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MADRAS RECORD OFFICE.

Government of Madras.

Public works DEPARTMENT.

G.O. No. 2712 Press / Mis.

391-92

Dated 24.6.92 18 .

Not to be folded or roughly handled

Proceedings of the Madras Government, Public Works Department,
24th October 1871.

Read the following papers:—

No. 391. Proceedings of the Government of India in the Public Works Department, (Account—General,) dated Simla, 19th September 1871, No. 606-A. G.

Control to be exercised over expenditure on Public Works from Provincial Funds.

Resolution of the Govt. of India in the Financial Department, No. 3,334, dated 14th Dec. 1870.
Financial despatch from the Secretary of State, No. 59, dated 23rd February 1871.
P. W. D. Memorandum to Financial Department, No. 150-A. G, dated 6th March 1871.
Resolution of the Govt. of India in the Financial Department, No. 2,061, dated 6th April 1871.

Resolution.—The Resolution of the Government of India in the Financial Department, No. 3,334, dated 14th December 1870, having transferred the control of the outlay connected with Provincial Roads Civil Buildings and Miscellaneous Public Improvements to Local Governments and Administrations, the Governor-General in Council deems it necessary to explain, in view to the removal of misconception on the subject, the degree in which the rules for procedure laid down in the Public Works Code will be modified in regard to Provincial Works.

2. It has already been laid down in the Financial Department Resolution above quoted that the Government of India has not renounced the administrative control which it possesses over the expenditure now treated as Provincial. This control will be exercised in cases of any works undertaken which may be considered contrary to general policy, or which would involve extravagance or waste, or which, on the other hand, may be deemed deficient or inadequate for the purpose in view. In fact, the control will be one of general policy, financial regularity, and prudence to be exercised on reviews of the *proceedings* and *accounts* of the Local Governments and Administrations. Such a control will not ordinarily require scrutiny of professional estimates for Provincial works, nor any limitation in the amounts of estimates to be sanctioned; but the Government of India reserves to itself the right, if it sees special reasons for so doing, to object to any particular sum assigned for any object, or to call for the submission of detailed plans and estimates in any particular case.

3. The scrutiny of professional estimates for the works in question will, therefore, as a rule, rest entirely with the Local Governments or Administrations, and there will be no limitation in the amount of the estimate for Provincial works which they will be competent to sanction. The selection and decision of the works to be carried out from Provincial funds will also rest with Local Governments and Administrations, and consequently the power to make re-appropriations of Provincial Budget credits.

4. In the exercise of these powers the Governor-General in Council deems it necessary to request that Local Governments and Administrations will take such measures as will ensure due financial regularity in the execution of Provincial works. The preparation of complete plans and estimates should be invariably insisted upon before work is authorized to be commenced, and no expenditure should be allowed to be incurred without proper sanction to estimates, and a formal

appropriation of Budget credits. And in the specific assignment of the available funds, special care should be taken, as far as practicable, that the works in progress are completed before new works are commenced, and that the execution of works is not permitted to be carried out dilatorily, or to be prolonged by short assignments of funds, *i. e.*, assignments insufficient to complete them within a reasonable period. In short, the Government of India desire that, as a rule, expenditure should be concentrated, and not diffused over a great number of works.

5. It is of course understood that the power which is vested in Local Governments and Administrations is on the condition that the expenditure shall be *bona fide* for a public object. The restriction laid down on this point in paragraph 51 of the Budget rules is as applicable to Provincial as to Imperial works, and should not be lost sight of. Moreover, expenditure should not be incurred on works or objects beyond the limits that may have been fixed for the purpose by the Government of India, as in the case of churches and educational buildings. And in the preparation of plans for large works, such as Central Jails, attention should be paid to the principles which may be laid down by the Government of India for the designing and construction of such works, and, if need be, a reference made to the Government of India when it is thought desirable that those principles should be departed from.

6. The unlimited power which is vested in Local Governments and Administrations to sanction estimates for Provincial works, renders it very necessary that extreme care should be exercised in entertaining proposals for the construction of public works involving large expenditure. Before such works are undertaken, the question as to whether sufficient funds will be available to admit of their completion within a reasonable time should be carefully considered; and, in the distribution of Provincial funds amongst the several Provincial services, endeavours should be made to settle the grant for public works, so as to admit of the Engineers making proper arrangements for the expenditure of that grant on the understanding that it will not be disturbed during the year.

7. According to the rules contained in Chapter VII., Section ii., of the Public Works Code, certain Civil authorities are invested with the power to sanction expenditure on Civil Buildings. But, under the altered circumstances of the case, it is left to the Local Governments and Administrations to determine whether those rules should remain in force or not, so far as regards Provincial works. The same remark applies to the provisions of Chapter X., Section i., paragraphs 11 to 15 of the Code, regarding the works to be executed by Civil authorities. And the restriction laid down in paragraph 4, Chapter XI., Section i. of the Code, requiring the sanction of the Government to selling or dismantling buildings, may be considered relaxed, so far as to admit of Local Governments and Administrations disposing of Provincial works.

8. Under the orders of the Government of India in the Financial* Department, the expenditure on public works from Provincial funds is required to be kept distinct from Local fund expenditure. To admit of this being done, the accounts of Civil Officers for expenditure

* Financial Department Resolution, No. 1,458, dated 21st June 1871.

incurred by them on Provincial works should be rendered to Controllers in the same way as accounts of expenditure on Imperial works, and under the rules and restrictions laid down in Chapter XX., Section iii. of the Code.

9. It may be added that when expenditure from both Provincial and Local funds is incurred on a work, it should be decided in the first place to what fund the work is to belong, and the contribution from the other fund is to be treated as a grant-in-aid. The outlay, then, from Provincial funds is to be treated as would be done with Imperial funds, according as it is itself a grant-in-aid, or is aided by a grant from other funds.

10. As regards establishment, it is necessary that proposals should be at once submitted by the several Local Governments and Administrations for dividing the existing establishments into "Imperial" and "Provincial." No difficulty is anticipated in making such a division; but it may be mentioned that in cases of divisions having both Imperial and Provincial work to execute, the divisions may be classed under either head, a charge being made to Provincial or Imperial funds in the ratio of the expenditure incurred.

11. Proposals should also be submitted for dividing off the charges for the salaries and establishments of Superintending Engineers in the same way. The Chief Engineer and his Office Establishment, as also the Office of Account, may be considered Imperial; but Provincial funds should be required to contribute ratably towards their cost, according to the expenditure incurred.

12. By these arrangements, the establishments of the Public Works Department will be of four kinds, namely,—

I.—Imperial Public Works Establishments for ordinary Imperial Public Works, chiefly for Military buildings.

II.—Imperial Irrigation Establishments.

III.—Railway Establishments.

IV.—Provincial Public Works Establishments.

13. The nature of the control to be exercised by the Government of India over Provincial Public Works Establishments will be determined hereafter. Meanwhile, in the proposals herein called for, the probable expenditure in each Provincial and Imperial division should be stated, and the action of Local Governments and Administrations in respect to Public Works Establishments limited to the same extent as if those establishments were entirely Imperial. On this point attention is invited to Public Works Department Circular No. 31 of 1871.

14. It has already been laid down that a Provincial Public Works Budget Estimate should be submitted for the information of the Government of India. As the necessary sequence to this, Controllers of Public Works Accounts should be required to submit to the Local Governments, in the same way as is done for local fund outlay, a distinct appropriation account for Provincial fund outlay. The orders on this account by the Local Government or Administration should be communicated to the Government of India.

ORDER.—Ordered that this Resolution be communicated to the Governments and Administrations noted in the margin for information and guidance.

Governments of Madras, Bombay, Bengal, the North-Western Provinces and the Punjab; the Chief Commissioners of the Central Provinces and Oudh.

Proceedings of the Madras Government, Public Works Department, 24th October 1871.

Ordered also that a copy be forwarded to the Home, Financial, and Agricultural and Revenue Departments, for information.

(Signed) C. A. DICKENS, Colonel, R. A.,
Secretary to the Government of India.

No. 392. ORDER THEREON, 24th October 1871, No. 2,702.

ACCOUNT, No. 35.

COMMUNICATED to the several departments of the Secretariat, to Superintending Engineers, and to the Controller of Public Works Accounts.

2. The Controller will be requested to submit a statement of existing establishments divided into "Imperial" and "Provincial" on the principles indicated in paragraphs 10 to 12.

(True Extract.)

Captain, R.E.,
Offg. Joint Secretary to Government.

To the Public, etc., Departments.
" Military Department.
" Revenue do.
To Superintending Engineers.
" Major R. B. Kennedy.
To the Controller of Public Works Accounts.
" Chief Engineer for Irrigation.

Exd. E. C. Shunker.

No 2902.

Communicated to the several Departments of the Secretariat, to Superintending Engineers and to the Controller of P.W. Accounts.

The Controller will be requested to submit a statement of existing establishments divided into "Imperial" and "Provincial" on the principles indicated in Paras. 10 to 12.

11 Oct.

Desp 25/10/71.

To the Public &c Depts.
" Mily Dept.
" Rev. do.
" Sub Engrs
" Major Kennedy
" Controller P.W. Accts.
" Chief Engr for Irrig.

C - No. 4670.

Govt. of {1871} Madras.

PUBLIC WORKS.

To The Public Works Chief"

Dated

Recd. Encl.

G. O. 24 "Revd" No. 2702.

Nos. 391 & 392

Circular on Public Works &
Com Provincial Funds.

Circular from the Govt of India
regarding the Control to be
exercised over expenditure on
works & com Provincial Funds
communicated to the Officers
concerned and the Controller
of P. Works requiring
to furnish in future a
statement of the existing
establishments divided
into "Imperial" & "Provincial"