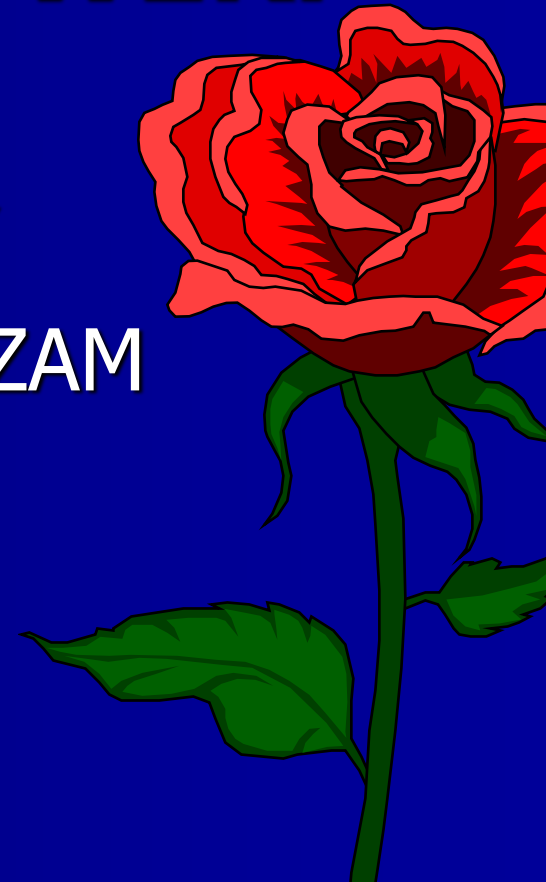


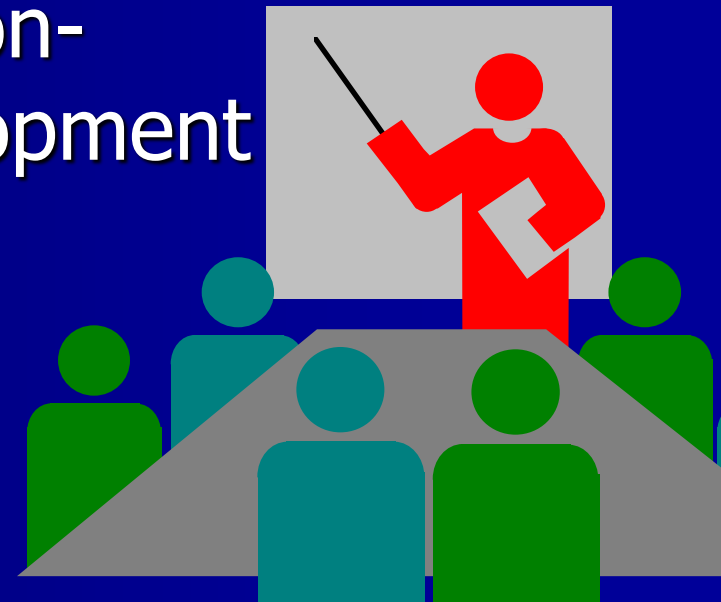
WELCOME TO MY SESSION ON DELEGATION OF FINANCIAL POWER.

**PRESENTED BY
KAZI SHOFIQUL AZAM
SECRETARY**



DELEGATION OF FINANCIAL POWER- CONTENTS:

- Authority;
- Purposes;
- Delegation: Types: Non-Development & Development
- Sub delegation;
- Special Power;



Contents:

- Delegation: Development Projects;
- List of items referred to FD;
- General Conditions;
- Delegation to Corporation;
- Model Sub delegation;
- Purchase through Quotation and without tender.

AUTHORITY

- GFR 40 to 44 deals with Delegation,
- Delegation & Sub delegation issued by FD,
- Financial operation rest on President,
- Power have been delegated,



Types of Delegation

- Two types of delegation,
- For non development budget,
- For development budget.

Definition- Importance.

- The delegation of financial power is to determine the **level of authority for giving sanction** of expenditure against budget provision.
- For efficient & quick implementation of Govt. policies as well as to bestow power to the subordinate offices for shouldering responsibilities, delegation of financial power has become indispensable for discharging public duties.

Purpose:

- Encourage decentralized administration,
- Discharge responsibility with minimum reference to FD,
- For smooth and timely implementation,
- Perform duties more independently,

Financial Authority

- Cabinet Committee on Government purchase:CCGP;
- Ministry of Finance;
- Administrative Ministry;
- Head of the Department/Board of Directors/Chief Executive;
- Head of the Offices,3 categories/Project Directors,3 categories/Implementing Officers;

Delegation- Non development.

- For the dynamic, development oriented decentralized administration, Govt. has Delegated financial power vide FM memo no. 07.00.0000.151.22.003.15-351(1) dated 16.08.2015.
- All financial matter be disposed of by Administrative Ministry **except 28 items**,
- Subject to follow rules, instructions, orders from time to time.

Examples, items to be referred to Finance Division:

- Financial commitment beyond the particular FY,
- Proposal for expenditure beyond budget provision,
- Creation of new post/ change of pay scale/ status & designation any post,
- Pre liberation claims,
- Change of service conditions regarding pay,
- Write off loan and advance to Government servant,
- Purchase of Vehicle or replasement ,

Examples

- Payment of Grants in aid beyond sanctioned budget provision,
- Reappropriation from pay & allowance to other items,
- Reappropriation from capital expenditure to revenue expenditure,
- Retention of post,
- Fixation/revision of allowances of officials posted abroad,
- Interpretation of financial rules, regulations.
- Honorarium exceeding tk10000 or more than one in a year,
- Entertainment beyond tk40 per person or total more than tk 2000 in one occasion.

Examples

- Proposal on levy of taxes, duties, cases or fees,
- Sanction of advance increment of pay,
- Payment of grant in aid beyond budget,
- withdrawal of advance exceeding taka 700000 other than Imprest or permanent advance,
- Local purchase of stationery beyond 300000,
- Break up of lump provisions etc,
- Matters relating to floating of loan,
- Write off beyond tk 5 lac.

Rules of Business, 1996

Rule 13 stipulates the subjects that require previous consultation with Finance Division.

Schedule I (i.e. the Allocation of Business) illustrates the charter of duty of the Finance Division.

Matters to be consulted with FD

- Relinquishment/remission/assignment of revenue, actual or potential, or grant of guarantee against it,
- Expenditure having no provision in budget,
- Levy of taxes, duties, cesses or fees,
- Floatation of loan,
- Re-appropriation between major heads,
- Alteration in the method of compilation of accounts/budget estimates,
- Receipt or expenditure of foreign exchange,

Matters to be consulted with FD

- Change in the TOR of service of Gov. servants & employees of public corporation having financial implications,
- Interpretation of rules made by FD,
- Case where previous concurrence of FD is required and same is refused, the proposal shall not be proceeded with. However, if a Ministry desires to press the proposal, it may submit the case to the PM along with the views of FD for decision.
- Sanction orders by administrative ministries (not authorized in the budget) to be enforced in audit shall be communicated to the audit authorities through FD,
- All economic and financial questions arising out of any case, In particular: preparation of export programme & import policy/negotiation of trade and barter agreement/tariff policy/ investment policy/ labour policy.

Sub Delegation- Non Dev.

- Govt. prescribe model sub delegation to their Departments / Subordinate offices to ensure uniformity, Vide FD memo no. 13 dated 3.2.05,
- Definite Financial power delegated on 48 items,
- The Administrative Ministry are responsible for issuing necessary orders on sub- delegation based on this model,
- Head of Subordinate office divided into 3 category.

Sub Delegation- Non Dev Cont.

- ❖ Category 1: Divisional and Regional offices
- ❖ Category 2: District offices
- ❖ Category 3: Upazila offices.
- These categories made only for exercising financial powers, it has No relation with the status of the officials.

Revised Financial Power:

- **For civil works / purchase agreement**--upto 100 crore to the Administrative Ministry.
- More than 100 crore- Cabinet committee on Govt. purchase.
- **For Consultancy service**- upto 30 crore to the Administrative Ministry.
- More than 30 crore-- Cabinet committee on Govt. purchase.

Delegation of Financial Power

All Tenders for Goods and Works in Excess of 100.00 Crore and all Proposals for Consultancy over Tk. 30.00 Crore to be approved by CCGP.

Cabinet Committee on Govt. purchase

- Concession contract--
BOO,BOT,BOOT—
- Lease, Suppliers credit, Buyers credit—
- Whatever the value of agreement---
the approval of Cabinet Committee is
must.

Special power

- Special financial power given will continue.
- If Power given in this model is more than special power -
then power delegated in this model be applicable.

Drawing of Funds: Conditions to be observed

Budget allocation,
Fund Release-/ Authorization,
**Sanction order of appropriate
authority** as per delegation of financial
power,
Compliance of rules / regulations and
compliance of Donor conditionality.

General Conditions:

- Fund spent for the purpose for which they are allocated;
- Existing rules, regulation are followed;
- Expenditure is not more than actual need;
- No expenditure in anticipation of budget grant;

General conditions-Cont..

- All payments/Receipts are correctly classified;
- Accounts must be reconciled;
- Audit objections promptly settled;
- Report,return furnished correctly and in time.

Delegation- Dev. Projects.

- Separate delegation to Ministry, Head of the Department, Project Director of 3 categories,
- Vide FD memo no. 07.111.031.01.00.013.2010-574 dated 16.08.2015. and 06.12.2016
- Financial power in respect of 36 items have been delegated except 12 items,
- This delegated power may be sub

List of items referred to FD in respect of Development projects.

- Vide FD memo no. 07.111.031.01.00.013.2010-574 dated 16.08.2015;
- 12 specific items require concurrence of Finance Division;
Such as -
- Sanction of honorarium,
- Fixation of new rate or change of approved rate of fees, allowances,
- Purchase of Vehicle,
- Change of manpower,
- Change of designation, status & pay of any post,
- Proposal for creation of post for unapproved projects.

List of items referred to FD in respect of Development projects :

- Sanction of expenditure in excess of ADP allocation;
- Proposal for change of debt equity structure, financing plan, conversion of loan into grant/ equity etc,
- Proposal for modification of deduction/deposit of DSL, counterpart fund,
- Draft contract for appointment on contractual basis &
- Sanction of advance increment of pay.

Delegation of Financial Power

DOFP for Ministry/Division/Dept.
(Development)
Values Crore

Procurement	Minister	Home	Project Director		
			a	b	c
Goods	100	20	10	5	3
Works	100	30	20	15	10
Services	30	7	5	3	1

Purchase through Quotation

- PPR2008- Provision 69
- For Goods --- Upto taka 3 Lakh for Revenue budget maximum 15 lakh in a year & 5 lakh for Dev, budget maximum 30 lakh in a year,
- Similar delegation power application for A, B & C category project's director.
- For Works & Physical services—up to 6 lakh for Revenue budget maximum 25 lakh in a year & 10 lakh for Dev, budget maximum 60 lakh in a year,

Direct Cash purchase.

- PPR-2008 proviso 81.
- For Goods/Services--Taka 25000 in each case subject to maximum taka 10 lakh in a year. (Low value goods and urgent and essential services)

General Conditions:

- Existing rules be followed;
- Budget provision should be there;
- Article/ items must be included in PP/DPP;
- 2nd advance after adjustment of 85% of 1st advance;
- Advance adjusted within 2 month or 30th June.

General conditions-cont..

- All accounts be completed;
- No split up to avoid sanction of higher authority;
- Instructions of PP be followed;
- DOSA,CONTASA, SAFE, Imprest system to be followed.

Delegation of Financial Power to Corporation.

- PPR 2003 section 57(2)(3)-- Provision for revision and updating Financial power;
- Govt.. delegate Financial power in this respect---
- For civil works, Procurement of Goods, Equipment, Consultants services,
- Vide FD memo no. 07.111.031.01.00.013.2010-576 dated 16.09.2015 to 16.12.2016

For Civil works/Purchase of Goods/Article/Equipment's.

- Board of Directors Corporation:--up to 30 crore for dev.& non dev.
- Administrative Ministry(Minister level) -
-up to 100 crore for dev.& non dev.
- Cabinet Committee on purchase:--
More than 100 crore for dev.& non dev.

Selection of Consultancy Service

- Board of Directors of Corporation:-up to 8 crore for dev. & upto 8 crore for non dev.
- Administrative Ministry:-up to 30 crore for dev.& non dev.
- Cabinet Committee: More than 30 crore.

Model Sub delegation for Corporation.

- For both Development & non development;
- Sub delegation to Executive Head and his subordinate,
- Sub delegation may be to other officers;
- Sub delegation in respect of ---
- Civil works,
- Procurement of Goods and
- Selection of Consultancy Services.

Model Sub Delegation- Dev.

- **Incase of civil works:** Executive head--Up to 25 crore,
- PD/IO/PM of C 1-- Up to 20 crore,
- PD/IO/PM of C2-- Up to 15 crore,
- PD/IO/PM of C3 --Up to 10 crore.

In case of Procurement of Goods/Article/Equipment's

- Executive head-----Up to 20 crore,
- PD/IO/PM of c1---Up to 10 crore,
- PD/IO/PM of c2-- Up to 5 crore,
- PD/IO/PM of c3--Up to 3 crore.

In case of Selection of Consultancy.

- Executive head-----Up to 7 crore,
- PD/IO/PM of c1-----Up to 5 lac.
- PD/IO/PM of c2-----Up to 3 lac.,
- PD/IO/PM of c3-----Up to 1 lac..

Exercise power -subject to conditions:

- Spent in accordance with rules and regulations;
- Exercise same vigilance like person of ordinary prudence;
- All estimates be sanctioned before the start of work.

Questions or Comment?

This is the end of the session

**THANK YOU
VERY MUCH.
See you again.**

