the Board of Director.

K. Technical sanction to estimates for	Manager Administration	Full Powers
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the purchase of furniture and fixtures, after obtaining administrative approval from the competent authority.

SECTION – VII  
**POWERS FOR CONTINGENT  
EXPENDITURE**

**Definition:** Contingent expenditure comprises those charges which are residential to the management of an office “As an office” and includes the cost of stationary, postage, books & periodicals, telephone chargers, communication charges, office repair & maintenance, electricity charges, conveyance charges and other petty charges.

**Note:** All the expenses must be within the budget / allocation made by the Board of Directors

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<b>Nature of Powers</b>	<b>Competent Authority</b>	<b>Monetary Limit</b>
A. Salary & Wages	General Manager Transition	Full Powers
	Human Resources Manager	Full Powers

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B. Purchase of stationery items	Managing Director General Manager	Full Powers Rs. 1500/- Monthly Each General Manger
	Manager Administration	Rs. 1,500/- Monthly
C. Office repair & maintenance	Managing Director	Full Powers
	Manager Administration	Rs. 2,000/- monthly
D. Electricity, water charges and telephone charges.	Managing Director	Full Powers
	Manager Administration	-do-

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E. Sanction of Telephone connection	Board of management	Full Powers
F. Purchase of postage stamps	Manager Administration	Full Powrs
G. Purchase of daily newspaper and other periodicals required for official use.	Manager Administration	Full Powers
H. Bank charges	Manager Accounts	Full Powers
I. Advertisement Charges	Managing Director	Full Powers
J. Medical Expenses	Managing Director	Within the Budget / allocation

K. Other contingent expenditure not covered by the specific item	Managing Director	Full Powers
	General Manager	Rs. 2,000/- in each case and by each GM
	Manager Administration	Rs. 1,000/- in each case.

SECTION – VIII  
**POWERS FOR CONSULTANT'S SERVICES**

**Note:** All the expenses must be within the budget / allocation made by the Board of Directors

Nature of Powers	Competent Authority	Monetary Limit
A. Administrative Approval for engaging consultant to perform any specialized work essential for the authority to achieve its objective.	Board of Directors	Full Powers

**Note:** No administrative approval will be required where a PC-I has already approved with sufficient details of components of the work included in the project. Where however

sufficient details of components of the work have not been given in the approved PC-I formal approval of the Managing Director shall be obtained.

B. Technical sanction of works, subject to the condition that the excess over the amount for which administrative approval has been obtained is not more than 15 percent and the price per unit has not been changed.	Managing Director	Full Power
	General Manager Finance	Full Power
C. Administrative approval for engaging consultant to perform any specific work related to the Authority's work.	Board of Management	Rs. 50,000/-
D. Technical sanction of the works carried out by the Committee subject to the condition that the amount is within the administrative approval	Managing Director	Full Power
	Concerned General Manager	Full Power

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SECTION – IX

**POWERS FOR VARIOUS MATTERS NOT CONTAINED  
IN THIS FINANCIAL REGULATION AND POWERS  
BUT SPECIFICALLY DELEGATED BY GENERAL OR  
SPECIAL ORDER OF THE AUTHORITY.**

Financial and administrative powers specifically delegated by the Authority to the various staff of SIDA, from time to time, shall continue to be enjoyed by them as heretofore.

18<sup>th</sup> March, 2003

# **SIDA'S Finance Committee:**

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<b>PROPOSAL SIDA'S FINANCE COMMITTEE</b>
MD, SIDA – (Will act as Chairman)
GM, Finance – (Will act as Secretary).
ANY TWO of the other GMs, SIDA
Representative of Secretary, Finance GoS

Quorum – any 3 members and the presence of representative of Secretary Finance, GoS will form the Quorum.

**1. Period of Service**

<b>SIDA’S FINANCE COMMITTEE</b>
All members are ex-officio.

**2. Conduct of meetings**

The details regarding the conduct of meetings set out below are based on those specified in SWMO 9, modified as considered necessary.

**2.1 Frequency of meetings**

FC meetings will be held as frequently as necessary.

**2.2 Notice of meeting**

Notice of the meeting shall reach all the members at least two working days before the meeting. The notice must specify the following details regarding the meeting:

- Time, date and place
- Agenda

**2.3 Minutes of Meetings:**

The Secretary (or, in his absence, a member designated by him) is to write the minutes, and after the approval fo the Chairman, will circulate the minutes immediately.

**2.4 Quorum (see above)**

Minimum 3 members with the presence of representative of Secretary Finance, GoS will form the quorum. If the chairman is unable to attend, he must state this in writing and nominate, in writing a member to act as Chairman for the specific meeting.

## **2.5 Decisions**

Resolution of the meeting are to be passed, on a show of hands, by a simple majority vote of the members present. In the event of a tie in the votes the Chairman has a casting vote.

If a member votes against a resolution, he may have his dissent recorded in the minutes, if he so desires.

## **2.6 Tasks**

The relevant sections of the (draft) Financial Regulations are reproduced as under stating the powers pertaining to the Finance Committee.

<b>Nature of Powers</b>	
1.	Re-allocation of funds within the grant – in – aid
2.	Any other financial matter referred to it by the Board.



