

(1) Number of pages _____

(2) Date of repair _____

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.

G.O. No. 570-27

Press

Min.

Dated 5-2

1877

Not to be folded or roughly handled

No. 122. Read the following circular from the Government of India in the Public Works Department, (Account—Irrigation,) to the Secretary to the Government of Madras in the Public Works Department, dated Fort William, 12th December 1876, No. 435 A.—I. :—

THE Accountant-General, Public Works Department, has brought to the notice of the Government of India that the expenditure against the Ordinary Imperial Grant for Irrigation Works in Madras during 1875-76 has been Rupees 1,58,522 in excess of the allotment assigned for the purpose.

2. The facts of the case appear to be as follows :—

The original grant assigned to Madras for 1875-76 for Ordinary

Exclusive of Rupees 1,50,000 provided for a refund of outlay to Extraordinary grant.	Irrigation Works	Rs.
...	...	27,06,600*

The final grant allowed by the Government of India was	...	28,67,900
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The Examiner, in a telegram dated 21st March 1876, reported that the outlay against the grant was likely to amount to	...	28,66,700
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The actual outlay has been	...	30,26,422
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So that there has been an excess of over Ordinary grant.	...	1,58,522
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3. From the report furnished on the subject it would appear that, of the excess outlay, about one-third, or

† Works	Rs. 41,059
Establishment at 25 per cent.	10,264
	<u>51,323</u>

Rupees 51,322† is due to the outlay on the two works, Madras Water-supply and the Chembrambankum Tank Project, having been incurred practically without budget provision. The Government of

India, in Public Works Department letter No. 87 A—I, dated 22nd February 1876, declined to sanction an additional grant for these works, because orders had issued prohibiting expenditure on them, and the result is the excess outlay stated.

4. Another portion of the excess, Rupees 24,686,‡ is due to the orders of the

‡ Works	Rs. 19,749
Establishment at 25 per cent.	4,937
	<u>24,686</u>

Government of India declining to allow the outlay on the Amampadi tunnel to be debited to the Extraordinary grant. These orders were communicated to the Examiner by the Madras Government only on the 30th March 1876, when it

was too late to restrict expenditure within the limits available for reappropriation from the Ordinary grant.

5. Writing on the 30th December 1875, the Accountant-General, Public Works

Department, brought to the notice§ of the Government of India that the outlay in Madras on Ordinary Irrigation Works was proceeding at so abnormally a high rate as to lead to an excess over grant if that rate continued. The Government of Madras

were therefore addressed|| by the Government of India, and told that measures should be taken to keep within the total grant sanctioned.

§ No. 3,120 G, dated 30th December 1875.
|| Public Works Department letter No. 4 A—I, dated 10th January 1876.

6. The result of the correspondence arising out of this reference was the sanction to an additional grant of Rupees 1,50,000,* but even with this grant the total outlay has been exceeded.

* Public Works Department letter No. 87A
—I, dated 22nd February 1876.

7. On the 17th March 1876 the Accountant-General again brought to the notice of the Government of India that there would be an excess outlay of Rupees 1,52,809. The excess has actually been Rupees 1,58,522.

8. No action was taken by the Government of India on this report, because on the 21st March 1876 the Examiner telegraphed to the Accountant-General, Public Works Department, that the outlay was estimated to be only Rupees 28,66,700, the grant being Rupees 28,67,900, so that there was likely to be no excess. The unreliableness of the estimate thus made, and the fact of the excess outlay appears to be due to the system in force in Madras in making appropriations and incurring expenditure not being perfectly complete in the following respects:—

I.—Expenditure being incurred without appropriations.

II.—Expenditure being incurred in excess of appropriations.

III.—Expenditure being incurred in anticipation of savings from which appropriations can be made at the end of the year.

9. The Government of India is not unmindful of the circumstance that in Madras the operation of so regulating the supply of funds as to prevent an excess outlay over the grant for any particular head is rendered more difficult than it is elsewhere by reason of the arrangements under which each division has to carry out work of every sort within its local limits, and so incur expenditure against a variety of funds. Hence, although, as above stated, certain grants have been exceeded, yet—and this is a point to which the attention of the Government of India has been pointedly drawn—the total outlay under all heads has been kept well within the limits assigned. The facts on this point are stated to be as follow:—

	Grants. RS.	Outlay. RS.
Ordinary Buildings and Roads	8,91,846	8,48,924
„ Irrigation	28,67,900	30,29,422
Extraordinary Irrigation	6,98,000	6,10,082
Provincial Services	20,62,744	21,89,016
Local Funds	42,36,197	35,80,082
	1,07,48,687	1,02,54,526

10. But the difficulty of which mention is made of issuing credits so as to prevent the grant under any one head being exceeded renders it more than ever necessary that the principles laid down by the Government of India for regulating the outlay against the Budget-Estimate should be strictly followed as affording the means of preventing excess outlay against the grant. Those principles briefly are—

I.—That on no account should expenditure be incurred for which there is no appropriation;

II.—That expenditure of Rupees 500 and over in excess of grant should be immediately provided for by a re-appropriation of Budget credits even by restricting expenditure elsewhere;

III.—That appropriations should never be allowed to be made in excess of grant.

IV.—That the practice of incurring expenditure without appropriations in anticipation of savings in grant, and the practice of deferring appropriations towards the end of the year, should never be allowed.

11. In considering the action to be taken in regard to the excess outlay, it has first to be noted that the excess outlay amounting to 1,58,522 includes a sum of 20,631

for Establishment which from Public Works Department letter No. 1,093 A—G, dated 12th December 1876, should properly be debited to Provincial funds, and which has since been so debited, so that really the excess is only 1,37,891

12. In like manner the amount shown as the outlay on Buildings and Roads, viz. 8,48,924 includes 12,869

on account of Establishment charges, excess debited to Imperial funds, so that really the charges on account of Ordinary Buildings and Roads is only 8,36,055

13. Combining the grants and outlay for Buildings and Roads and Irrigation under Ordinary, the amounts are—

	Grants. RS.	Outlay. RS.	Difference. RS.
Irrigation, Ordinary	28,67,900	30,05,791	1,37,891
Buildings and Roads	8,91,846	8,36,055	—55,791
Total... ..	37,59,746	38,41,846	82,100

14. The orders on the subject of excess outlay are contained in the circulars

Circular No. 32 of 1869.
„ „ 39 of „

quoted in the margin, in which it was announced that, in case of any excess outlay in the grant of any year, the Government of India would take into consideration the propriety of making a retrenchment equal to the amount of the excess expenditure from the grant of the succeeding year in which the excess may be brought to light. Before this course is followed, the President in Council will be glad to receive from the Government of Madras any representation it may desire to make on the subject of the excess. Meanwhile I am to beg that the Government of Madras may be moved to issue such orders as will prevent any excess outlay over the grants for the future. And as a step towards this end, I am to suggest that the principles laid down by the Government of India for the financial administration of the department may be strictly followed for the future.

(Signed) G. J. MELLISS,
Offg. Dy. Secy. to Govt. of India.

*Proceedings of the Madras Government, Public Works Department,
3rd February 1877. No. 376.*

No. 123.

ORDER TULFEEON, 3rd February 1877, No. 376.

IRRIGATION, No. 11.

Account.

ORDERED that the following letter be
sent:—

(Here enter No. 377, dated 3rd February 1877.)

(Signed) JOHN MULLINS, Lieut.-Colonel, R.E.,
Secretary to Government.

PUBLIC WORKS DEPARTMENT,
FORT ST. GEORGE, 3rd February 1877.

No. 124.

No. 377.

FROM

LIEUTENANT-COLONEL J. MULLINS, R.E.,

*Secretary to the Government of Madras,
Public Works Department,*

TO

THE SECRETARY TO THE GOVERNMENT OF INDIA,

Public Works Department.

IRRIGATION, No. 12.

Account.

Sir,—In reply to paragraph 14 of the
Officiating Deputy Secretary's letter No.
435—A.I. of the 12th December 1876, I am
directed to state that stringent orders have

been issued in conformity with the rules laid down by the Government of India for
securing the restriction of expenditure within the grants; but that, in the absence of
a reserve proportioned to the extent of the Irrigation works of this Presidency, the
inevitable result of an absolute enforcement of the rules would be loss of revenue or
damage to works out of proportion to the amount required to meet these. I am to
add that reappropriations to meet unexpected demands are feasible when there is work
of an optional character in progress, and when the provision for such work is on a
considerable scale. In Madras neither of these conditions is to be found. In
connection with this subject, I am to invite attention to paragraph 4 of General Walker's
letter No. 1,011 of the 21st April 1876.

I have the honor to be,

Sir,

Your most obedient servant,

Lieut.-Colonel, R.E.,
Secretary to Government.

Exd. E. C. Shunker.

Spare Copies

No. 435 A—I.

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.

ACCOUNT.
Irrigation.

THE SECRETARY TO THE GOVT. OF MADRAS,
IN THE PUBLIC WORKS DEPARTMENT.

Fort William, December 12, 1876.

Sir,

The Accountant General, Public Works Department, has brought the notice of the Government of India that the expenditure against the ordinary Imperial grant for Irrigation Works in Madras during 1875-76 has an Rs. 1,58,522 in excess of the allotment assigned for the purpose.

2. The facts of the case appear to be as follows:—

The original grant assigned to Madras for 1875-76 for	Rs.
Exclusive of Rs. 1,50,000 provided for a refund of outlay to Extraordinary grant.	27,06,600*
The final grant allowed by the Government of India was	28,67,900
The Examiner, in a telegram dated 21st March 1876, reported that the outlay against the grant was likely to amount to	28,66,700
The actual outlay has been	30,26,122
So that there has been an excess of	1,58,522

3. From the report furnished on the subject it would appear that of the excess outlay, about one-third, or Rs. 51,322,† is due to the outlay on the two works, Madras Water-supply and the Chembrambaukum Tank Project, having been incurred practically without Budget provision. The Government of India, in Public Works Department letter No. 87 A—I, dated 22nd February 1876, declined to sanction an additional grant for these works, because orders had issued prohibiting expenditure on them, and the result is the excess outlay stated.

4. Another portion of the excess, Rs. 24,686,‡ is due to the orders of the Government of India declining to allow the outlay on the Amampadi Tunnel to be debited to the Extraordinary grant. These orders were communicated to the Examiner by the Madras Govern-

ment only on the 30th March 1876, when it was too late to restrict expenditure within the limits available for re-appropriation from the Ordinary grant.

5. Writing on the 30th December 1875, the Accountant General, Public Works Department, brought to the notice of the Government of India that the outlay in Madras on Ordinary Irrigation Works was proceeding at so abnormally a high rate as to lead to an excess over grant if that rate continued. The Government of Madras were therefore addressed by the Government of India, and told that measures should be taken to keep within the total grant sanctioned.

No. 3130 G, dated 30th December 1875.

Public Works Department letter No. 4 A—I, dated 10th January 1876.

6. The result of the correspondence arising out of this reference was the sanction to an additional grant of Rs. 1,50,000,* but even with this grant the total outlay has been exceeded.

* Public Works Department letter No. 87A-I, dated 22nd February 1876.

7. On the 17th March 1876 the Accountant General again brought to the notice of the Government of India that there would be an excess outlay of Rs. 1,52,809. The excess has actually been Rs. 1,58,522.

8. No action was taken by the Government of India on this report, because on the 21st March 1876, the Examiner telegraphed to the Accountant General, Public Works Department, that the outlay was estimated to be only Rs. 28,66,700, the grant being Rs. 28,67,900, so that there was likely to be no excess. The unreliableness of the estimate thus made, and the fact of the excess outlay appears to be due to the system in force in Madras in making appropriations and incurring expenditure not being perfectly complete in the following respects:—

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II.—Expenditure being incurred in excess of appropriations.

III.—Expenditure being incurred in anticipation of savings from which appropriations can be made at the end of the year.

9. The Government of India is not unmindful of the circumstance that in Madras the operation of so regulating the supply of funds as to prevent an excess outlay over the grant for any particular head is rendered more difficult than it is elsewhere by reason of the arrangements under which each Division has to carry out work of every sort within its local limits, and so incur expenditure against a variety of funds. Hence, although, as above stated, certain grants have been exceeded, yet—and this is a point to which the attention of the Government of India has been pointedly drawn—the total outlay under all heads has been kept well within the limits assigned. The facts on this point are stated to be as follows:—

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			Rs.	Rs.
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„ Irrigation	...	...	28,67,900	30,26,422
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Local Funds	...	...	42,36,197	35,80,082
			<u>1,07,48,687</u>	<u>1,02,54,526</u>

10. But the difficulty of which mention is made of issuing credits so as to prevent the grant under any one head being exceeded renders it more than ever necessary that the principles laid down by the Government of India for regulating the outlay against the Budget-Estimate should be strictly followed as affording the means of preventing excess outlay against the grant. Those principles briefly are—

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III.—That appropriations should never be allowed to be made in excess of grant.

IV.—That the practice of incurring expenditure without appropriations in anticipation of savings in grant, and the practice of deferring appropriations towards the end of the year, should never be allowed.

11. In considering the action to be taken in regard to the excess outlay, it has first to be noted that the excess outlay amounting to Rs. 1,58,522 includes a sum of 20,631

for Establishment which from Public Works Department letter No. 1093 A—G, dated 12th December 1876, should properly be debited to Provincial funds, and which has since been so debited, so that really the excess is only 1,37,891

12. In like manner the amount shown as the outlay on Buildings and Roads, ... 8,48,924 includes 12,869

on account of Establishment charges, excess debited to Imperial funds, so that really the charges on account of Ordinary Buildings and Roads is only 8,36,055

13. Combining the grants and outlay for Buildings and Roads and Irrigation under Ordinary, the amounts are—

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	Rs.	Rs.	Rs.
Irrigation, Ordinary ...	28,67,900	30,65,791	1,37,891
Buildings and Roads ...	8,91,846	8,36,055	55,791
Total ...	<u>37,59,746</u>	<u>39,01,846</u>	<u>82,100</u>

14. The orders on the subject of excess outlay are contained in the Circulars quoted in the margin, in which it was announced that, in case of any excess outlay in the grant of any year, the Government of India would take into consideration the propriety of making a retrenchment equal to the amount of the excess expenditure from the grant of the succeeding year in which the excess may be brought to light. Before this course is followed, the President in Council will be glad to receive from the Government of Madras any representation it may desire to make on the subject of the excess. Meanwhile I am to beg that the Government of Madras may be moved to issue such orders as will prevent any excess outlay over the grants for the future. And as a step towards this end, I am to suggest that the principles laid down by the Government of India for the financial administration of the Department may be strictly followed for the future.

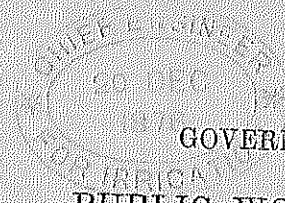
I have the honor to be,

Sir,

Your most obedient Servant,

Offg. Depy. Secy. to the Govt. of India.

6-18-6-69 1992
 6-7-69 2185
 27-12-75 3634 + 3635
 7-1-76 45A
 21-1-76 143
 12-2-76 377 + 378
 21-4-76 1010 + 1011
 13-9-76 2447 + 2448



GOVERNMENT OF INDIA
 PUBLIC WORKS DEPARTMENT.
 ACCOUNT. P.W.D.
 Irrigation. 1900070

To
 The Secy. to the Govt. of Madras,
 in the P. W. Dept.

No. 435 A—I.
 Dated December 12, 1876.
 Received

Asks for opinion as to why the excess outlay on Ordinary Irrigation grant, Madras, during 1875-76 should not be made good from the grant for 1876-77, and requests that measures may be taken to avoid excess outlay for the future.

No 691, P. W. D. Press—13-12-76—52.

No 376
 Public Works Department
 PROCEEDINGS OF THE MADRAS GOVERNMENT.

Under date the 3 Feb 77
 Read the following:—

Of
The Govt. of India - (H.O. No. 4048 dated Dec 18/76)

Ordered that the following letter be sent.

(H.O. No. 377 of 3 Feb 77)
to The Secy. to the Govt. of India P.W.D.

Sir,
In reply to para 11 of the officiating Deputy Secretary's letter No. 4558 of the 12th December 1876 I am directed to state that stringent orders have been issued in conformity with the rules laid down by the Govt. of India for securing the restriction of expenditure within the grants, but that in the absence of a measure

proportioned to the extent
of the Irrigation works of the
Presidency, the inevitable
result of an absolute en-
forcement of the rules would
be loss of Revenue, or damage
to works out of proportion
to the amount required to
meet these. I am to add that
reappropriations to meet
unexpected demands are
feasible when there is work
of an optional character
in progress, and when the
provision for such work
is on a considerable scale.
In Madras neither of these
conditions is to be found.
In connection with this
subject, I am to invite
attention to para 4 of
General Walker's letter
No. 1011 of the 21st April
1876

Depd - 24 - 2 - 77

Copy to 24/1

3400 Con 25-1-77. Vol. 3-2-77

109209

DEPT. OF U.S. ARMY
PUBLIC WORKS

the lead to the Govt of India

Order

Number

Date

3-1-76

346

347

134

Noting that stringent
orders have been issued for
securing the retention of the
pendent within the limits
and directing attention to para
4 of General Walker's letter No.
1011 of the 25th April 1876

Ordinary
Immigration Grant, Madras.
during 1875-76. Passing
Orders as letter from the
Govt of India relative to the
mass outlay in — during
1875-76

109209