

Delegation of Financial Powers Rules, 1977

GOVERNMENT OF WEST BENGAL
FINANCE DEPARTMENT
Audit

No. 9751-F, 17th November, 1977

NOTIFICATION

In exercise of the power conferred by clause (3) of article 166 of the Constitution of India, the Governor is pleased to make the following rules, namely :

DELEGATION OF FINANCIAL POWERS RULES, 1977
(with Government of West Bengal decisions)

1. Short title and commencement:

- (i) These rules may be called the Delegation of Financial Powers Rules, 1977.
- (ii) They shall come into force at once and supersede all previous orders in delegation.

2. Power to relax:

Notwithstanding anything contained in these rules, the Governor may, by general or special order, relax any provisions of these rules.

3. General limitations on power to sanction expenditure:

No department shall, without the previous consultation with the Finance Department, authorise any order (other than orders pursuant to any general delegation made by the provisions of any law for the time-being in force or with the approval of finance Department) which, either immediately or by their repercussions, will affect the finance of the State or which, in particular, either-

- (i) relate to the number of grading or cadres of post or the emoluments or other conditions of service or posts; or
- (ii) involve any grant of land or assignment of revenue or concession, grant, lease or licence of minerals or forest rights or a right to water power or any easement or privilege in respect of such concession; or
- (iii) in any way involve any relinquishment of revenue; or
- (iv) involve introduction of a new principle or practice likely to lead to increase expenditure in future.

4. General and specific delegation:

In the present context of developing economy the question whether and to what extent general

delegation as well as specific delegation may further be made to the administrative departments and subordinate authorities consistent with the general principles is to be carefully considered. The administrative departments and subordinate authorities shall be competent to sanction expenditure as indicated in these rules. The financial powers competent to sanction as indicated in these rules. The financial powers of Government which have not been delegated to the administrative departments and subordinate authorities shall vest in the Finance Department.

5. Restriction on expenditure:

No expenditure shall be drawn or incurred against a sanction unless funds are made available to meet the expenditure by the Controlling Officers or the administrative departments by valid appropriation or re-appropriation.

6. Normal administrative expenditure:

Subject to budget provision and where the expenditure is made in accordance with the sanctioned norms, staffing pattern etc., any normal administrative expenditure covered by the sanction of Government or statutory rules may be sanctioned by the department concerned without reference to Finance Department except as otherwise provided in these rules.

7. Sanction of new schemes:

(a) All specific schemes or projects whether within the plan or in the non-plan sector shall require the sanction of the Finance Department. Finance Department's sanction should normally be obtained before budget provisions are made. Where such a Scheme or project has not been sanctioned or cleared by the Finance Department before inclusion in the budget, any provision in the budget will not entitle the department to give effect to the scheme and sanction of the Finance Department will be required before the expenditure is incurred. Mere inclusion in the budget will not thus enable the department to incur expenditure.

(b) For the purpose of obtaining concurrence of the Finance Department, full details of the scheme should be provided in the nature of a project report including specifically the following points :

- (i) the financial implication, immediate and in future;
- (ii) the objective and the expected rate of progress indicating the targets; cost benefit ratio where applicable;
- (iii) the manner in which the scheme is integrated with the overall plan;
- (iv) an estimate of capital cost and of other items of expenditure;
- (v) the establishment cost indicating the requirement of the staff, norms proposed to be enforced and justification of staff according to the accepted norms or norms proposed.
- (vi) technical report and/or technical vetting by appropriate experts;
- (vii) in case of commercial schemes in estimate of investment and expected return;
- (viii) other matters as may be relevant to that particular scheme.

8. Plan scheme:

(i) The following procedure is laid down for obtaining administrative and financial approval of plan schemes costing Rs. 25 lakhs or above.

The proposal should be accompanied by a project report briefly indicating inter alia the following :

- (a) objectives and targets;
- (b) location with reasons therefore;
- (c) physical aspects including broad engineering details;
- (d) purchase of materials and equipments;
- (e) organisational aspects including norms for staff costs;
- (f) infrastructure and co-ordination with other departments;
- (g) financing (including any special features of sources of financing such as internal resources, earmarked assistance etc. revenue and capital expenditure internal resources, earmarked assistance etc. revenue and capital expenditure break up; time scheduling of investments and cash flow projections;
- (h) a careful evaluation of benefits and costs including direct as well as secondary benefits and estimate of benefit cost ratio;

(1) (a) in the case of all projects costing Rs. 25 lakhs or above, a bar chart showing time scheduled physical and financial performance for the duration of the project according to work break down structure, emphasizing critical points;

(b) in the case of all projects costing Rs. 50 lakhs or above, the departments are advised to submit a PERT network.

(2) It is likely that there will be a number of plan projects the individual cost of which is less than Rs. 25 lakhs but which form part of a total programme the cost of which is more than Rs. 25 lakhs (e.g. strengthening of road sections, small drainage or flood protection works, crop-husbandry extension programme etc.). In such cases, the departments are advised to submit a programme analysis showing the objectives and targets of the programme; relationship of the individual project to the programme and a broad evaluation of cost and benefits of the programme and the project in question in as quantitative a manner as possible.

9. Continuing schemes:

(i) Subject to the budget provision the departments concerned may incur expenditure in the same scale as in the previous years without a reference to the Finance Department on all continuing schemes whether in the plan or in the non-plan sector provided there is no deviation from the programme and the norms already approved in regard to the details of scheme including staffing pattern.

Government of West Bengal decision :

(i) During successive plans a large number of schemes were executed and for each of those schemes staff was sanctioned by Government. Many of those schemes have been completed and for maintenance purposes requirement of staff is likely to be less than what was originally sanctioned for those schemes. In some cases there may not be any necessity of staff also. Some of those schemes may have outlived their utility. While retaining staff for those schemes the Departmental Secretaries should make a review of the position and surplus staff, if any, may be reported to the finance Department or proposal for their absorption in any particular new scheme may be considered.

(ii) It has been brought to the notice of the government that some of the departments are according sanction to the grants-in-aid etc., without the concurrence of Finance Department on the basis of assumption that grants-in-aid in question are sanctioned in favour of a continuing scheme. The administrative departments have not been authorised to sanction grants-in-aid, loans etc. without concurrence of Finance Department by this provision. It has been clarified that while it is the intention of the Government to authorise all administrative departments to incur expenditure in respect of a particular continuing schemes in terms of the conditions laid down in above provision, the grants-in-aid, loans etc, whether in respect of a continuing scheme or not and whether in the plan or non-plan sector, should not be sanctioned by the administrative departments without prior concurrence of the Finance Department unless power to sanction such grants-in-aid, loans etc., have been delegated specifically to any authority.

(2) In the case of Continuing project whose total cost is Rs. 25 lakhs or above within the first quarter of every year (within 31st July, 1977 for 1977-78 financial year) a report should be submitted to Development and planning Department with a copy to Finance Department showing the financial and physical performance upto 31st March of the preceding year and the completion schedule of the project yearwise. In case of cost escalation of the project over the original estimate, a detailed note justifying the escalation and scope for economy if any also be submitted.

10. Variation in schemes requiring concurrence of the Finance Department:

Whenever in any sanctioned scheid either in the plan or in the non-plan sector any variation is needed or intended in regard to the sanctioned scale of expenditure, norms relating to details of the scheme or the staffing pattern, it will be necessary for the department concerned to obtain the concurrence of the Finance Department before making any departure from the schemes as already sanctioned.

11. Variation in schemes in which concurrence of the Finance Department may not be necessary:

Whenever in relation to any sanctioned scheme either in the plan or in the non-plan sector any modification is found necessary within the sanctioned and budgeted amount without altering the approved norms and pattern of the scheme, for the purpose of better utilisation of funds,, the Secretary of the Department concerned may make the necessary modification to the schemes without a reference to the Finance Department or to any other authority unless there is a pre-existing stipulation that no variation should be made except with the approval of the Finance Department or any other specified authority. In each such case a copy of the order modifying the scheme should be endorsed to the Finance Department and in respect of the planned schemes also to the Development and planning Department for information and record.

12. Creation and retention of posts:

Where posts have been created or the staff pattern and norms have been approved by the Finance Department either at the time of sanctioning a particular scheme or otherwise no reference will be necessary for approval to the retention of the posts year to year provided the scheme is a continuing one and the necessary budget provisions have been made. The position stated at decision No. (i) below sub-rule (1) of rule 9 is to be satisfied before issue of order retaining posts.

In all cases a reference to the Finance Department will be necessary for creation of posts whether permanent or temporary except where there are specified delegations to authorities for creation of posts, provided, however, that retention of such posts beyond a period of six months will require the prior approval of the Finance Department.

Government of West Bengal decision :

For retention of posts, sanctioned for normal maintenance work, a reference to Finance Department is necessary.

13. Matters relating to conditions of service:

All matters relating to scales of pay, fixation of pay, special pay, fixation of initial pay higher than the minimum, rules relating to recruitment and promotion and service cards etc., should be referred to the Finance Department unless expressly provided by other rules, orders or notifications for waiving reference to the Finance Department.

Government of West Bengal decision :

(i) Recruitment qualifications and other terms and conditions of recruitment rules, excepting terms and conditions relating to emoluments, may be settled by the administrative departments, without reference to Finance Department, provided the Public Service Commission, West Bengal and the department concerned are in full agreement. The approval of the Cabinet where necessary as per existing rules will, however, have to be obtained. The consultation with Finance Department will be necessary in cases where there will be disagreement between the Public Service Commission, West Bengal and the Administrative Department or where consultation with the Public Service Commission, West Bengal is not required according to existing provision.

(ii) In terms of sub-rule (2) of rule 46 of the West Bengal Service Rules, part-1, read with Note-I there to crossing of efficiency bar by a Government servant employed in a temporary capacity or on probation except officers holding temporary non-gazetted posts, requires the sanction of the Government, i.e. concurrence of the Finance Department. The appointing authority may henceforth, on the ground of hardship, sanction the crossing of efficiency bar by Government servant, gazetted or non-gazetted, employed in temporary capacity or on probation subject to the conditions mentioned in sub-rule (1) of rule 46 of the West Bengal Service Rules, Part-I and also taking into consideration the merit and conduct of the Government servant concerned. The concurrence of Finance Department will not be necessary.

(iii) The certificate prescribed in Note-I below rule 48(bb) and (bbb) of the West Bengal Rules, Part-I, for counting of leave towards increment is required to be principle at present requires concurrence of the Finance Department. The principle prescribed in Note-I below rule 48(bb) and (bbb), *ibid*, may now be relaxed in fit cases by the Heads of Departments. If the Head of the Department be subordinate to the appointing authority then this power shall be exercised by the appointing authority itself. In these cases concurrence of the Finance Department will not be required.

(iv) The Commissioner/Secretaries of the administrative departments may sanction air-journey to be performed by officers under their control provided.

(a) they are satisfied that such air-journey is necessary in the interest of public service;

- (b) the officer for whom the air-journey is to be sanctioned is not below the rank of Deputy Secretary of a department; and
- (c) the expenditure can be met out of relevant budget provision and allotment of fund.

14. Audit of financial evaluation:

Finance Department may undertake at any time, in consultation with department concerned an audit on or a financial evaluation of the utilisation of funds in normal expenditure, in schemes within the plan or in the non-plan sector, on staff and enforcement of norms and may prescribe norms in regard to staff output and pattern where such norms do not already exist or need modification. Further action on the findings of such audit will be taken by the department concerned in consultation with the Finance Department.

15. Redelegation of power:

(1) (i) Administrative Secretaries are hereby authorised to delegate by orders in writing such administrative and financial powers as are vested in them to their subordinates within the Secretariat Department as may be necessary in the interest of efficient administration of their departments. This will be, however, subject to statutory requirements, Rules of Business, Standing Orders of the Minister-in-charge of the department and restrictions imposed in specific cases.

(ii) The administrative departments may delegate by orders in writing such administrative and financial powers as are vested in them to the Heads of the headquarters as may be considered necessary in the interest of expeditious disposal of work. The Head of the directorate, however, cannot further delegate these powers to anybody.

(iii) A Head of the directorate may by an order in writing delegate administrative and financial powers, as are vested in him to any of his subordinates at the headquarters as may be considered necessary in the interest of expeditious disposal of his work, with the approval of the Secretary of the administrative department concerned, subject to restrictions, if any, imposed in specific cases.

(iv) A Head of the directorate may by an order in writing delegate any of his administrative or financial powers to the Head of office at the regional or district level as may be considered necessary in the interest of efficiency, with the approval of the Secretary of the department.

(2) The delegation of powers indicated above will be subject to the requirements of any law or order under which the power has been conferred, by office or by person, on any Government officer. Such powers conferred under any law or order shall not be delegated unless such delegation is expressly provided for in the law or order.

(3) The administrative department and the Head of the directorate will ensure that the officer to whom powers have been delegated is sufficiently senior and competent to exercise such powers in the interest of public service. Delegation of such powers does in no way reduce the responsibility of the delegating officer who would be expected to exercise sufficient supervision over the exercise of such delegated powers.

(4) A copy of the order passed by departments in this connection should be conveyed to the Accountant-General of West Bengal and also endorsed to the Finance Department and the Home (Personnel and Administrative Reforms) Department for information. All necessary steps should,

however, be taken to delegate maximum possible authority to the lowest possible levels commensurate with the need to exercise such powers in the public interest and that the matter should be reviewed from time to time to achieve the purpose of such delegation of powers.

Government of West Bengal decision :

In order to empower an officer to draw funds even as a stop-gap arrangement, prior concurrence of the Finance Department is, at present, necessary except in cases covered by S.R.-96 of Treasury Rules, West Bengal, Volume-I. A Head of the department may henceforth empower a gazetted officer under him to draw funds as a stop-gap arrangement when a regular Drawing and Disbursing Officer goes on leave or is transferred and his substitute has not joined or if the post is lying vacant and provisions of S.R.-96 of the Treasury Rules, West Bengal, Volume-I, cannot be observed. In such cases Finance Department's concurrence will not be necessary. Copies of order, however, should be sent to the Finance Department, Accountant-General, West Bengal and concerned Treasury/Sub-Treasury Officer and the Bank.

16. Reappropriation:

The departments may sanction without previous reference to the Finance Department any reappropriation within a grant at their disposal subject to the following conditions :

- (i) that the grant as a whole is not likely to be exceeded;
- (ii) that a reappropriation from a "charged" to a "voted" head or vice versa is not involved;
- (iii) that the expenditure which will be met by the reappropriation does not involve the undertaking of a new unapproved recurring liability;
- (iv) that the savings are known in sufficient time to permit of their being spent to good purpose and that the expenditure is not incurred merely to prevent savings lapsing;
- (v) that a reappropriation sanctioning the undertaking of a "new service" is not involved;
- (vi) that a reappropriation from a "Deduct" head is not involved.

A copy of an order issued in this respect by a department to Accountant-General, West Bengal, should be endorsed simultaneously to the Finance Department for information.

Provided, however, there should be no reappropriation between the heads indicated below except with the prior reference to the Finance Department.

- (i) Transfer of funds from one major head to another major head within a grant, e.g., funds from Revenue head should not be transferred to Capital head or from one Capital head to Loan head and vice versa.
- (ii) Provisions for Planned Schemes and Centrally-sponsored schemes should not be diverted to non-plan schemes and vice versa.
- (iii) Provisions for contingency should not be increased by reappropriations.

17. Communication of financial sanction:

Orders on financial sanctions which require the prior approval of the Finance Department may be issued by the department concerned direct to the Accountant-General, West Bengal. The draft sanction order should be shown to the Finance Department before issue as may be considered necessary by the department concerned. A sentence to the following effect should be included in

such orders :

“This order/memo/letter issues with the concurrence of the Finance Department/ Financial Adviser, vide un-official No.....Dated.....”

A copy of each such order of financial sanction issued to the Accountant-General, West Bengal, should be endorsed to the Finance (Budget) Department and also to the Financial Adviser where concerned. Apart from the usual issue number of the department every such order issued by the same department should bear a running serial number for the purpose of budget control.

18. Power to incur expenditure:

Power of Secretary/Commissioner of a department and various authorities to incur expenditure out of the unit of appropriation ‘Office expenses, other charges etc.’ are shown in Schedule-A and Schedule-B annexed to these rules. These powers are subject to budget provision as may be, made from time to time. The controlling officers should take appropriate steps to allot funds from their respective budgets to officers specified in Schedule-A and Schedule-B.

Government of West Bengal decision :

(i) The Drawing Officers were asked from time to time not to draw money in excess of the allotment of fund made by the Controlling Officers. It has come to the notice of the Department that several Drawing Officers specially in the districts are drawing money from the Treasury even after exhausting their allotments without sanction or waiting for fresh allotment.

In consideration of the failure of Drawing Officers as mentioned above, it has been decided in partial modification of S. R.-92(vii) of the Treasury Rules, West Bengal, Volume-I, that unless there is allotment of fund, no bill should be passed for payment by the Treasury Officers and Sub-Treasury Officers including Accountant General, West Bengal, who performs the treasury functions in Calcutta, except in respect of (i) Charged expenditure, (ii) Salaries of officers and staff, (iii) Expenditure which are required to be paid immediately in pursuance of order of a court, (iv) T.R.-27 by the Collector of the district, (v) Expenditure on witness attending court, (vi) Diet bills of the hospitals and jails, (vii) Expenditure for flood and (viii) Expenditure on relief.

(ii) The Drawing Officers should not present bill to the Treasury/Sub-Treasury including the Accountant-General, West Bengal, who performs the treasury function in Calcutta, unless such bills are covered by allotment of fund by the Controlling Officer. It has been desired in consonance with the provisions of rule 44 of the West Bengal Financial Rules, Volume-I, that charges not covered by allotment of fund should neither be preferred nor such charges shall be paid by the Treasury/Sub-Treasury Officer. The Head of the department is responsible for enforcing financial order in respect of his own office and officers subordinate to him. The Controlling Officers must see in consonance with rule 37 of the West Bengal Financial Rules, Volume-I, that the total expenditure is kept within the limits of the authorised appropriation and also that the funds allotted to spending units are expended in the public interest for the purpose for which the money was provided. The allotment of fund made at the last moment will create trouble and so allotment where necessary should be made immediately. The Controlling Officers are also to see that the Drawing Officers do not cause any trouble for delay in allotting fund for the purpose for which expenditure is absolutely necessary for running a scheme or an office.

Towards the end of financial year orders are issued by the Government, where there is no budget provision or where expenditure exceeds the original grant as well as supplementary grant, stating that provision of fund will be made to cover the expenditure by reappropriation of otherwise. On the basis of those Government orders the Controlling Officer may authorise his subordinate officers to incur expenditure upto the amount as authorised in the order. The Treasury and Sub-Treasury Officer including the Accountant-General, West Bengal, may pass the bills therefore on the basis of such Government order and orders of Controlling Officer.

Each Drawing Officer, as explained above, should approach his Controlling Officer for allotment of fund, where necessary. In order to meet the situation the Drawing Officers should not approach the District Magistrate or Deputy Commissioner to exercise the power under T. R.-27. of the treasury Rules, West Bengal, Volume-I, which can be exercised only in cases of urgent necessity as defined in paragraph 8 of Appendix 3 of the Treasury Rules, West Bengal, Volume-II, for drawing fund not exceeding Rs. 2 lakhs in any month.

(iii) The Drawing Officers will be competent to exercise the financial powers specially delegated to them by order codified in Financial Rules.

(iv) The Member, Board of Revenue, may exercise financial powers of Secretary/Commissioners as prescribed under these rules.

19. Exercise of financial powers in certain circumstances:

Unless otherwise provided by any general or special rule or order, it shall be within the competence of an authority to exercise the financial powers delegated to another authority subordinate to it when the subordinate authority is incapacitated to function or is on leave.

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