

ADMINISTRATIVE REFORMS COMMISSION

# Report

DELEGATION  
OF  
FINANCIAL  
AND  
ADMINISTRATIVE  
POWERS

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JUNE 1969

ADMINISTRATIVE REFORMS COMMISSION

# REPORT

ON

DELEGATION OF FINANCIAL

AND

ADMINISTRATIVE POWERS

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CHAIRMAN  
ADMINISTRATIVE REFORMS COMMISSION  
GOVERNMENT OF INDIA  
SARDAR PATEL BHAVAN, NEW DELHI

Camp : Kengal Krupa, Bellary Road,  
Bangalore-6,

*Dated 12th June, 1969*

My dear Prime Minister,

I have pleasure in presenting to you the Administrative Reforms Commission's Report on "Delegation of Financial and Administrative Powers." This is the twelfth report of the Commission.

2. The policies and programmes which Governments frame, the measures and budgets which the Legislatures pass, have all to pass through the sieves of rules and procedures of offices in their implementation process, and if the sieves are clogged, all their benefits become attenuated and distorted. Therefore, simplifying of rules and procedures is of utmost importance to ensure satisfactory administration.

3. In a big and complex organisation, where the number of decisions taken from time to time is numerous and the points at which the decisions are to be implemented in concrete terms are many, it is inevitable that the decision-making powers should be distributed over as wide an area as possible, if bottlenecks which are a feature of centralised power systems are to be avoided. In other words, delegation of powers—financial and administrative is essential for achieving speed in the disposal of government business.

4. A system of delegation will work effectively only if it is based on a trust of those working 'on-the-spot'. Trust begets trust. A system which is based on a nagging distrust of those exercising powers will be destructive of initiative, the exercise of which is essential on a large scale in this era of development. We have, therefore, stressed the importance of framing delegations on the basis of trust, of delegations to the 'maximum' extent possible rather than to the 'minimum' extent necessary.

5. Delegation of powers does not absolve those who function at supervisory levels from the responsibility to ensure that the delegated powers are in fact exercised, and exercised in the right way. While they should not interfere with the authority exercising its legitimate powers at the time the powers are exercised, they should, through on-the-spot inspections of the work done and through periodical reports, keep themselves informed of the way in which delegated powers are exercised and take necessary action to set right any defects noticed in exercising those powers. In judging the

manner in which these powers are exercised, petty mistakes or minor errors of judgment should not be made much of, and one who has shown initiative and boldness in taking decisions should be encouraged notwithstanding minor mistakes.

6. The Study Team Report on the Machinery of the Government of India and its Procedures of Work, has a chapter on delegations. We have taken into consideration the Study Team's views. We also appointed a Working Group to examine in detail the rules and regulations which embody delegations of a financial nature. The Working Group has made a detailed study of the—

- (i) Fundamental and Supplementary Rules,
- (ii) Civil Service Regulations,
- (iii) General Provident Fund Rules,
- (iv) Delegation of Financial Powers Rules,
- (v) General Financial Rules,
- (vi) Central Government Treasury Rules, and
- (vii) Accounts Code and the Manual of Standing Orders (Technical).

It has also examined the powers exercised by various authorities in the Central Public Works Department, the Directorate General of Supplies and Disposals and the Printing and Stationery Department. Detailed proposals of the Group, regarding the amendments to the existing rules and regulations, are contained in the Appendix to its report. I am happy to record the appreciation of the Commission of the work done by the Group. Its Report is enclosed. The suggestions contained in the Appendix therein are commended for consideration by the Government

Yours sincerely,

Sd/- K. Hanumanthaiya

Shrimati Indira Gandhi,  
Prime Minister of India,  
New Delhi.

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