

DELEGATION OF FINANCIAL POWERS

17.1 Delegation of Financial Powers Rules, 1978 are applicable in the Central Government. These rules are statutory in nature and they came into force with effect from 01.08.1978. Under these rules powers have been delegated to the following subordinate authorities :

- (i) Departments of the Central Government
- (ii) Administrators of Union Territories
- (iii) Heads of Departments
- (iv) Heads of Offices

17.2 **Residuary Financial Powers** : All financial powers, not specifically delegated to any authority, vest in the Finance Ministry.

17.3 **Heads of Departments**

17.3.1 Schedule I to these rules indicates a list of Heads of Departments under various Ministries/ Departments. Director, CBI has been specified as Head of Department in this Schedule.

17.3.2 According to the provisions of Rule 13, reproduced hereunder, the powers are delegated to subordinate authorities :

- (1) Subject to the provisions of these rules, the Departments of the Central Government, Administrators and Heads of Departments shall, in relation to creation of permanent posts, creation of temporary posts, Appropriation and Re-appropriation, incurring of contingent expenditure, incurring of miscellaneous expenditure, and write-off of losses, have the powers respectively specified in Schedules II, III, IV, V, VI and VII.
- (2) A Department of Central Government may, by general or special order, confer powers, not exceeding those vested in that Department, upon an Administrator or Head of Department or any other subordinate authority in respect of any matter covered by these rules :

Provided that no power under this sub-rule shall be re-delegated in respect of :

- (a) creation of posts
- (b) write-off of losses and

- (c) re-appropriation of funds exceeding 10 per cent of the original budget provision for either of the primary units of appropriation or sub-head i.e. the primary unit or sub-head from which the funds are being re-appropriated or the primary unit or sub-head to which the funds are to be re-appropriated, whichever is less.
- (3) The Administrator or Head of a Department referred to in sub-rule (2) may, by an order in writing, authorize a gazetted officer serving under him to exercise to such extent, as may be specified in that order, all or any of the powers conferred on such Administrator or Head of Department under sub-rule (1) or sub-rule (2). The Administrator or Head of a Department shall, however, continue to be responsible for the correctness, regularity and propriety of the decisions taken by the gazetted officer so authorized.
- (4) An authority empowered by or under these rules to incur contingent expenditure or miscellaneous expenditure shall exercise such powers subject to the following conditions :
- (a) In regard to the supply of articles required for the public service and for regulating the purchase of stationery stores for the public service, the provisions contained in Appendix-8 and Appendix-9 respectively to the General Financial Rules, 1963, and subsidiary instructions and orders on the subject shall be followed;
- (b) In regard to contingent expenditure on each item specified in Column 2 of the Annexure to Schedule V of the rules, orders, restrictions or scales specified in Column 4 of that Annexure against that item shall be observed;
- (c) In regard to miscellaneous expenditure any rules, orders, restrictions or scales as may be made, imposed or prescribed by the President shall be observed.
- (5) 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 an authority subordinate to it.
- (6) The power delegated under these rules can also be exercised for a validation of an action already taken or expenditure or liability already incurred even when the authority validating the action or expenditure or liability, as the case may be, had no competence to do so at the time the action was taken or expenditure or liability was incurred.

17.3.3 Director CBI as Head of Department has been authorised to exercise financial as well as administrative powers as laid down in these rules. The Director, CBI, under Rule 13(3) by orders in writing, has authorised different officers serving under him and having gazetted status to exercise to such an extent, as specified in these orders, certain powers.

17.3.4 Similarly, Rule 14 provides for declaration of any Gazetted Officer as Head of Office by the Head of the Department. By virtue of this rule, Director, CBI has declared branch SsP as the Head of the Office. Further, by virtue of Rule 16 (Subject to the provisions of Rule 142 of Treasury Rules), Head of Office has the power to authorize a gazetted officer serving under him to incur contingent & miscellaneous expenditure on his behalf subject to such restrictions & limitations as may be laid down by him. The Head of Office shall, however, continue to be responsible for the correctness, regularity and propriety of the expenditure incurred by the gazetted officer so authorized. Under these Rules, powers cannot be delegated to a non-gazetted officer. The provisions of delegation of powers are contained in [Annexure X\(A\) to X\(C\)](#).

17.3.5 Officer performing current duties of a post in addition to his own can exercise administrative or financial powers vested in the full fledged incumbent of the post but he cannot exercise statutory powers, whether these powers are derived directly from an Act of Parliament or Rules, Regulations and Bye-laws made under various articles of the Constitution (e.g. Fundamental Rules, CCS(CCA) Rules, Civil Service Regulations, Delegation of Financial Powers Rules etc).

17.4 **Insurance of Government Property**

17.4.1 Under these rules, Government property, both movable or immovable shall not be insured and no subordinate authority shall undertake any liability or incur any expenditure in connection with the insurance of such property without previous consent of the Finance Ministry.

17.4.2 Motor vehicles owned by the Central Government which are used for the purposes not connected with any commercial enterprise are exempt from compulsory insurance against third party risk. Such vehicles should not, therefore, be insured.