Office of the Comptroller & Auditor General of India,
9-DDU Marg, New Delhi – 110 124

(For exclusive use in IA&AD)
Circular No.31/2023

No.350-FMD/DFPR/01-2018
Dated: 16th October 2023

To

1. All the Heads of Department in IA&AD
2. Director General (Hqrs),

Subject: - Delegation of Financial and Administrative powers in IA&AD.

Sir/Madam,

The Comptroller & Auditor General of India has approved the following revised delegation of financial and administrative cum expenditure sanction powers and revised procedure for procurement in IA&AD, in supercession of all previous extant orders and MSO provisions.

1. Acceptance of Necessity

All proposals with financial implication greater than Rs. 5 crore shall be examined by the Acceptance of Necessity (AoN) Committee, before obtaining *in principle* approval of the C&AG. The format for statement of case for Acceptance of Necessity, to be submitted by the functional wing, is at Appendix A. The AoN Committee has been constituted as under:

(a) Non-IT projects

DAI (HR), DAI (GA) and DAI/ADAI of concerned functional wing with DG/PD (Staff) as a Member (Secretary). DAI (HR) and DAI (GA) will be standing members. However, if DAI (HR) or DAI (GA) is submitting a proposal as functional wing, then next senior most DAI will be a member.

(b) IT projects

DAI (HR) and DAI (GA) will be standing members. In addition, CTO and next senior most DAI will also be member. DG/PD (Staff) will be Member (Secretary).

This will ensure a three member committee for all non-IT proposals, and a four member committee for all IT related projects.

In the event of any member other than the proposer (DAI of functional wing) having held the same functional charge to which the proposal relates in the preceding six months and thus having been associated with the proposal, the said member may be recused from the proceedings. In such cases, the next senior most DAI will be a member.

The possibility of facilitating the AoN Committee with the benefit of technical opinion, in case so desired may also be considered.

An essential part of establishing necessity is assessing the financial implications, the opportunity cost and prioritisation for the department. Hence, it is important that as part of the proposal, the financial requirements are projected year-wise. These should be presented to the AoN Committee along with a statement from the FMD regarding the operative budget, as well as other budgetary commitments of the Department across various heads of account for the time-period of the project under consideration. This would help determine whether the Department budget/IA&AD grant will be able to obtain the required funding and absorb the projected expenditures.

2. Administrative Approval – cum – expenditure sanction (Voted Portion)

a) ***Administrative approval cum expenditure sanction for Projects/Schemes***

The authorities to exercise the power for giving administrative approval cum expenditure sanction for projects/schemes in IA&AD are as under:

Financial limits	**Appraisal Forum**	**Competent authority to approve the Scheme/project**
(a) upto Rs. 10 crore (non-IT projects)	DAI/ADAI of Functional Wing with concurrence of IFA	DAI (HR)
(b) upto Rs. 10 crore (IT projects)	DAI/ADAI of Functional Wing and CTO with concurrence of IFA	DAI (HR)
(b) Beyond Rs. 10 crore but less than Rs. 1000 crore	Expenditure Finance Committee (EFC) of three DAIs. ***(a) Non-IT projects*** DAI (HR), DAI (GA) and DAI/ADAI of concerned functional wing with IFA as a Member (Secretary). DAI (HR) and DAI (GA) will be standing members. However, if DAI (HR) or DAI (GA) is submitting a proposal as functional wing, then next senior most DAI will be a member. ***(b) IT projects*** DAI (HR) and DAI (GA) will be standing members. In addition, CTO and next senior most DAI will also be member. IFA will be Member (Secretary) *This will ensure a three member committee for all non-IT proposals, and a four member committee for all IT related projects.* In the event of any member other than the proposer (DAI of functional wing) having held the same functional charge to which the proposal relates in the preceding six months and thus having been associated with the proposal, the said member may be recused from the proceedings. In such cases, the next senior most DAI will be a member	Comptroller & Auditor General of India
(c) Rs. 1000 crore and above	EFC	Cabinet/Cabinet Committee on Economic Affairs (CCEA)

b) Administrative approval cum expenditure sanction (Indents, Contracts and purchases)

As per GFR provisions, procurement of goods and services by Ministries or Departments is mandatory for goods or services available on GeM. For purchases, if any, outside GeM, relevant GFR Rules shall apply. Therefore, following delegated powers are applicable for procurements through GeM and outside GeM.

Item	Power to C&AG of India	Power to Empowered Committee* of DAIs	Power to DAI (HR)	Power to HoDs (field offices)
For open or limited tender contracts	Full powers	> Rs. 10 crore to Rs. 20 crore	> Rs. 1 crore to Rs. 10 crore	Upto Rs. 1 crore
For negotiated or single tender including resultant single offer or proprietary contracts		> Rs. 2 crore to Rs. 5 crore	> Rs. 1 crore to Rs. 2 crore	
For agreements or contracts for technical collaboration and consultancy services (hiring of experts)		> Rs. 1 crore to Rs. 2 crore	> Rs. 50 lakh to Rs. 1 crore	Upto Rs. 50 lakh

** Empowered Committee has been constituted **(a) Non-IT proposals** - DAI (HR), DAI (GA) and DAI/ADAI of concerned functional wing with IFA as a Member (Secretary). DAI (HR) and DAI (GA) will be standing members. However, if DAI (HR) or DAI (GA) is submitting a proposal as functional wing, then next senior most DAI will be a member. **(b) IT proposals** - DAI (HR) and DAI (GA) will be standing members. In addition, CTO and next senior most DAI will also be member. IFA will be Member (Secretary). This will ensure a three-member committee for all non-IT proposals, and a four-member committee for all IT related projects.*

The delegation of power as mentioned in table (a) & (b) above, will be implemented through the following procedures:

i. Concurrence for expenditure of IFA for all proposals more than Rs. 20 lakh shall be required as per delegated powers. However, concurrence of IFA shall be obtained before placement of work orders.

ii. After appraisal of projects/schemes {table 2(a)}, functional wing (other than wings at Headquarters under DAI (HR) as mentioned in Para 4 of DFP) shall submit the proposal through Staff Wing for approval of C&AG/DAI (HR).

After administrative approval for indents, contracts and purchases {table 2(b)} beyond Rs. 1 crore for proposals (other than outsourcing of manpower including hiring of experts and IT related procurements), functional wing shall submit the proposal to IFA for concurrence. After obtaining concurrence of IFA, functional wing (other than wings at Headquarters under DAI (HR) as mentioned in Para 4 of DFP) shall submit the proposal to Staff Wing for approval of C&AG/DAI (HR).

In case of administrative approvals for outsourcing of manpower (including hiring of experts) and IT related procurements, accorded by the Headquarters, the HoDs shall send the proposals directly to IFA for concurrence. Proposals for outsourcing

of manpower (including hiring of experts) and IT related procurements beyond Rs. 1 crore (more than Rs. 50 lakh in case of hiring of expert) which require approval of the C&AG/DAI (HR), IFA, after concurrence, shall forward the proposal to Staff wing.

iii. In case of any agreements or contracts for technical collaboration and consultancy services (hiring of experts), HoDs shall submit all proposals for approval/ recommendation of functional wings of Headquarters.

iv. Powers to accord administrative approval with regard to expenditure incurred centrally (on procurements made centrally by functional wing of Headquarters for use in IA&AD) shall be with the DAI (HR)/Empowered Committee and C&AG.

v. In case of all IT procurements *(including AMC, empanelment of vendors and hiring of agency)*, HoDs shall submit all proposals for approval/ recommendation of IS wing of Headquarters. After approval/ recommendations, HoDs shall place demand of additional funds in iBEMS application for release of funds by *Financial Management Division.*

vi. In the event of revised costs due to increase in statutory levies, increase in minimum wages approved by the government, and other such authorised increases, any increase upto 20 per cent of the original cost estimate approved need not go back to the competent authority for approval. Any increase in cost beyond 20 per cent of firmed-up cost estimates due to time overrun, change in scope, under-estimation etc. (excluding increase in costs due to statutory levies, exchange rate variation and price escalation with the approved time cycle) requires revised administrative approval.

vii. ***Any condonation in lapse/ breach of provisions of DFP shall require approval of DAI (HR) on case to case basis.***

3. Delegation of financial powers under Minor Works

In respect of works under Revenue and Capital Sections, powers conferred under these rules shall be subject to the provisions of the CPWD Code, Central Public Works Account Code, relevant Departmental code, etc. Further, the specific delegation within IA&AD is as follows:

i. Headquarters

Sl No.	Nature of Power	DAI (HR)	DG/PD Hqrs
1.	Power to accord administrative approval and expenditure sanction running, operation and maintenance (ROM).	Full powers	Full powers
2.	Power to accord administrative approval and expenditure sanction in case of Works estimates (other than ROM)		
	i. Without concurrence of IFA		Upto Rs. 20.00 lakh
	ii. With concurrence of IFA	> Rs. 50 lakh	> Rs. 20 lakh to Rs. 50 lakh

ii. Field offices (HoDs)

Sl No.	Nature of Power	HoDs in field offices
1.	Power to accord administrative approval and expenditure sanction to running, operation and maintenance (ROM) works to meet the needs of IA&AD.	Upto Rs. 10.00 lakh
2.	Power to accord administrative approval and expenditure sanction in case of Works estimates (other than ROM) i. Residential ii. Non-Residential	 Upto Rs. 0.50 lakh Upto Rs. 2 lakh

4. Miscellaneous powers of administrative approval cum expenditure sanction

Following wings at Headquarters under DAI (HR) are authorized to scrutinize the proposals of field offices and accord administrative approval cum expenditure sanction for release of funds.

Sl. No.	Functional Wings at Headquarters	Purpose
1.	Welfare Section	Sports activity and funding of recreation clubs etc.
2.	Estates	Procurement/lease of land and buildings, staff cars etc.
3.	Training Division	Group-A and Group B&C trainings etc.
4.	C&S Section	Outsourcing of man power for canteens and guest houses etc.
5.	Works and Projects Group (WPG)	**IA&AD Grant** Construction & renovation work – office buildings and residential units, Major/minor repairs, RMO of DG sets etc. **MoUD Grant** Approval for bigger capital work projects is accorded with consent of CPWD.

5. Financial sanction (release of funds)

All administrative approvals / expenditure sanctions must carry the following line:

"The expenditure shall be incurred only on the receipt of a formal financial sanction from Financial Management Division in the Headquarters".

Based on the administrative approvals/expenditure sanctions, funds shall be released by Financial Management Division, subject to appropriation of funds.

6. Constitution of Purchase/Tender Committee in IA&AD

In IA&AD, GFR 2017 is being followed for procurement. However, to maintain consistency and uniformity, purchase/tender committee in IA&AD shall be constituted. The committee may establish the necessity of the proposal including quantity/quality/ rates, administrative approval etc. The committee may also record specifically whether provisions of GFR and DFP in purchase/tender have been followed by the office. The formation of Purchase/tender committee is as under:

(i) Field offices (HoDs)

Value of purchase	Purchase/tender committee	Accepting authority
Upto Rs. 25,000/-	Without quotation/off the shelf purchase	
> Rs. 25,000/- to Rs. 2,50,000/-	Consisting of three members (Group-A in Level 10/11)	Group Officer (Admin) of the office not below Level 12. However, HoD shall be the accepting authority in case: i) Accepting authority Group Officer (Admin) is below the Level 12; ii) Members of purchase tender committee are not available as per prescribed norms and is below the Level 10/11; and iii) In case of non availability of other Group Officer as chairman of Purchase/ tender committee at the same station and Chairman and accepting authority is same Group Officer.
> Rs. 2,50,000/- to Rs. 25,00,000/-	Consisting of two members (Group-A in Level 10/11) and chairman (Group Officer). Chairman of the Purchase/ tender committee and accepting authority should not be the same Group Officer.	
> Rs. 25,00,000/- to Rs. 50,00,000/-	Consisting of Sr AO (Admin), Group Officer (Admin) of the office and one more Group Officer of which Senior Group Officer will be the Chairperson.	Pr. AG/AG/DG/PD
> Rs. 50,00,000/-	Consisting of three Group Officers + SAO (Admin) as member secretary. Senior most Group Officer will be the Chairperson.	

Where the Group Officer(s) is/are not available for Purchase/tender committee (procurement beyond Rs. 25.00 lakh) in concerned office, the office may nominate the Group Officer(s) of other offices of IA&AD. In case of nomination of Group Officer(s) of other office(s), the recommendation(s) of the Committee member(s) may be obtained through electronic media (email/e-conference etc.) for approval of accepting authority.

(ii) Headquarters functional wings (Centralised procurements)

Value of purchase	Purchase/tender committee	Accepting authority
Upto Rs. 25,000/-	Without quotation/off the shelf purchase	
> Rs. 25,000/- to Rs. 2,50,000/-	Consisting of three members (Level 10/11) including one member from functional wing.	DG (HQ)
> Rs. 2,50,000/- to Rs. 50,00,000/-	Consisting of 1 member from functional wing (Level 10/11), 1 Group Officer (Level 12/13) and chairman from functional wing (Level 12 and above)	
> Rs. 50,00,000/-	Consisting of Group Officer from functional Wing or any other Group Officer (Level 12/13), DG (Hqrs) & DG/PD functional wing as Chairman	DAI (HR)

7. Role of IFA

IFA shall discharge duties and responsibilities as follows:

i. IFA to be member of appraisal forum for giving administrative approval for all projects and schemes, as per constitution decided by competent authority.

ii. All the administrative approvals-cum-expenditure sanctions pertaining to expenditure more than Rs. 20 lakh shall be scrutinised by the IFA. In case of procurements beyond Rs. 20 lakh, DDO shall provide a copy of concurrence of IFA to the PAO and PAO shall not pass such bills without concurrence of IFA.

iii. IFA to be Member Secretary of Empowered Committee of DAIs for giving administrative approval.

iv. IFA to scrutinise and concur with all proposals of capital works, minor works and repairs exceeding Rs. 20 lakh.

v. Scrutinising reimbursement of the medical claim of CGHS beneficiary exceeding Rs. 5 lakh and reimbursement of medical claim of CSMA beneficiary exceeding Rs. 2 lakh vide Ministry of Health & family Welfare, Deptt of Health & Family Welfare, OM No. S.11011/20/2014-CGHS (P) dated 23 November 2016, and OM No. 14025/01/2014-MS dated 05 June, 2014 respectively.

vi. Scrutinising proposals for granting incentive in the form of one-time lump-sum amount ranging from Rs. 10,000 to Rs. 30,000 on acquiring fresh higher qualifications after coming into service in terms of Ministry of Personnel, Public Grievances & Pension (DoPT) vide OM No.1/5/2017-Estt (Pay-I) dated 15 March, 2019.

vii. Scrutinising proposals of time barred claims received from functional wing for concurrence of IFA in terms of Rule 296(2) of GFR 2017.

viii. Scrutinising the proposals received from functional wing for extension of time limit of one year for transporting the personal effects by a Government servant after his retirement in terms of Government of India's order No 2 (iii) below SR 147.

ix. Scrutinising the proposals received from functional wing for hiring of residential and non-residential building in terms of Government of India's Directorate of Estates, Ministry of Housing & Urban Affairs OM dated 18.02.2016.

x. Scrutinising the proposals received from functional wing for clearance of IFA in respect of visits abroad of the officers/ officials of the IA&AD as approved by the C&AG of India.

xi. Review progress of expenditure with respect to DDG as well as the total funds allotted under the respective head/sub-head of account to field offices.

xii. Scrutinise proposals for re-appropriation of funds under Revenue Section (Voted/Charged) from one object head to another object head and under Capital section.

xiii. Any other work assigned with respect to the order /guidelines issued by Govt. of India from time to time or by competent authority with respect to financial management in IA&AD.

xiv. Any other expenditure of exceptional nature, not covered above and is of unique nature e.g. fees for study/training abroad etc. will be routed through IFA.

8. Powers to incur contingent expenditure

The existing powers in MSO have been enhanced. These limits are as below:

			Extent of Powers of		
Sl No.	**Nature of Power**	**Reference to Rules/Orders**	**Comptroller and Auditor General**	**Accountants General and other Heads of Departments**	**Conditions and Limitations if any**
1.	Contingent expenditure on items other than those in respect of which specific limits/scales have been fixed by Govt.	Rule 13 of Delegation of Financial powers Rules and Schedule thereto	Full powers	**Head of Departments** Rs. 3,50,000 p.a in each case (non-recurring). Rs. 2,00,000 p.a in each case (recurring) **Head of office** Rs. 15,000 per month in each case (recurring)	Powers of contingent expenditure on all items are to be exercised subject to availability of funds within allocation made by headquarters office (by AG in r/o Branch Offices) and after providing for all past commitments on which expenditure will be incurred during the year as well as all other foreseeable expenditure.

With respect to delegation by the HoD (PAG/DG/AG/PD) to the Group Officer (Sr DAG / Director / DAG / Deputy Director) in charge of Administration, the following is specified:

a) The financial powers of HoD may be re-delegated by the HoD to HoO in each case (recurring and non-recurring), with intimation to Hqrs.

b) Provisions in the CAG's MSO Admn. Vol.-II and headquarters instructions to be complied with on the subject.

c) The Group Officer will follow general provisions contained in the General Financial Rules and Delegation of Financial Power Rule 1978 in exercise of the financial powers.

d) It will be ensured that the exercise of the re-delegated powers is within the budget allotment available for the office.

9. Key points of Delegation of financial powers:

a) Delegation of financial powers is to be applied in conjunction with the provisions of General Financial Rules 2017.

b) This delegation of financial powers shall supercede all prevailing delegation of financial powers in IA&AD.

c) Delegation of financial powers by the HoDs shall be as per the Manual of Standing Orders (MSO), however, in case of any conflict between the provisions in MSO or this circular, this circular will apply.

d) The revised delegated powers will be effective from the date of issue of these orders. These powers shall also be applicable to the proposals which are under consideration/in process.

e) Period for contract for procurement shall be in accordance with administrative approval of Competent Authority.

f) In future, any issues / clarifications with respect to delegation of powers, financial implications of procurement activities, etc would be dealt with by the Financial Management Division.

g) Any "circular" having financial implication would have to be issued in consultation with Staff Wing.

h) In no case, project/scheme, procurement, works should be taken up without allotment of funds. This will, however, not apply if approval for works is given where the responsibility of arranging funds vests with other departments (CPWD etc.).

Sd/-

(Ritika Bhatia)
Director General (Staff)

No.351-FMD/DFPR/01-2018 Dated:. 16th October 2023

Copy forwarded for information and necessary action to:

1. All DAI/ADAI
2. Secretary to C&AG of India

Ritika Bhatia

Director General (Staff)

Appendix "A"

FORMAT FOR STATEMENT OF CASE FOR ACCEPTANCE OF NECESSITY (AON)

1. **Proposal and details of project.**

2. **Justification** to include following where applicable:-

(a) **Operational / functional role and requirement.**

(b) If proposal is for IT software / hardware - whether proposal is for **replacement / upgrade / new technology**

(c) **Benefits** from the proposal

(d) If proposal is for IT software / hardware – **whether the technology is state-of-the-art / potential for technological obsolescence**

(e) **Whether** the project under consideration has duplicating or over-lapping elements with other existing / proposed projects

(f) In case of IT projects, Whether Government of India has an equivalent functionality/ applicability project and whether it can adapted/adopted for the purpose of IA&AD.

(g) Whether it is standalone or it can be integrated/scaleable.

(h) **Time schedule** for implementation

3. **Indicative cost** of the proposal including quantities, if applicable