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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Public Works DEPARTMENT

G.O. No. / ~~B.P. No.~~	1094 W	Press. / ~~Mis.~~
Dated	8-4-1879	~~197~~ .

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GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

8th April 1879, No. 1,094 W.

General Account.

Read the following papers :—

No. 94. From Major L. CONWAY-GORDON, R.E., Examiner of Public Works Accounts, to the Secretary to Government, Public Works Department, General Branch, dated Chepauk, 13th April 1878, No. 14 W.

I HAVE the honor to acknowledge the receipt of G.O., Financial Department, No. 408, dated 2nd March 1878, requesting me to supply certain information with regard to the outlay which was incurred during the year 1876-77 in excess of the Provincial Public Works Grant.

2. In another communication I shall point out to Government the modifications in the figures reported in my letter, No. 821 X, dated 25th February 1878, which have been caused by the adjustment in the second supplemental accounts of the famine expenditure incurred by Public Works officers during the year 1876-77; but as the remarks of Government have reference more to the excess outlay incurred which is not referable to the famine than to that which is directly so I will not here notice the point further.

3. I understand that the general object of Government in drafting their order was to ascertain the causes which directly or indirectly led to the Provincial Public Works Grant being exceeded, and to invite suggestions from the different officers concerned with a view to the prevention of similar excesses in the future. It is with this understanding that I lay the following remarks before Government.

4. In the first place I think it must be clearly understood that the responsibility for incurring expenditure in excess of the Public Works Grants, except under very exceptional circumstances hereinafter to be noticed, rests entirely with the Public Works officers who control the expenditure. The control that can be exercised by the local Accountant-General in respect to the issue of funds is of far too general a nature to be practically relied on.

As I understand the matter the Accountant-General, Madras, must supply the Public Works Department with funds up to the aggregate amount of the budget grants under *all* heads of service; and if this be so, although his control over the supply of funds might prevent the Public Works outlay in the aggregate from exceeding to any great extent the Public Works Grants in the aggregate, no action on his part could prevent an excess on one head of service which was balanced by short outlay on another head of service. The control over expenditure in detail must rest with the officers of the Public Works Department.

5. The officer of the Public Works Department who is responsible that no expenditure on Public Works is incurred in excess of the budget grants is the Chief Engineer, and that officer will doubtless be able, better than I can, to explain how the excess occurred in this particular case.

Public Works Code Chapter III, I, 24.

6. As Government is aware the Examiner is in no sense a controlling officer. His duty ends with bringing to the notice of Government everything that he considers financially irregular. He has to confine himself to eliciting the facts and representing them to the proper controlling authorities. He must on no account usurp their functions, any action that has to be taken resting with the Executive Branch.

Public Works Code III, VII, XIV.

As regards the particular excess incurred in the year 1876-77 referred to by Government I shall consequently confine myself to explaining in another communication the action taken in ordinary course by this office. My remarks in this letter will be principally directed to show how far the general causes that tended to produce the excess under Provincial in 1876-77 are still in operation at the present time under all heads of service.

7. The cause of these excesses of outlay over grant may be broadly stated to be the want of attention paid by the executive to the financial rules of the Government of India.

Assuming that the budget estimate is properly drawn out the total grant is shown in the budget estimate either as appropriated to works, repairs, &c. &c., or as lump sums allotted to certain administrative officers for appropriating to works, &c., and it is evident that if these administrative officers do not appropriate in excess of these allotments, and if the disbursing officers do not spend in excess of their appropriations, outlay in excess of the budget grant is simply impracticable. The expenditure may be to any extent less than the grant, but if excesses occur they can occur only by want of attention to these clear financial rules, and I will now consequently proceed to point out in what directions these rules are in this Presidency most frequently departed from.

8. The remarks I have to make on the whole subject of budgets, appropriations, &c. &c., naturally divide themselves under the four heads:—(1) Works and Repairs; (2) Establishment; (3) Tools and Plant; and (4) Suspense.

Works and Repairs.

9. There is little to criticise in the system adopted in the preparation of that portion of the Public Works Budget which relates to *Works and Repairs*. It is true that as regards Local Fund expenditure a consolidated Public Works Budget for Local Funds has hitherto been attempted on only one occasion, and that on this occasion it was so incorrect that it was practically useless. Hitherto the only Local Fund Budgets available to either the Chief Engineer or the Examiner have been the General Circle Budgets prepared in the Financial Department, which while giving a mass of information not required in the Public Works Department failed to show the Public Works Division in which the work was to be carried out. In consequence of this it has hitherto been very difficult to arrive at the total Local Fund grant for each division—a fact which has rendered the Examiner's check over the supply of funds and the Chief Engineer's control over the expenditure almost impracticable.

G.O., No. 3,532, dated 26th December 1876.

10. For the year 1878-79 I am promised a consolidated Local Fund Budget, and as the action taken on this office letter, No. 326 W, of 9th December 1876, has led to the inclusion in the General Circle Budgets of the name of the Public Works Division concerned there is little further to be desired.

G.O., No. 1,352, of 20th April 1877.
" " 1,632 W, of 1st " 1878.

11. Practically, therefore, it may be held that as regards *Works and Repairs* the cause of any further financial irregularity that may occur will not be attributable

to the manner in which the Public Works Budgets are prepared. The cause must be sought either in the fact that the administrative officers appropriate in excess of their allotments, or that the disbursing officers incur outlay in excess of their appropriations.

12. From an examination of the accounts it is beyond all doubt that both of these cases frequently occur. As regards appropriating in excess of allotments in some cases even the Government itself takes too hopeful a view of its financial position and appropriates against anticipated savings which at the time the appropriation is made cannot be definitely stated. At others it would appear that appropriations are made by Government with a full knowledge that the grant will thereby be exceeded.

Examiner's letter, No. 444 W, dated 19th March 1877.
G.O., 3,634, of 27th December 1875.
Examiner's letter, No. 28 E I, of 8th February 1876.
G.O., No. 2,935, dated 14th October 1875.

13. Instances of this nature on the part of the Board of Revenue and the District Engineers are frequent. As far as the Public Works officers are concerned such irregularities are monthly reported to Government in the appropriation returns submitted by this office, but I do not know exactly what action is taken by Government to put a stop to their recurrence.

Examiner's letter, No. 220 W, 12th Sept. 1876.
Do. " 24 E I, 21st Jan. "
Proc. Board of Rev., No. 658, 12th Mar 1878.
Do. " 3,028, 26th " "
Do. " 2,562, 12th " "
Do. " 1,724, 18th Feb. "
Do. " 3,012, 25th Mar. "
Do. " 4,040, 19th " 1877.
Do. " 3,768, 14th " "
Do. " 3,339, 7th " "
Do. " 1,726, 5th Feb. "
Do. " 1,971, 9th " "
Do. " 2,383, 17th " "
(With numerous others.)

The following shows the number of the District Engineers who have since April 1876 been reported to Government for appropriating in excess of their allotments:—

Statement showing the Districts in which the District Engineers made Appropriations in excess of their Allotments during 1876-77 and 1877-78.

Months.	Number of Districts.			Total for each Month.
	Imperial.	Irrigation.	Provincial.	
April 1876 ...	1	4	...	5
May " ...	1	7	...	8
June " ...	1	9	...	10
July " ...	1	10	...	11
August " ...	2	10	...	12
September " ...	2	11	...	13
October " ...	1	10	...	11
November " ...	3	7	1	11
December " ...	2	7	...	9
January 1877 ...	2	7	...	9
February " ...	...	4	3	7
March " ...	1	5	5	11
April " ...	...	2	...	2
May " ...	...	2	1	3
June " ...	...	2	1	3
July " ...	...	2	1	3
August " ...	...	11	1	12
September " ...	...	7	1	8
October " ...	...	5	1	6
November " ...	...	6	1	7
December " ...	...	5	1	6
January 1878 ...	1	6	1	8
February " ...	...	5	7	12
Total ...	18	144	25	187

In extreme cases these irregularities are specially reported to Government by letter.

Examiner's No. 214 W, of 24th January 1876.
Do. „ 241 W, of 7th February „
Do. „ 240 W, of 5th „ „
Do. „ 237 W, of 5th „ „
Do. „ 217 W, of 25th January „
Do. „ 218 W, of 25th „ „
Do. „ 221 W, of 26th „ „
Do. „ 227 W, of 28th „ „
Do. „ 229 W, of 1st February „
Do. „ 234 W, of 4th „ „
Do. „ 233 W, of 3rd „ „

G.O., No. 2,925, of 13th October 1875.
Do. „ 2,872, of 7th „ „
Do. „ 2,846, of 4th „ „
Do. „ 2,822, of 29th September „
Do. „ 2,690, of 20th „ „
Do. „ 2,680, of 17th „ „
Do. „ 1,938, of 8th July „
Do. „ 564 W, of 8th August 1877.
Do. „ 198 W, of 22nd September „
Do. „ 1,121 W, of 19th October „
Do. „ 807 W, of 29th September „
Do. „ 1,235 W, of 24th October „
Do. „ 1,920 W, of 3rd December „
Do. „ 1,965 W, of 4th „ „
Do. „ 2,023 W, of 8th „ „
(With many others).

14. The accounts, however, show that the chief disturbing element in the finances of the Public Works Department is the outlay incurred by disbursing officers in excess of their appropriations. In many cases I must do these officers the justice of saying that they themselves are not in fault. They are ordered by superior authority to carry out works without any appropriation of funds being made, and in so carrying out the works they simply obey the orders they receive. But over and above the cases in which works are undertaken without an appropriation of funds by the direct order of Government there are many others for which the district officers are solely responsible.

15. Every case of the sort, in which the amount exceeds Rupees 500, is brought to the notice of Government in the monthly objectionable item statement, and I give below the number of items which have been so reported during this last two years under each head of service.

Total Number of Items objectionable as regards Appropriation during 1876-77 and 1877-78.

Months.	Imperial.	Irrigation.	Provincial.	Local and Special.	Special.	Total for each Month.
April 1876	6	...	6	25	...	37
May „	6	37	8	22	...	73
June „	8	53	11	27	...	99
July „	12	74	15	47	...	148
August „	8	77	18	28	...	131
September „	10	87	16	22	...	135
October „	5	90	22	34	...	160
November „	2	47	22	40	...	111
December „	7	44	19	40	...	110
January 1877	8	37	22	39	...	106
February „	2	29	19	22	...	72
March „	...	38	...	35	15	88
April „	2	6	6	5	2	21
May „	4	16	7	14	5	46
June „	4	14	6	15	6	45
July „	4	19	8	19	6	56
August „	3	21	7	19	6	56
September „	7	30	8	16	8	69
October „	12	32	11	15	8	78
November „	11	26	13	14	8	72
December „	10	18	14	13	8	63
Total ...	131	804	258	511	72	1,776
Monthly Average ...	6·23	38·29	12·29	24·3	3·42	84·58

I take this opportunity of stating that I believe no other province of India can produce such formidable lists of objectionable items, and that I believe this result

to be solely due to what I cannot but consider to be the inadequate action hitherto taken by the Madras Government in dealing with such financial irregularities.

16. On this subject I would respectfully solicit a perusal of my letter, No. 186 W, dated 22nd August 1876, on which no orders have yet been passed. At that date Government had for the space of nearly two and-a-half years entirely omitted to take any notice at all of the financial irregularities brought to notice by this office; and the consequence was that the whole system of making appropriations had fallen into the unsatisfactory state reported to Government in (*a*) paragraph 17 of my letter, No. 1,039, dated 31st May 1875; (*b*) paragraphs 54—58 of the report of the Committee on accounts, dated 23rd October 1875; (*c*) in my letter, No. 191 W, dated 10th May 1876; and (*d*) in a long office note, dated 24th January 1876.

17. At that time there was in fact no system of appropriations at all in the proper sense of the term. So utterly at that time had the system of appropriating sunk into a mere form that in the year 1876 it was not considered incorrect to collect in the Public Works Secretariat all the applications for transfers of funds received from time to time from the districts, and to pass orders on these applications, so that the orders issued *after* the year had expired. In other words, *after* the expenditure had been incurred by the local officers irrespective of the state of the appropriations transfers of funds were sanctioned, whose sole object was to guide these officers in incurring the expenditure.

G.O., No. 751, of 24th March 1876, received 4th April 1876.
G.O., No. 817, of 30th March 1876, received 28th April 1876.

This most incorrect procedure will be actually found recognized in paragraph 6 of the Proceedings of the Board of Revenue, No. 2,948, of 22nd June 1877.

18. The system of appropriating funds was placed on a proper basis only by the issue of Standing Order No. 22 of 1876, and since that time it may be held that every item entered in the objectionable item lists, and shown in paragraph 15 ante represents a distinct departure from the system prescribed by Government, and which, if adhered to, would have prevented all excesses over grants.

G.O., No. 1,067, dated 28th April 1876.

19. In a second letter, No. 209 W, dated 6th September 1876, addressed by this office to Government, begging that some notice might be taken of these financial irregularities, orders were passed, and since that date orders have been regularly passed on each objectionable item statement as received under the service heads *Irrigation*, *Imperial*, *Provincial* and *Special*, but I cannot say that the effect of these orders has been what I had hoped for. Under the service head "*Local*" I have not yet been equally fortunate. The authority by whom, and the system under which, objectionable items are to be disposed of under the service head "*Local*" is still the subject of correspondence.

G.O., No. 3,020, dated 10th November 1876.
Board's Proceedings, No. 5,009, of 16th November 1877.
Board's Proceedings, No. 2,948, of 22nd June 1877.

20. The main object of all the orders of Government passed on the objectionable item statements to the present time appears to have been more to legalize each transaction after the irregularity had occurred than to prevent the recurrence of other similar irregularities. Of course, when expenditure has been incurred in excess of appropriation, it is doubtless desirable to appropriate funds at once, and thus to bring the transactions within the financial rules, but I venture to suggest that the action of Government should not have stopped there.

21. Viewed in the unit it may not be a very important matter that outlay to the extent of a few thousand rupees has been incurred by some particular officer in excess of his appropriation, but when viewed in the mass it does appear to me a matter of the last importance that monthly such numerous cases should have to be reported to Government in which the prescribed rules have been departed from, and that this state of things should be allowed to continue month after month without being peremptorily put a stop to. The mere labor of preparing these voluminous statements and the correspondence they necessarily entail on all concerned is in itself an evil of no small magnitude.

22. In their Proceedings referred to in paragraph 18 the remarks of the Board of Revenue practically amount to a confession that it does not much matter when the objectionable item lists are submitted or when they are disposed of, for nothing in the way of reform can be done until personal responsibility is enforced, and to the present time such personal responsibility has not been enforced in a single instance. The force of these remarks must be admitted, and I cannot but agree with the Board in their later Proceedings, when they observe that under the existing state of affairs the objectional item lists furnish no real check upon the disbursing officers; that the only remedy for the bulk of these statements is a stricter observance of rules by these officers, and that the required result will not be obtained until a few examples are made.

23. Briefly I am of opinion that in every case in which the prescribed financial rules are departed from, the officer concerned should be called upon to prove that the work was sufficiently emergent to justify its being undertaken without an appropriation, and, in his failing to establish this, personal responsibility should invariably be enforced.

But, be this as it may, it is my plain duty to point out to Government that until the present system of appropriating funds in excess of allotments and of incurring expenditure in excess of appropriations, both by the Government itself and by the Local Executive Officers, is absolutely put an end to, financial regularity is not to be expected.

Establishment.

24. A possible cause of expenditure being in excess of the Provincial Grant under the head *Establishment* is to be found in the manner in which the Provincial budget estimate itself is prepared. The whole amount of the Public Works establishment charges, whatever this total may be, is shown in the budget estimate as allocated to the different heads of service. To the service heads *Imperial*, *Irrigation*, and *Local* a charge is made of 25 per cent. of the aggregate grants for Works and Repairs, and the remainder of the establishment charges, whatever this remainder may be, is shown as borne by Provincial funds.

25. As far as the service heads *Imperial* and *Irrigation* are concerned the course taken is correct, for the final debit to those heads is settled as 25 per cent. on the budget grant or on the expenditure, whichever may be the greater. It is, therefore, certain that the final debits to *Imperial* and *Irrigation* will relieve Provincial funds to at least the extent anticipated and shown in the budget estimates.

26. But under the service head "*Local*" no such rule obtains. The final debit to local is 25 per cent. on the expenditure by Public Works Officers on works and repairs, whatever this expenditure may be. The final debit to Local and the consequent relief to Provincial is thus directly dependent on the amount of the Local Fund grant that may happen to be expended by the Public Works Department during the year. Should the Local Fund outlay happen to fall short of the grant by any particular sum which I may call (A), the Provincial expenditure under establishment is increased to the extent of $\frac{A}{4}$, and for this expenditure no provision is made in the Provincial budget.

27. At present this cause has not yet made itself actively felt, because the supplementary grants made during the year under local are usually so large that, although the Local fund outlay is much below the *final* grant, it usually comes up to the *original* grant of the year. But when a better system of budgetting is introduced under Local, the point I have here noticed will have to be very carefully guarded against.

G.O., No. 2,909, of 12th October 1875.

28. At present it is perfectly possible for the aggregate cost of establishment to be less than the aggregate budget grant for establishment and yet for the proportion of these establishment charges borne by Provincial to be in excess of the budget grant for establishment under Provincial. Any error or change made under the head *Establishment* in the budget estimate under any head of service other than Provincial at once affects the Provincial Budget, and I do not think this point is sufficiently attended to at present.

29. Another possible cause of excess expenditure under the head Provincial establishment is to be found in the frequent transfers by the Board of Revenue of the execution of works from the Public Works Department to "*Other Agency.*" Such works are originally shown in the Local Fund Budget as works to be executed by the Public Works Department, and their share of establishment charges is consequently included in the Local Fund Budget as a charge to Local Funds.

Procs. Board of Rev., No. 745, 19th Mar. 1878.
Do. „ 2,560, 12th „ „
Do. „ 2,214, 14th May 1877.
Do. „ 1,149, 2nd „ 1876.
Do. „ 7,964, 18th Sept. „
Do. „ 5,980, 14th July „
Do. „ 2,765, 31st Mar. „
Do. „ 6,365, 14th July 1875.
Do. „ 7,847, 30th Aug. „
(Amongst others.)

30. Their transfer from Public Works Department to Other Agency virtually transfers this share of establishment charges from Local to Provincial, and to meet this increased charge under Provincial no increase is made to the Provincial Public Works Budget grant, as should properly be the case. The principal point here to be noticed is that these transfers, which are made by the Board of Revenue, do not appear to be even advised to the framers of the Provincial Public Works Budget.

31. These are, I think, the only causes connected with the Provincial Budget which could possibly promote financial irregularity under the head "*Establishment.*" Charges for establishment are audited, as Government is aware, against the detailed sanctioned lists of establishment, and against the *aggregate* grant for establishment charges throughout the Presidency, the subsequent division of the charges thus incurred between the several heads of service being a mere matter of account.

32. The above remarks have reference to the arbitrary division between the various heads of service of the total charge for Public Works establishment throughout the Presidency.

As to the charges themselves in the aggregate, I have already sufficiently protested against a system under which the Examiner, by the direct order of Government, is forced to draw up the budget estimate of the cost of the executive establishment required for the efficient prosecution of the Public Works in this Presidency in total ignorance of the works themselves for which this establishment is required. My views on this subject are contained in the correspondence noted in the margin, and further experience has only strengthened these views.

Letter from Secretary to Government, No. 858, dated 13th December 1875.
Letter from Secretary to Government, No. 902, dated 22nd December 1875.
G.O., No. 3,420, of 2nd December 1875.

Paragraphs 10—13 of this office letter, No. 176 W, dated 27th December 1875.

33. I am of opinion that establishment charges above all others require the most frequent and the closest scrutiny, and that periodically they should be exhaustively reviewed with a view to possible reductions. I am further of opinion that a larger proportion of the present establishment than at present obtains should be on a temporary footing, in order to secure a greater elasticity in the cost of the Public Works Establishment as a whole.

34. The object of the preparation of Appendix A ordered by the Government of India to be attached to the budget estimate is to secure the charges for establishment being reviewed at least once annually. In the year 1876-77, the only year for which a consolidated Local Fund Budget was prepared, Appendix A was got out by this office, and the general results of this review were placed before Government. They were, I consider, sufficiently anomalous to have attracted attention, the cost for establishment in one of the divisions being as high as 171·7 per cent. on the cost of the works and repairs. No action however was taken on this letter, nor am I aware of any further review having since been attempted. Indeed, so far from reductions being made, supernumerary officers are from time to time added by Government to the Public Works Establishment, the *whole* cost of whose salary and travelling allowances virtually falls on

Examiner's letter, No. 176 W, dated 18th August 1876.

Provincial funds, and this without providing any additional grant to meet the charges thus incurred.

Tools and Plant.

35. Under the head *Tools and Plant*, for past years, all the observations apply which I have already laid before Government in paragraphs 9—23 with regard to *Works and Repairs*. For the future, from the official year 1877-78 inclusive, the charges for tools and plant to the various heads of service other than Provincial will be calculated at 2½ per cent. on the outlay on works and repairs in exactly the same manner as charges for establishment, and consequently the remarks I have made in paragraphs 24—29 with regard to the preparation of the Provincial Budget Estimate for establishment charges will apply with equal force to the preparation of the budget estimate for charges for Tools and Plant.

Suspense.

36. My only object in noticing the head "Suspense" is to point out the difficulty under present arrangements which the Chief Engineer must experience in maintaining any check over the charges that come under the head "Suspense."

37. The Chief Engineer, I understand, conducts his control over the Public Works expenditure by means of returns received from the District Engineers, and I do not think the District Engineers are in a position to give the Chief Engineer information as to the Public Works charges which are caused by fluctuations in the amounts of the suspense balances. The Examiner alone has complete information on this point, the principal fluctuations being caused by transactions in connection with the supplies of English stores.

See G.O., No. 2,325, of 12th August 1875, and all others on the same subject.

38. At present the only returns of outlay submitted by this office to the Chief Engineer is one of the outlay on Irrigation Works and Repairs, and for the submission of even this statement no orders exist. This statement does not show charges for Establishment, Tools and Plant, or Suspense. Under the other heads of service no statements of outlay are submitted to the Chief Engineer by this office.

39. In my office note of the 24th January 1876 I sketched out the system which I thought should be adopted for the exercise of a proper control over expenditure, and I regret that this system has not yet been introduced. In the absence of any definite system of reporting outlay either by District Engineers or by the Examiner, the information at the disposal of the Chief Engineer is probably not as complete as it should be.

40. I am of opinion the Chief Engineer should not rely on information received from the districts; that whatever double-accounting still exists should now be altogether done away with; that the Examiner should be recognized as the responsible Book-keeper of the Department; and that he and not the District Engineers should be made responsible for submitting punctually to Government and to the Chief Engineer whatever financial returns and statements are required for administration purposes. But if this course be adopted, in order that the Examiner may submit his returns completely and punctually, he must receive more punctually and completely the data from which these returns have to be compiled. Every account and return submitted by the local officers must be rendered with greater regularity; in other words the whole Public Works administration must be more sharply braced up.

Para. 31 of Examiner's letter, No. 36 E—I, dated 6th March 1876.
Vide G.O., No. 1,239, dated 17th May 1876.

41. It may reasonably be supposed that, of all the accounts submitted to this office, those are submitted most punctually with regard to which any delay is specially reported to Government. This office brings monthly to the notice of Government such of the divisional accounts and of the district appropriation returns as have not been received by due date. On a previous occasion I reported to Government that during a period of twelve months even so many as 50 per cent. of the monthly divisional accounts had been received by the prescribed date only on one occasion, and since then I find that the average percentage of the divisional accounts received on the date prescribed has been about 25·02 per cent.

G.O., No. 190, of 25th January 1876.

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42. As regards the monthly appropriation returns submitted by District Engineers, if Government will refer to the monthly reports submitted by this office, they will see that of the irrigation returns 12·72 per cent. and of the buildings and roads returns 30·6 per cent. were on an average received from the districts too late for inclusion in the general appropriation return of the Presidency. One inevitable result of these omissions is that the aggregate appropriations to date reported by this office are always shown as less than what they actually are, and it is quite possible that Government may be thus misled.

Exr.'s letter No. 191 W, of 10th Jan. 1876.
" " 28 W, of 25th April "
" " 19 W, of 12th " "

43. To sum up, I do not think that the financial regularity desired by Government will be thoroughly secured—

(1) Until the Provincial budget estimate is more carefully watched;
(2) Until all appropriating in excess of allotments is put an end to;
(3) Until officers are absolutely stopped from incurring expenditure in excess of their appropriations;
(4) Until the whole accounting of the department is carried on with greater regularity,

and there is not one of these desiderata that could not be easily secured by Government in the Public Works Department.

44. There only remains to be considered the exceptional cases referred to in paragraph 4 in which the responsibility for incurring expenditure debitable to the Public Works Budget grant could not rest with the officers of the Public Works Department. I allude to cases in which expenditure is incurred by other departments of Government and kept in their suspense accounts until the official year has all but expired, when they are without warning transferred from the suspense account of the department concerned and debited finally to the Public Works Department. In such cases, which are as exceptional as they are irregular, nothing that the Chief Engineer or the Examiner could do would prevent the Public Works Budget grant from being exceeded. A case of this kind occurred in the year 1876-77.

Examiner's letter, No. 6 B, of 20th April 1877.

45. The above are the causes that I think directly lead to the financial irregularity referred to by Government, but it is hardly too much to say that these causes are themselves only the results of other evils more deeply seated.

46. Two I will specially notice:—The first is the absence in this Presidency of any Public Works Code of regulations. It is, I contend, absolutely impossible to hold officers responsible for adherence to an elaborate system of finance and account without placing before them in a convenient and accessible form what the system is, and what their responsibilities and duties are in the matter. Until the new Public Works Code is complete, I do not anticipate any very complete adherence to the prescribed financial system.

G.O., No. 2,219, dated 31st July 1875.

47. The second cause, and the cause which I am inclined to think really includes all the rest, is that financial matters are as a rule disposed of by Government in the Public Works Department without the Government having complete information before them as to the aspects of the case from a financial point of view.

48. The inconvenience that results in this Presidency from financial cases not being laid before Government in ordinary course accompanied by a note or an opinion from the Government professional officers of account and audit, I have already sufficiently brought before Government in paragraphs of the printed note that accompanied my letter, No. 126 W, dated 5th November 1875.

49. I can add nothing to that note. I can only again strongly suggest that financial cases in future be noted upon by the Examiner before being laid before Government in the Public Works Department in the same way as I understand is already done by the Controller in the Military Department.

50. Before concluding my letter, I would earnestly deprecate the present case being made the occasion of introducing more forms or more returns into the Public

Works Department. The existing system as prescribed by the Government of India is already elaborate enough, and, if properly worked, will secure in this Presidency as elsewhere the most complete check over the Public Works outlay that could be desired. Before departing from, or adding to, a system which experience has elsewhere shown to be thoroughly efficient, I would most respectfully urge that first a fair trial be given to the system itself.

No. 94-A. From the same Officer, dated Chepauk, 15th August 1878, No. 229 W.

WITH reference to your memorandum, No. 3,450, dated 6th August 1878, I have the honor to respectfully request that Government in the Financial Department may be moved to pass early orders on my letter, No. 14 W, dated 13th April 1878, which you inform me has been transferred to the Financial Department.

No. 3,660.

TRANSFERRED to the Financial Department in continuation of endorsement, dated the 10th May, No. 2,077.

19th August 1878. (Signed) E. A. FOORD, Colonel, R.E.,
Secretary to Govt., P.W.D.

No. 94-B. From the same Officer, dated Chepauk, 13th December 1878, No. 408 W.

IN continuation of letters from this office as per margin, I have the honor respectfully to request that early orders may be passed on this office letter, No. 14 W, dated 13th April 1878.

No. 172 W of 1st August 1878.
" 229 W of 15th "

No. 5,644.

TRANSFERRED to the Financial Department in continuation of endorsement, No. 3,660, dated 19th August 1878.

16th December 1878. (Signed) E. A. FOORD, Colonel, R.E.,
Secretary to Govt., P.W.D.

No. 37.

THE Public Works Department will be referred to the Official Memorandum, dated 27th August 1878, No. 1,540, Financial Department, with which the papers specified within was returned.

9th January 1879. (Signed) H. B. GRIGG.
Ag. Under Secretary.

No. 95. ORDER THEREON, 8th April 1879, No. 1,094 W.

RECORDED with reference to the undermentioned Proceedings:—

No. 3,674 W, dated 18th September 1878.
" 288 " " 24th January 1879.
" 913 " " 26th March "
" 1,093 " " 8th April "

(True Extract.)

Colonel, R.E.,
Ag. Secy. to Govt., P.W.D.

To the Examiner of Public Works Accounts.
Exd. J. W. Fischer.
Spare Copies.

GENERAL.
ACCOUNT.

Govt. of 1879; Madras.

PUBLIC WORKS.

To

The EXAMINER of PUBLIC WORKS
ACCOUNTS

Dated April 8th

Issued

Encl.

Read.

G. O., 8th April 1879, No. 1,094 W.

APRIL.

Nos. 94-95.

Provincial Public Works Grant.—Papers from the Examiner, Public Works Accounts, regarding the outlay which was incurred during the year 1876-77 in excess of the —.

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FROM THE EXAMINER, P.W. ACCOUNTS,

MADRAS.

TO THE SECRETARY TO GOVERNMENT,

PUBLIC WORKS DEPARTMENT,

GENERAL BRANCH.

NO. 14-W CHEPAK, 13 APRIL 1878.

SIR,

I HAVE THE HONOR TO ACKNOWLEDGE THE RECEIPT OF G.O. FINANCIAL DEPARTMENT NO. 408 DATED 2ND. MARCH 1878, REQUESTING ME TO SUPPLY CERTAIN INFORMATION WITH REGARD TO THE OUTLAY, WHICH WAS INCURRED DURING THE YEAR 1876-77 IN EXCESS OF THE PROVINCIAL PUBLIC WORKS GRANT.

2. IN ANOTHER COMMUNICATION, I SHALL POINT OUT TO GOVERNMENT THE MODIFICATIONS IN THE FIGURES REPORTED IN MY LETTER NO. 881.X. DATED 25TH. FEBRUARY 1878 WHICH HAVE BEEN CAUSED BY THE ADJUSTMENT IN THE 2ND. SUPPLEMENTAL ACCOUNTS OF THE FAMINE EXPENDITURE INCURRED BY PUBLIC WORKS OFFICERS DURING THE YEAR 1876-77; BUT AS THE REMARKS OF GOVERNMENT HAVE REFERENCE MORE TO THE EXCESS OUTLAY INCURRED WHICH IS NOT SEPERABLE TO THE FAMINE THAN TO THAT WHICH IS DIRECTLY SO, I WILL NOT HERE NOTICE THE POINT FURTHER.

3. I UNDERSTAND THAT THE GENERAL OBJECT OF GOVERNMENT IN DRAFTING THEIR ORDER, WAS TO ASCERTAIN THE CAUSES WHICH DIRECTLY OR INDIRECTLY LED TO THE PROVINCIAL PUBLIC WORKS GRANT BEING EXCEEDED, AND TO INVITE SUGGESTIONS FROM THE DIFFERENT OFFICERS CONCERNED WITH A VIEW TO THE PREVENTION OF SIMILAR EXCESSES IN THE FUTURE. IT IS WITH THIS UNDERSTANDING THAT I LAY THE FOLLOWING REMARKS BEFORE GOVERNMENT.

4. IN THE FIRST PLACE, I THINK IT MUST BE CLEARLY UNDERSTOOD THAT THE RESPONSIBILITY FOR INCURRING EXPENDITURE IN EXCESS OF THE PUBLIC WORKS GRANTS, EXCEPT UNDER VERY EXCEPTIONAL CIRCUMSTANCES HEREINAFTER TO BE NOTICED, RESTS ENTIRELY WITH THE PUBLIC WORKS OFFICERS WHO CONTROL THE EXPENDITURE. THE CONTROL THAT CAN BE EXERCISED BY THE LOCAL ACCOUNTANT GENERAL IN RESPECT TO THE ISSUE OF FUNDS IS OF FAR TOO GENERAL A NATURE TO BE PRACTICALLY RELIED ON.

AS I UNDERSTAND THE MATTER, THE ACCOUNTANT GENERAL, MADRAS, MUST SUPPLY THE PUBLIC WORKS DEPARTMENT WITH FUNDS UP TO THE AGGREGATE AMOUNT OF THE BUDGET GRANTS UNDER ALL HEADS OF SERVICE; AND IF THIS BE SO, ALTHOUGH HIS CONTROL OVER THE SUPPLY OF FUNDS MIGHT PREVENT THE PUBLIC WORKS OUTLAY IN THE AGGREGATE FROM EXCEEDING TO ANY GREAT EXTENT THE PUBLIC WORKS GRANTS IN THE AGGREGATE, NO ACTION ON HIS PART COULD PREVENT AN EXCESS ON ONE HEAD OF SERVICE, WHICH WAS BALANCED BY SHORT OUTLAY ON ANOTHER HEAD OF SERVICE. THE CONTROL OVER EXPENDITURE IN DETAIL, MUST REST WITH THE OFFICERS OF THE PUBLIC WORKS DEPARTMENT.

5. THE OFFICER OF THE PUBLIC WORKS DEPARTMENT WHO IS

RESPONSIBLE THAT NO EXPENDITURE ON PUBLIC WORKS IS INCURRED IN EXCESS OF THE BUDGET GRANTS IS THE CHIEF ENGINEER, P.W.CODE CHAP.III.I.24. AND THAT OFFICER WILL DOUBTLESS BE ABLE, BETTER THAN I CAN, TO EXPLAIN HOW THE EXCESS OCCURRED IN THIS PARTICULAR CASE.

6. AS GOVERNMENT IS AWARE THE EXAMINER IS IN NO SENSE P.W.CODE III.VII.XIV. A CONTROLLING OFFICER. HIS DUTY ENDS WITH BRINGING TO THE NOTICE OF GOVERNMENT EVERY THING THAT HE CONSIDERS FINANCIALLY IRREGULAR :- HE HAS TO CONFINE HIMSELF TO ELICITING THE FACTS AND REPRESENTING THEM TO THE PROPER CONTROLLING AUTHORITIES :- HE MUST ON NO ACCOUNT USURP THEIR FUNCTIONS, ANY ACTION THAT HAS TO BE TAKEN RESTING WITH THE EXECUTIVE BRANCH.

AS REGARDS THE PARTICULAR EXCESS INCURRED IN THE YEAR 1876-77 REFERRED TO BY GOVERNMENT, I SHALL CONSEQUENTLY CONFINE MYSELF TO EXPLAINING IN ANOTHER COMMUNICATION THE ACTION TAKEN IN ORDINARY COURSE BY THIS OFFICE. MY REMARKS IN THIS LETTER WILL BE PRINCIPALLY DIRECTED TO SHEW HOW FAR THE GENERAL CAUSES THAT TENDED TO PRODUCE THE EXCESS UNDER PROVINCIAL IN 1876-77 ARE STILL IN OPERATION AT THE PRESENT TIME UNDER ALL HEADS OF SERVICE.

7. THE CAUSE OF THESE EXCESSES OF OUTLAY OVER GRANT MAY BE BROADLY STATED TO BE THE WANT OF ATTENTION PAID BY THE EXECUTIVE TO THE FINANCIAL RULES OF THE GOVERNMENT OF INDIA.

ASSUMING THAT THE BUDGET ESTIMATE IS PROPERLY DRAWN

OUT, THE TOTAL GRANT IS SHEWN IN THE BUDGET ESTIMATE EITHER AS APPROPRIATED TO WORKS, REPAIRS, ETC. ETC., OR AS LUMP SUMS ALLOTTED TO CERTAIN ADMINISTRATIVE OFFICERS FOR APPROPRIATING TO WORKS, ETC., AND IT IS EVIDENT, THAT IF THESE ADMINISTRATIVE OFFICERS DO NOT APPROPRIATE IN EXCESS OF THESE ALLOTMENTS, AND IF THE DISBURSING OFFICERS DO NOT SPEND IN EXCESS OF THEIR APPROPRIATIONS, OUTLAY IN EXCESS OF THE BUDGET GRANT IS SIMPLY IMPRACTICABLE. THE EXPENDITURE MAY BE TO ANY EXTENT LESS THAN THE GRANT, BUT IF EXCESSES OCCUR THEY CAN OCCUR ONLY BY WANT OF ATTENTION TO THESE CLEAR FINANCIAL RULES. AND I WILL NOW CONSEQUENTLY PROCEED TO POINT OUT IN WHAT DIRECTIONS THESE RULES ARE IN THIS PRESIDENCY MOST FREQUENTLY DEPARTED FROM.

8. THE REMARKS I HAVE TO MAKE ON THE WHOLE SUBJECT OF BUDGETS, APPROPRIATIONS, ETC. ETC., NATURALLY DIVIDE THEMSELVES UNDER THE FOUR HEADS : (1) WORKS AND REPAIRS; (2) ESTABLISHMENT; (3) TOOLS AND PLANT; AND (4) SUSPENSE.

WORKS AND REPAIRS.

9. THERE IS LITTLE TO CRITICISE IN THE SYSTEM ADOPTED IN THE PREPARATION OF THAT PORTION OF THE PUBLIC WORKS BUDGET WHICH RELATES TO WORKS AND REPAIRS. IT IS TRUE THAT AS REGARDS LOCAL FUND EXPENDITURE, A CONSOLIDATED PUBLIC WORKS BUDGET FOR LOCAL FUNDS HAS HITHERTO BEEN ATTEMPTED ON ONLY ONE OCCASION, G.O.NO.3532 DATED 20TH.DECEMBER 1876. } AND THAT ON THIS OCCASION IT WAS SO INCORRECT THAT IT WAS PRACTICALLY USELESS. HITHERTO THE ONLY LOCAL FUND BUDGETS AVAILABLE TO EITHER THE CHIEF ENGINEER OR THE EXAMINER HAVE BEEN THE GENERAL CIRCLE BUDGETS PREPARED IN THE FINANCIAL DEPARTMENT, WHICH WHILE GIVING

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A MASS OF INFORMATION NOT REQUIRED IN THE PUBLIC WORKS DEPARTMENT, FAILED TO SHEW THE PUBLIC WORKS DIVISION IN WHICH THE WORK WAS TO BE CARRIED OUT. IN CONSEQUENCE OF THIS, IT HAS HITHERTO BEEN VERY DIFFICULT TO ARRIVE AT THE TOTAL LOCAL FUND GRANT FOR EACH DIVISION; A FACT WHICH HAS RENDERED THE EXAMINER'S CHECK OVER THE SUPPLY OF FUNDS AND THE CHIEF ENGINEER'S CONTROL OVER THE EXPENDITURE ALMOST IMPRACTICABLE.

10. FOR THE YEAR 1878-79, I AM PROMISED A CONSOLIDATED LOCAL FUND BUDGET, G.O.NO.1258 OF 20TH.APRIL 1877. } I638.W.OF IST. ,, 1878. } AND AS THE ACTION TAKEN ON THIS OFFICE LETTER NO.826.W.OF 9TH.DECEMBER 1876 HAS LED TO THE INCLUSION IN THE GENERAL CIRCLE BUDGETS OF THE NAME OF THE PUBLIC WORKS DIVISION CONCERNED, THERE IS LITTLE FURTHER TO BE DESIRED.

11. PRACTICALLY THEREFORE IT MAY BE HELD THAT AS REGARDS WORKS AND REPAIRS, THE CAUSE OF ANY FURTHER FINANCIAL IRREGULARITY THAT MAY OCCUR WILL NOT BE ATTRIBUTABLE TO THE MANNER IN WHICH THE PUBLIC WORKS BUDGETS ARE PREPARED. THE CAUSE MUST BE SOUGHT EITHER IN THE FACT THAT THE ADMINISTRATIVE OFFICERS APPROPRIATE IN EXCESS OF THEIR ALLOTMENTS, OR THAT THE DISBURSING OFFICERS INCUR OUTLAY IN EXCESS OF THEIR APPROPRIATIONS.

12. FROM AN EXAMINATION OF THE ACCOUNTS, IT IS BEYOND ALL DOUBT THAT BOTH OF THESE CASES FREQUENTLY OCCUR. AS REGARDS APPROPRIATING IN EXCESS OF ALLOTMENTS, IN SOME CASES EVEN THE GOVERNMENT ITSELF TAKES TOO HOPEFUL A VIEW

OF ITS FINANCIAL POSITION AND APPROPRIATES AGAINST ANTICIPATED

EXAMINER'S LETTER NO. 144.W. DATED 10TH. MARCH 1877 } SAVINGS WHICH

AT THE TIME THE APPROPRIATION IS MADE CANNOT BE DEFINITELY STATED.

G.O.NO.9634 OF 27TH. DECEMBER 1875.
EXAMINER'S LETTER NO.28.F.I.OF 8TH. FEBRUARY 1876.
G.O.NO.2935 DATED 14TH. OCTOBER ,, } AT OTHERS, IT WOULD APPEAR THAT APPROPRIATIONS ARE MADE BY

GOVERNMENT WITH A FULL KNOWLEDGE THAT THE GRANT WILL THEREBY BE

EXCEEDED.

13. INSTANCES OF THIS NATURE ON THE PART OF THE BOARD OF

EXAMINER'S LETTER NO.280.W. DATED 18TH. SEPTEMBER 1876.
DO ,, NO.24.F.I. DATED 21ST. JANUARY 1876.
PROS. OF THE BD. OF REV. NO. 658 OF 12-3-78.
DO ,, 3098 OF 26-3-78.
DO ,, 2562 OF 12-3-78.
DO ,, 3784 OF 18-3-78.
DO ,, 3012 OF 25-3-78.
DO ,, 4046 OF 19-3-77.
DO ,, 8768 OF 14-3-77.
DO ,, 8839 OF 7-3-77.
DO ,, 1786 OF 5-2-77.
DO ,, 1971 OF 9-2-77.
DO ,, 8383 OF 17-2-77.
} WITH NUMEROUS OTHERS } REVENUE, AND THE DISTRICT ENGINEERS ARE FREQUENT, AS FAR AS THE PUBLIC WORKS OFFICERS ARE CONCERNED. SUCH IRREGULARITIES ARE MONTHLY

REPORTED TO GOVERNMENT IN THE APPROPRIATION RETURNS SUBMITTED BY

THIS OFFICE, BUT I DO NOT KNOW EXACTLY WHAT ACTION IS TAKEN BY

GOVERNMENT TO PUT A STOP TO THEIR RECURRENCE.

THE FOLLOWING SHEWS THE NUMBER OF THE DISTRICT ENGINEERS WHO HAVE SINCE APRIL 1876, BEEN REPORTED TO GOVERNMENT FOR APPROPRIATING IN EXCESS OF THEIR ALLOTMENTS.

STATEMENT

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STATEMENT SHEWING THE DISTRICTS IN WHICH THE DISTRICT ENGINEERS MADE APPROPRIATIONS IN EXCESS OF THEIR ALLOTMENTS DURING 1876-77 AND 1877-78.

MONTHS.	NUMBER OF DISTRICTS			TOTAL FOR EACH MONTH.
	IMPERIAL	IRRIGATION	PROVINCIAL	
APRIL 1876	I	4	,,	5
MAY	I	7	,,	8
JUNE	I	9	,,	IO
JULY	I	IO	,,	II
AUGUST	2	IO	,,	I2
SEPTEMBER	2	II	,,	I3
OCTOBER	I	IO	,,	II
NOVEMBER	3	7	I	II
DECEMBER	2	7	,,	9
JANUARY 1877	2	7	,,	9
FEBRUARY	,	4	3	7
MARCH	I	5	5	II
APRIL	,	2	,,	2
MAY	,	2	I	3
JUNE	,	2	I	3
JULY	,	2	I	3
AUGUST	,	II	I	I2
SEPTEMBER	,	7	I	8
OCTOBER	,	5	I	6
NOVEMBER	,	6	I	7
DECEMBER	,	5	I	6
JANUARY 1878	I	6	I	8
FEBRUARY ,,	,	5	7	I2
TOTAL	I8	I44	25	187.

IN EXTREME CASES THESE IRREGULARITIES ARE SPECIALLY

EXAMINER'S NO.214.W. OF 24-I-76.
241.W.O. 7-2-76.
,, 240.W.OF 5-2-76.
,, 237.W.OF 5-2-76.
,, 217.W.OF 25-I-76.
,, 218.W.OF 25-I-76.
,, 221.W.OF 26-I-76.
,, 227.W.OF 28-I-76.
,, 229.W.OF I-2-76.
,, 234.W.OF 4-2-76.
,, 223.W.OF 3-2-76.
} REPORTED TO GOVERNMENT BY LETTER.

I4. THE ACCOUNTS HOWEVER SHEW THAT THE CHIEF DISTURBING ELEMENT IN THE FINANCES OF THE PUBLIC WORKS DEPARTMENT IS THE OUTLAY INCURRED BY DISBURSING

OFFICERS IN EXCESS OF THEIR APPROPRIATIONS. IN MANY CASES I MUST DO THESE OFFICERS THE JUSTICE OF SAYING THAT THEY THEMSELVES ARE NOT IN FAULT. THEY ARE ORDERED BY SUPERIOR AUTHORITY TO CARRY OUT WORKS WITHOUT ANY APPROPRIATION OF FUNDS BEING MADE, AND IN SO CARRYING OUT THE WORKS, THEY SIMPLY OBEY THE ORDERS THEY RECEIVE. BUT OVER AND ABOVE THE CASES IN WHICH WORKS ARE UNDERTAKEN WITHOUT AN APPROPRIATION OF FUNDS BY THE DIRECT ORDER OF GOVERNMENT,

G.O.NO.2025 OF 12-10-75.
,, 2872 OF 7-10-75.
,, 2846 OF 4-10-75.
,, 2822 OF 29-9-75.
,, 2690 OF 20-9-75.
,, 2680 OF 17-9-75.
,, 1938 OF 8-7-75.
,, 564.W. OF 8-8-77.
,, 198.W.OF 22-9-77.
,,1121.W.OF 19-10-77
,, 807.W.OF 29-9-77
,,1235.W.OF 24-10-77.
,,1020.W.OF 3-12-77.
,,1065.W.OF 4-12-77.
,,1083.W.OF 8-12-77.

WITH MANY OTHERS

THERE ARE MANY OTHERS, FOR WHICH THE DISTRICT OFFICERS ARE SOLELY RESPONSIBLE.

15. EVERY CASE OF THE SORT, IN WHICH THE AMOUNT EXCEEDS RS.500, IS BROUGHT TO THE NOTICE OF GOVERNMENT IN THE MONTHLY OBJECTIONABLE ITEM STATEMENT, AND I GIVE BELOW THE NUMBER OF ITEMS WHICH HAVE BEEN SO REPORTED DURING THIS LAST TWO YEARS UNDER EACH HEAD OF SERVICE.

TOTAL

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TOTAL NUMBER OF ITEMS OBJECTIONABLE AS REGARDS APPROPRIATION DURING 1876-77 AND 1877-78.

EXH. Y.

MONTHS.		IMPERIAL	IRRIGATION	PROVINCIAL	LOCAL AND SPECIAL	SPECIAL	TOTAL FOR EACH MONTH	REMARKS
APRIL	1876	6	,	6	25	,,	37	
MAY	,,	6	37	8	22	,,	73	
JUNE	,,	8	53	11	27	,,	99	
JULY	,,	12	74	15	47	,,	148	
AUGUST	,,	8	77	18	28	,,	131	
SEPTEMBER	,,	10	87	16	22	,,	135	
OCTOBER	,,	5	99	22	34	,,	160	
NOVEMBER	,,	2	47	22	40	,,	111	
DECEMBER	,,	7	44	19	40	,,	110	
JANUARY	1877	8	37	22	39	,,	106	
FEBRUARY	,,	2	20	19	22	,,	73	
MARCH	,,	,	38	4	25	15	82	
APRIL	,,	2	6	6	5	2	21	
MAY	,,	4	16	7	14	5	46	
JUNE	,,	4	14	6	15	6	45	
JULY	,,	4	19	8	19	6	56	
AUGUST	,,	3	21	7	19	6	56	
SEPTEMBER	,,	7	30	8	16	8	69	
OCTOBER	,,	13	28	11	15	8	75	
NOVEMBER	,,	11	26	12	14	8	72	
DECEMBER	,,	10	18	14	13	8	63	
TOTAL		131	804	258	511	72	1776	
MONTHLY AVERAGE		6.23	38.29	12.29	24.3	3.42	84.58	

I TAKE THIS OPPORTUNITY OF STATING THAT I BELIEVE NO OTHER PROVINCE OF INDIA CAN PRODUCE SUCH FORMIDABLE LISTS OF OBJECTIONABLE ITEMS, AND THAT I BELIEVE THIS RESULT TO BE SOLELY DUE TO WHAT I CANNOT BUT CONSIDER TO BE THE INADEQUATE ACTION

HITHERTO TAKEN BY THE MADRAS GOVERNMENT IN DEALING WITH SUCH FINANCIAL IRREGULARITIES.

16. ON THIS SUBJECT, I WOULD RESPECTFULLY SOLICIT A PERUSAL OF MY LETTER NO.186.W.DATED 82ND.AUGUST 1876, ON WHICH NO ORDERS HAVE YET BEEN PASSED, AT THAT DATE GOVERNMENT HAD FOR THE SPACE OF NEARLY 2 1/2 YEARS ENTIRELY OMITTED TO TAKE ANY NOTICE AT ALL OF THE FINANCIAL IRREGULARITIES BROUGHT TO NOTICE BY THIS OFFICE; AND THE CONSEQUENCE WAS THAT THE WHOLE SYSTEM OF MAKING APPROPRIATIONS HAD FALLEN INTO THE UNSATISFACTORY STATE REPORTED TO GOVERNMENT IN (A) PARA 17 OF MY LETTER NO.1039 DATED 31ST.MAY 1875- (B) PARA 54-58 OF THE REPORT OF THE COMMITTEE ON ACCOUNTS DATED 22ND.OCTOBER 1875, (C) IN MY LETTER NO.101.W.DATED 10TH.MAY 1876 AND (D) IN A LONG OFFICE NOTE DATED 24TH.JANUARY 1876.

17. AT THAT TIME THERE WAS IN FACT NO SYSTEM OF APPROPRIATIONS AT ALL IN THE PROPER SENSE OF THE TERM, SO UTTERLY AT THAT TIME HAD THE SYSTEM OF APPROPRIATING SUNK INTO A MERE FORM, THAT IN THE YEAR 1876 IT WAS NOT CONSIDERED INCORRECT TO COLLECT IN THE PUBLIC WORKS SECRETARIAT ALL THE APPLICATIONS FOR TRANSFERS OF FUNDS RECEIVED FROM TIME TO TIME FROM THE DISTRICTS, AND TO PASS ORDERS ON THESE APPLICATIONS, SO THAT THE ORDERS ISSUED AFTER THE YEAR HAD EXPIRED, IN OTHER WORDS, AFTER THE

G.O.NO.951 OF 24-3-76 RECD.4TH.APRIL 1876.
G.O.NO.817 OF 30-3-76 RECD.22TH.APRIL 1876.

} EXPENDITURE HAD BEEN INCURRED BY THE LOCAL OFFICERS IRRESPECTIVE OF THE STATE OF THE APPROPRIATIONS, TRANSFERS OF FUNDS WERE SANCTIONED, WHOSE SOLE OBJECT WAS TO GUIDE THESE OFFICERS IN INCURRING THE EXPENDITURE. THIS MOST INCORRECT

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PROCEDURE WILL BE ACTUALLY FOUND RECOGNIZED IN PARA 6 OF THE PROCEEDINGS OF THE BOARD OF REVENUE NO.2943 OF 22ND. JUNE 1877.

18. THE SYSTEM OF APPROPRIATING FUNDS WAS PLACED ON A PROPER BASIS ONLY BY THE ISSUE OF STANDING ORDER NO.22 G.O.NO.1067 DATED 26TH.APRIL 1876. } OF 1876, AND SINCE THAT TIME IT MAY BE HELD THAT EVERY ITEM ENTERED IN THE OBJECTIONABLE ITEM LISTS, AND SHEWN IN PARA 15 ANTE REPRESENTS A DISTINCT DEPARTURE FROM THE SYSTEM PRESCRIBED BY GOVERNMENT, AND WHICH, IF ADHERED TO, WOULD HAVE PREVENTED ALL EXCESSES OVER GRANTS.

19. IN A SECOND LETTER NO.209.W.DATED 6TH.SEPTEMBER 1876 ADDRESSED BY THIS OFFICE TO GOVERNMENT BEGGING THAT SOME NOTICE MIGHT BE TAKEN OF THESE FINANCIAL IRREGULARITIES ORDERS WERE PASSED, AND SINCE THAT DATE ORDERS HAVE BEEN G.O.NO.3080 DATED 10TH.NOVEMBER 1876. } REGULARLY PASSED ON EACH OBJECTIONABLE ITEM STATEMENT AS RECEIVED UNDER THE SERVICE HEADS IRRIGATION, IMPERIAL, PROVINCIAL AND SPECIAL, BUT I CANNOT SAY THAT THE EFFECT OF THESE ORDERS HAS BEEN WHAT I HAD HOPED FOR. UNDER THE SERVICE HEAD 'LOCAL', I HAVE NOT YET BEEN EQUALLY FORTUNATE. THE AUTHORITY BY WHOM, AND THE SYSTEM UNDER WHICH, OBJECTIONABLE ITEMS

BOARD'S PROCEEDINGS NO.5009 OF 16-11-77.
DO DO DO , , 2048 OF 22-6-77. } ARE TO BE

DISPOSED OF UNDER THE SERVICE HEAD 'LOCAL' IS STILL THE SUBJECT OF CORRESPONDENCE.

20. THE MAIN OBJECT OF ALL THE ORDERS OF GOVERNMENT PASSED ON THE OBJECTIONABLE ITEM STATEMENTS TO THE PRESENT

TIME APPEARS TO HAVE BEEN MORE TO LEGALISE EACH TRANSACTION AFTER THE IRREGULARITY HAD OCCURRED, THAN TO PREVENT THE RECURRENCE OF OTHER SIMILAR IRREGULARITIES. OF COURSE, WHEN EXPENDITURE HAS BEEN INCURRED IN EXCESS OF APPROPRIATION, IT IS DOUBTLESS DESIRABLE TO APPROPRIATE FUNDS AT ONCE, AND THUS TO BRING THE TRANSACTIONS WITHIN THE FINANCIAL RULES, BUT I VENTURE TO SUGGEST THAT THE ACTION OF GOVERNMENT SHOULD NOT HAVE STOPPED THERE.

21. VIEWED IN THE UNIT, IT MAY NOT BE A VERY IMPORTANT MATTER THAT OUTLAY TO THE EXTENT OF A FEW THOUSAND RUPEES HAS BEEN INCURRED BY SOME PARTICULAR OFFICER IN EXCESS OF HIS APPROPRIATION, BUT WHEN VIEWED IN THE MASS, IT DOES APPEAR TO ME A MATTER OF THE LAST IMPORTANCE THAT MONTHLY SUCH NUMEROUS CASES SHOULD HAVE TO BE REPORTED TO GOVERNMENT IN WHICH THE PRESCRIBED RULES HAVE BEEN DEPARTED FROM, AND THAT THIS STATE OF THINGS SHOULD BE ALLOWED TO CONTINUE MONTH AFTER MONTH WITHOUT BEING PERUMPTORILY PUT A STOP TO. THE MERE LABOR OF PREPARING THESE VOLUMINOUS STATEMENTS AND THE CORRESPONDENCE THEY NECESSARILY ENTAIL ON ALL CONCERNED IS IN ITSELF AN EVIL OF NO SMALL MAGNITUDE.

22. IN THEIR PROCEEDINGS REFERRED TO IN PARA 18, THE REMARKS OF THE BOARD OF REVENUE PRACTICALLY AMOUNT TO A CONFESSION THAT IT DOES NOT MUCH MATTER WHEN THE OBJECTIONABLE ITEM LISTS ARE SUBMITTED OR WHEN THEY ARE DISPOSED OF, FOR NOTHING IN THE WAY OF REFORM CAN BE DONE UNTIL PERSONAL RESPONSIBILITY IS ENFORCED, AND TO THE PRESENT TIME SUCH PERSONAL RESPONSIBILITY HAS NOT BEEN ENFORCED IN A SINGLE INSTANCE. THE FORCE OF THESE REMARKS MUST BE ADMITTED, AND I CANNOT BUT AGREE WITH THE BOARD IN THEIR LATER PROCEEDINGS, WHEN THEY OBSERVE THAT UNDER THE EXISTING

STATE OF AFFAIRS THE OBJECTIONABLE ITEM LISTS FURNISH NO REAL CHECK UPON THE DISBURSING OFFICERS; THAT THE ONLY REMEDY FOR THE BULK OF THESE STATEMENTS IS A STRICTER OBSERVANCE OF RULES BY THESE OFFICERS, AND THAT THE REQUIRED RESULT WILL NOT BE OBTAINED UNTIL A FEW EXAMPLES ARE MADE.

23. BRIEFLY I AM OF OPINION THAT IN EVERY CASE IN WHICH THE PRESCRIBED FINANCIAL RULES ARE DEPARTED FROM, THE OFFICER CONCERNED SHOULD BE CALLED UPON TO PROVE THAT THE WORK WAS SUFFICIENTLY EMERGENT TO JUSTIFY ITS BEING UNDERTAKEN WITHOUT AN APPROPRIATION, AND IN HIS FAILING TO ESTABLISH THIS, PERSONAL RESPONSIBILITY SHOULD INVARIABLY BE ENFORCED.

BUT BE THIS AS IT MAY, IT IS MY PLAIN DUTY TO POINT OUT TO GOVERNMENT THAT UNTIL THE PRESENT SYSTEM OF APPROPRIATING FUNDS IN EXCESS OF ALLOTMENTS AND OF INCURRING EXPENDITURE IN EXCESS OF APPROPRIATIONS, BOTH BY THE GOVERNMENT ITSELF AND BY THE LOCAL EXECUTIVE OFFICERS, IS ABSOLUTELY PUT AN END TO, FINANCIAL REGULARITY IS NOT TO BE EXPECTED.

ESTABLISHMENT.

24. A POSSIBLE CAUSE OF EXPENDITURE BEING IN EXCESS OF THE PROVINCIAL GRANT UNDER THE HEAD ESTABLISHMENT IS TO BE FOUND IN THE MANNER IN WHICH THE PROVINCIAL BUDGET ESTIMATE ITSELF IS PREPARED. THE WHOLE AMOUNT OF THE PUBLIC WORKS ESTABLISHMENT CHARGES, WHATEVER THIS TOTAL MAY BE, IS SHEWN IN THE BUDGET ESTIMATE AS ALLOCATED TO

THE DIFFERENT HEADS OF SERVICE. TO THE SERVICE HEADS IMPERIAL, IRRIGATION AND LOCAL, A CHARGE IS MADE OF 25 PER CENT OF THE AGGREGATE GRANTS FOR WORKS AND REPAIRS, AND THE REMAINDER OF THE ESTABLISHMENT CHARGES, WHATEVER THIS REMAINDER MAY BE, IS SHEWN AS BORNE BY PROVINCIAL FUNDS.

25. AS FAR AS THE SERVICE HEADS IMPERIAL AND IRRIGATION ARE CONCERNED THE COURSE TAKEN IS CORRECT, FOR THE FINAL DEBIT TO THOSE HEADS IS SETTLED AS 25 PER CENT ON THE BUDGET GRANT OR ON THE EXPENDITURE, WHICHEVER MAY BE THE GREATER. IT IS THEREFORE CERTAIN THAT THE FINAL DEBITS TO IMPERIAL AND IRRIGATION WILL RELIEVE PROVINCIAL FUNDS TO AT LEAST THE EXTENT ANTICIPATED AND SHEWN IN THE BUDGET ESTIMATES.

26. BUT UNDER THE SERVICE HEAD 'LOCAL' NO SUCH RULE OBTAINS:- THE FINAL DEBIT TO LOCAL IS 25 PER CENT ON THE EXPENDITURE BY PUBLIC WORKS OFFICERS ON WORKS AND REPAIRS, WHATEVER THIS EXPENDITURE MAY BE. THE FINAL DEBIT TO LOCAL AND THE CONSEQUENT RELIEF TO PROVINCIAL IS THUS DIRECTLY DEPENDENT ON THE AMOUNT OF THE LOCAL FUND GRANT THAT MAY HAPPEN TO BE EXPENDED BY THE PUBLIC WORKS DEPARTMENT DURING THE YEAR. SHOULD THE LOCAL FUND OUTLAY HAPPEN TO FALL SHORT OF THE GRANT BY ANY PARTICULAR SUM WHICH I MAY CALL A, THE PROVINCIAL EXPENDITURE UNDER ESTABLISHMENT IS INCREASED TO THE EXTENT OF $\frac{A}{4}$, AND FOR THIS EXPENDITURE NO PROVISION IS MADE IN THE PROVINCIAL BUDGET.

27. AT PRESENT THIS CAUSE HAS NOT YET MADE ITSELF ACTIVELY FELT, BECAUSE THE SUPPLEMENTARY GRANTS MADE DURING THE YEAR UNDER LOCAL ARE USUALLY SO LARGE THAT ALTHOUGH THE LOCAL FUND OUTLAY IS MUCH BELOW THE FINAL GRANT IT USUALLY COMES UP TO THE ORIGINAL GRANT OF THE YEAR. BUT WHEN A BETTER SYSTEM OF BUDGETTING IS INTRODUCED UNDER LOCAL, THE POINT I HAVE HERE NOTICED WILL HAVE TO BE VERY CAREFULLY GUARDED AGAINST.

28. AT PRESENT, IT IS PERFECTLY POSSIBLE FOR THE AGGREGATE COST OF ESTABLISHMENT TO BE LESS THAN THE AGGREGATE BUDGET GRANT FOR ESTABLISHMENT AND YET FOR THE PROPORTION OF THESE ESTABLISHMENT CHARGES BORNE BY PROVINCIAL TO BE IN EXCESS OF THE BUDGET GRANT FOR ESTABLISHMENT UNDER PROVINCIAL. ANY ERROR OR CHANGE MADE UNDER THE HEAD ESTABLISHMENT IN THE BUDGET ESTIMATE UNDER ANY HEAD OF SERVICE OTHER THAN PROVINCIAL AT ONCE AFFECTS THE PROVINCIAL BUDGET, AND I DO NOT THINK THIS POINT IS SUFFICIENTLY ATTENDED TO AT PRESENT.

29. ANOTHER POSSIBLE CAUSE OF EXCESS EXPENDITURE UNDER THE HEAD PROVINCIAL, ESTABLISHMENT IS TO BE FOUND IN THE FREQUENT TRANSFERS BY THE BOARD OF REVENUE OF THE EXECUTION OF WORKS FROM THE PUBLIC WORKS DEPARTMENT TO 'OTHER AGENCY'.

PROS. OF THE BD. OF REV. NO. 745 OF 19-3-78.
,, 2560 OF 12-3-78.
,, 2214 OF 14-5-77.
,, 1149 OF 2-5-76.
,, 7964 OF 18-9-76.
,, 5980 OF 14-7-76.
,, 2765 OF 21-3-76.
,, 6266 OF 14-7-76.
,, 7847 OF 30-8-76.

(AMONGST OTHERS)

Reversal of all the last mentioned not carried out

SUCH WORKS ARE ORIGINALLY SHEWN IN THE LOCAL FUND BUDGET AS WORKS TO BE EXECUTED BY THE PUBLIC WORKS DEPARTMENT, AND THEIR SHARE OF ESTABLISHMENT CHARGES IS CONSEQUENTLY INCLUDED IN THE LOCAL FUND BUDGET AS A CHARGE TO LOCAL FUNDS.

30. THEIR TRANSFER FROM PUBLIC WORKS DEPARTMENT TO

OTHER AGENCY VIRTUALLY TRANSFERS THIS SHARE OF ESTABLISHMENT CHARGES FROM LOCAL TO PROVINCIAL AND TO MEET THIS INCREASED CHARGE UNDER PROVINCIAL NO INCREASE IS MADE TO THE PROVINCIAL PUBLIC WORKS BUDGET GRANT, AS SHOULD PROPERLY BE THE CASE. THE PRINCIPAL POINT HERE TO BE NOTICED IS THAT THESE TRANSFERS, WHICH ARE MADE BY THE BOARD OF REVENUE, DO NOT APPEAR TO BE EVEN ADVISED TO THE FRAMERS OF THE PROVINCIAL PUBLIC WORKS BUDGET.

31. THESE ARE, I THINK, THE ONLY CAUSES CONNECTED WITH THE PROVINCIAL BUDGET WHICH COULD POSSIBLY PROMOTE FINANCIAL IRREGULARITY UNDER THE HEAD 'ESTABLISHMENT'. CHARGES FOR ESTABLISHMENT ARE AUDITED, AS GOVERNMENT IS AWARE, AGAINST THE DETAILED SANCTIONED LISTS OF ESTABLISHMENT, AND AGAINST THE AGGREGATE GRANT FOR ESTABLISHMENT CHARGES THROUGHOUT THE PRESIDENCY; THE SUBSEQUENT DIVISION OF THE CHARGES THUS INCURRED BETWEEN THE SEVERAL HEADS OF SERVICE BEING A MERE MATTER OF ACCOUNT.

32. THE ABOVE REMARKS HAVE REFERENCE TO THE ARBITRARY DIVISION BETWEEN THE VARIOUS HEADS OF SERVICE OF THE TOTAL CHARGE FOR PUBLIC WORKS ESTABLISHMENT THROUGHOUT THE PRESIDENCY.

AS TO THE CHARGES THEMSELVES IN THE AGGREGATE, I HAVE ALREADY SUFFICIENTLY PROTESTED AGAINST A SYSTEM UNDER WHICH

LETTER FROM SECY. TO GOVT. NO. 858 DATED 18TH. DEC. 1875.
DO DO NO. 908 DATED 22ND. DECEMBER 1875.
G.O. NO. 2420 OF 2ND. DECEMBER 1875.

} THE EXAMINER BY THE DIRECT ORDER OF GOVERNMENT IS FORCED TO DRAW UP THE BUDGET ESTIMATE OF THE COST OF THE EXECUTIVE ESTABLISHMENT REQUIRED FOR THE EFFICIENT PROSECUTION OF THE PUBLIC WORKS IN THIS PRESIDENCY IN TOTAL IGNORANCE OF THE WORKS THEMSELVES FOR WHICH THIS ESTABLISHMENT IS REQUIRED. MY VIEWS ON THIS SUBJECTS ARE CONTAINED IN THE CORRESPONDENCE

PARAS 10-12 OF THIS OFFICE LETTER NO. 176. W. DATED 27TH. DECEMBER 1875.

} NOTED IN THE MARGIN AND FURTHER EXPERIENCE HAS ONLY STRENGTHENED THESE VIEWS.

33. I AM OF OPINION THAT ESTABLISHMENT CHARGES ABOVE ALL OTHERS REQUIRE THE MOST FREQUENT AND THE CLOSEST SCRUTINY, AND THAT PERIODICALLY THEY SHOULD BE EXHAUSTIVELY REVIEWED WITH A VIEW TO POSSIBLE REDUCTIONS. I AM FURTHER OF OPINION THAT A LARGER PROPORTION OF THE PRESENT ESTABLISHMENT THAN AT PRESENT OBTAINS SHOULD BE ON A TEMPORARY FOOTING, IN ORDER TO SECURE A GREATER ELASTICITY IN THE COST OF THE PUBLIC WORKS ESTABLISHMENT AS A WHOLE.

34. THE OBJECT OF THE PREPARATION OF APPENDIX A ORDERED BY THE GOVERNMENT OF INDIA TO BE ATTACHED TO THE BUDGET ESTIMATE IS TO SECURE THE CHARGES FOR ESTABLISHMENT BEING REVIEWED AT LEAST ONCE ANNUALLY. IN THE YEAR 1876-77, THE ONLY YEAR FOR WHICH A CONSOLIDATED LOCAL FUND BUDGET WAS PERPARED, APPENDIX A WAS GOT OUT BY THIS OFFICE, AND

EXAMINER'S LETTER NO. 176. W. DATED 18TH. AUGUST 1876.

} THE GENERAL RESULTS OF THIS REVIEW WERE PLACED BEFORE GOVERNMENT. THEY WERE, I CONSIDER, SUFFICIENTLY ANOMALOUS TO HAVE ATTRACTED ATTENTION, THE COST FOR ESTABLISHMENT IN ONE OF THE DIVISIONS BEING AS HIGH AS 171.7 PER CENT ON THE COST OF THE WORKS AND REPAIRS. NO ACTION HOWEVER WAS TAKEN ON THIS LETTER, NOR AM I AWARE OF ANY FURTHER REVIEW HAVING SINCE BEEN ATTEMPTED. INDEED, SO FAR FROM REDUCTIONS BEING MADE, SUPERNUMERARY OFFICERS ARE FROM

TIME TO TIME ADDED BY GOVERNMENT TO THE PUBLIC WORKS ESTABLISHMENT, THE WHOLE COST OF WHOSE SALARY AND TRAVELLING ALLOWANCES VIRTUALLY FALLS ON PROVINCIAL FUNDS, AND THIS WITHOUT PROVIDING ANY ADDITIONAL GRANT TO MEET THE CHARGES THUS INCURRED.

TOOLS AND PLANT.

35. UNDER THE HEAD TOOLS AND PLANT, FOR PAST YEARS, ALL THE OBSERVATIONS APPLY WHICH I HAVE ALREADY LAID BEFORE GOVERNMENT IN PARAS 9-23 WITH REGARD TO WORKS AND REPAIRS. FOR THE FUTURE, FROM THE OFFICIAL YEAR 1877-78 INCLUSIVE, THE CHARGES FOR TOOLS AND PLANT TO THE VARIOUS HEADS OF SERVICE OTHER THAN PROVINCIAL WILL BE CALCULATED AT 2-½ PER CENT ON THE OUTLAY ON WORKS AND REPAIRS IN EXACTLY THE SAME MANNER AS CHARGES FOR ESTABLISHMENT, AND CONSEQUENTLY THE REMARKS I HAVE MADE IN PARAS 24-29 WITH REGARD TO THE PREPARATION OF THE PROVINCIAL BUDGET ESTIMATE FOR ESTABLISHMENT CHARGES WILL APPLY WITH EQUAL FORCE TO THE PREPARATION OF THE BUDGET ESTIMATE FOR CHARGES FOR TOOLS AND PLANT.

SUSPENSE.

36. MY ONLY OBJECT IN NOTICING THE HEAD 'SUSPENSE' IS TO POINT OUT THE DIFFICULTY UNDER PRESENT ARRANGEMENTS WHICH THE CHIEF ENGINEER MUST EXPERIENCE IN MAINTAINING ANY CHECK OVER THE CHARGES THAT COME UNDER THE HEAD 'SUSPENSE'.

37. THE CHIEF ENGINEER, I UNDERSTAND, CONDUCTS HIS CONTROL OVER THE PUBLIC WORKS EXPENDITURE BY MEANS OF RETURNS RECEIVED FROM THE DISTRICT ENGINEERS, AND I DO NOT THINK THE DISTRICT ENGINEERS ARE IN A POSITION TO GIVE THE CHIEF ENGINEER INFORMATION AS TO THE PUBLIC WORKS CHARGES WHICH

SEE G.O. NO. 2325 OF 12TH. AUGUST 1875 AND ALL OTHERS ON THE SAME SUBJECT.

ARE CAUSED BY FLUCTUATIONS IN THE AMOUNTS OF THE SUSPENSE BALANCES. THE EXAMINER ALONE HAS COMPLETE INFORMATION ON THIS POINT, THE PRINCIPAL FLUCTUATIONS BEING CAUSED BY TRANSACTIONS IN CONNECTION WITH THE SUPPLIES OF ENGLISH STORES.

38. AT PRESENT THE ONLY RETURNS OF OUTLAY SUBMITTED BY THIS OFFICE TO THE CHIEF ENGINEER IS ONE OF THE OUTLAY ON IRRIGATION WORKS AND REPAIRS, AND FOR THE SUBMISSION OF EVEN THIS STATEMENT NO ORDERS EXIST. THIS STATEMENT DOES NOT SHEW CHARGES FOR ESTABLISHMENT, TOOLS AND PLANT, OR SUSPENSE. UNDER THE OTHER HEADS OF SERVICE NO STATEMENTS OF OUTLAY ARE SUBMITTED TO THE CHIEF ENGINEER BY THIS OFFICE.

39. IN MY OFFICE NOTE OF THE 24TH. JANUARY 1876, I SKETCHED OUT THE SYSTEM, WHICH I THOUGHT SHOULD BE ADOPTED FOR THE EXERCISE OF A PROPER CONTROL OVER EXPENDITURE AND I REGRET THAT THIS SYSTEM HAS NOT YET BEEN INTRODUCED. IN THE ABSENCE OF ANY DEFINITE SYSTEM OF REPORTING OUTLAY EITHER BY DISTRICT ENGINEERS OR BY THE EXAMINER, THE INFORMATION AT THE DISPOSAL OF THE CHIEF ENGINEER IS PROBABLY NOT AS COMPLETE AS IT SHOULD BE.

40. I AM OF OPINION THE CHIEF ENGINEER SHOULD NOT RELY ON INFORMATION RECEIVED FROM THE DISTRICTS :- THAT WHATEVER DOUBLE ACCOUNTING STILL EXISTS SHOULD NOW BE ALTOGETHER DONE AWAY WITH :- THAT THE EXAMINER SHOULD BE RECOGNIZED AS THE RESPONSIBLE BOOK-KEEPER OF THE DEPARTMENT: AND THAT HE AND

PARA 31 OF EXAMINER'S LETTER NO. 26. E.I. DATED 6TH. MARCH 1876. VIDE G.O. NO. 1230 DATED 17TH. MAY 1876.

NOT THE DISTRICT ENGINEERS SHOULD BE MADE RESPONSIBLE FOR SUBMITTING PUNCTUALLY TO GOVERNMENT AND TO THE CHIEF ENGINEER WHATEVER FINANCIAL RETURNS AND STATEMENTS ARE REQUIRED FOR ADMINISTRATION PURPOSES, BUT IF THIS COURSE BE ADOPTED, IN ORDER THAT THE EXAMINER MAY SUBMIT HIS RETURNS COMPLETELY AND PUNCTUALLY HE MUST RECEIVE MORE PUNCTUALLY AND COMPLETELY THE DATA FROM WHICH THESE RETURNS HAVE TO BE COMPILED. EVERY ACCOUNT AND RETURN SUBMITTED BY THE LOCAL OFFICERS MUST BE RENDERED WITH GREATER REGULARITY; IN OTHER WORDS THE WHOLE PUBLIC WORKS ADMINISTRATION MUST BE MORE SHARPLY BRACED UP.

41. IT MAY REASONABLY BE SUPPOSED THAT OF ALL THE ACCOUNTS SUBMITTED TO THIS OFFICE, THOSE ARE SUBMITTED MOST PUNCTUALLY WITH REGARD TO WHICH ANY DELAY IS SPECIALLY REPORTED TO GOVERNMENT, THIS OFFICE BRINGS MONTHLY TO THE NOTICE OF GOVERNMENT SUCH OF THE DIVISIONAL ACCOUNTS AND OF THE DISTRICT APPROPRIATION RETURNS AS HAVE NOT BEEN RECEIVED BY DUE DATE, ON A G.O.NO.190 OF 25TH.JANUARY 1876. ON A PREVIOUS OCCASION I REPORTED TO GOVERNMENT THAT DURING A PERIOD OF 12 MONTHS, EVEN SO MANY AS 50 PER CENT OF THE MONTHLY DIVISIONAL ACCOUNTS HAD BEEN RECEIVED BY THE PRESCRIBED DATE ONLY ON ONE OCCASION, AND SINCE THEN, I FIND THAT THE AVERAGE PERCENTAGE OF THE DIVISIONAL ACCOUNTS RECEIVED ON THE DATE PRESCRIBED HAS BEEN ABOUT 25.02 PER CENT.

42. AS REGARDS THE MONTHLY APPROPRIATION RETURNS SUBMITTED BY DISTRICT ENGINEERS, IF GOVERNMENT WILL REFER TO THE MONTHLY REPORTS SUBMITTED BY THIS OFFICE, THEY WILL SEE THAT OF THE IRRIGATION RETURNS 12-72 PER CENT, AND OF THE BUILDINGS AND

1094/17

ROADS RETURNS 30.6 PER CENT WERE ON AN AVERAGE RECEIVED FROM THE DISTRICTS TOO LATE FOR INCLUSION IN THE GENERAL APPROPRIATION RETURN OF THE PRESIDENCY. ONE INEVITABLE RESULT OF THESE OMISSIONS IS THAT THE AGGREGATE APPROPRIATIONS TO DATE REPORTED BY THIS OFFICE ARE ALWAYS SHEWN AS LESS THAN WHAT THEY ACTUALLY ARE, AND IT IS QUITE POSSIBLE THAT GOVERNMENT MAY BE THUS MISLED.

EXAMINER'S LETTER NO.101.W. OF 10-1-76, X,, ,, NO.88.W.OF 25-4-76. ,, ,, NO.19.W.OF 12-4-76.

yet to be replied to

43. TO SUM UP, I DO NOT THINK THAT THE FINANCIAL REGULARITY DESIRED BY GOVERNMENT WILL BE THOROUGHLY SECURED.

(1) UNTIL THE PROVINCIAL BUDGET ESTIMATE IS MORE CAREFULLY WATCHED.

(2) UNTIL ALL APPROPRIATING IN EXCESS OF ALLOTMENTS IS PUT AN END TO.

(3) UNTIL OFFICERS ARE ABSOLUTELY STOPPED FROM INCURRING EXPENDITURE IN EXCESS OF THEIR APPROPRIATIONS.

(4) UNTIL THE WHOLE ACCOUNTING OF THE DEPARTMENT IS CARRIED ON WITH GREATER REGULARITY.

AND THERE IS NOT ONE OF THESE DESIDERATA THAT COULD NOT BE EASILY SECURED BY GOVERNMENT IN THE PUBLIC WORKS DEPARTMENT

44. THERE ONLY REMAINS TO BE CONSIDERED THE EXCEPTIONAL CASES REFERRED TO IN PARA 4, IN WHICH THE RESPONSIBILITY

FOR INCURRING EXPENDITURE DEBITABLE TO THE PUBLIC WORKS BUDGET GRANT COULD NOT REST WITH THE OFFICERS OF THE PUBLIC WORKS DEPARTMENT. I ALLUDE TO CASES IN WHICH EXPENDITURE IS INCURRED BY OTHER DEPARTMENTS OF GOVERNMENT AND KEPT IN THEIR SUSPENSE ACCOUNTS UNTIL THE OFFICIAL YEAR HAS ALL BUT EXPIRED, WHEN THEY ARE, WITHOUT WARNING, TRANSFERRED FROM THE SUSPENSE ACCOUNT OF THE DEPARTMENT CONCERNED AND DEBITED FINALLY TO THE PUBLIC WORKS DEPARTMENT. IN SUCH CASES, WHICH ARE AS EXCEPTIONAL AS THEY ARE IRREGULAR, NOTHING THAT THE CHIEF ENGINEER OR THE EXAMINER COULD DO WOULD PREVENT THE PUBLIC WORKS BUDGET GRANT FROM BEING EXCEEDED. A CASE OF THIS KIND OCCURRED IN THE YEAR 1876-77.

EXAMINER'S LETTER NO.6,B. DATED 20TH.APRIL 1877.

45. THE ABOVE ARE THE CAUSES THAT I THINK DIRECTLY LEAD TO THE FINANCIAL IRREGULARITY REFERRED TO BY GOVERNMENT, BUT IT IS HARDLY TOO MUCH TO SAY THAT THESE CAUSES ARE THEMSELVES ONLY THE RESULTS OF OTHER EVILS MORE DEEPLY SEATED.

46. TWO I WILL SPECIALLY NOTICE :- THE FIRST IS THE ABSENCE IN THIS PRESIDENCY OF ANY PUBLIC WORKS CODE OF REGULATIONS. IT IS, I CONTEND, ABSOLUTELY IMPOSSIBLE TO HOLD OFFICERS RESPONSIBLE FOR ADHERENCE TO AN ELABORATE SYSTEM OF FINANCE AND ACCOUNT WITHOUT PLACING BEFORE THEM IN A CONVENIENT AND ACCESSIBLE FORM THAT THE SYSTEM IS, AND WHAT THEIR RESPONSIBILITIES AND DUTIES ARE IN THE MATTER. UNTIL THE NEW PUBLIC WORKS CODE IS COMPLETE, I DO NOT ANTICIPATE ANY VERY COMPLETE ADHERENCE TO THE PRESCRIBED FINANCIAL SYSTEM.

G.O.NO.2210 DATED 21ST.JULY 1875.

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12

47. THE SECOND CAUSE, AND THE CAUSE WHICH I AM INCLINED TO THINK REALLY INCLUDES ALL THE REST, IS THAT FINANCIAL MATTERS ARE AS A RULE DISPOSED OF BY GOVERNMENT IN THE PUBLIC WORKS DEPARTMENT WITHOUT THE GOVERNMENT HAVING COMPLETE INFORMATION BEFORE THEM AS TO THE ASPECTS OF THE CASE FROM A FINANCIAL POINT OF VIEW.

48. THE INCONVENIENCE THAT RESULTS IN THIS PRESIDENCY FROM FINANCIAL CASES NOT BEING LAID BEFORE GOVERNMENT IN ORDINARY COURSE ACCOMPANIED BY A NOTE OR AN OPINION FROM THE GOVERNMENT PROFESSIONAL OFFICERS OF ACCOUNT AND AUDIT, I HAVE ALREADY SUFFICIENTLY BROUGHT BEFORE GOVERNMENT IN PARAS OF THE PRINTED NOTE THAT ACCOMPANIED MY LETTER NO. 126.W. DATED 5TH.NOVEMBER 1875.

49. I CAN ADD NOTHING TO THAT NOTE. I CAN ONLY AGAIN STRONGLY SUGGEST THAT FINANCIAL CASES IN FUTURE BE NOTED UPON BY THE EXAMINER BEFORE BEING LAID BEFORE GOVERNMENT IN THE PUBLIC WORKS DEPARTMENT, IN THE SAME WAY AS I UNDERSTAND IS ALREADY DONE BY THE CONTROLLER IN THE MILITARY DEPARTMENT.

50. BEFORE CONCLUDING MY LETTER, I WOULD EARNESTLY DEPRECATE THE PRESENT CASE BEING MADE THE OCCASION OF INTRODUCING MORE FORMS OR MORE RETURNS INTO THE PUBLIC WORKS DEPARTMENT. THE EXISTING SYSTEM AS PRESCRIBED BY THE GOVERNMENT OF INDIA IS ALREADY ELABORATE ENOUGH, AND IF PROPERLY WORKED, WILL SECURE IN THIS PRESIDENCY AS ELSEWHERE, THE MOST COMPLETE CHECK OVER THE PUBLIC WORKS OUTLAY THAT COULD BE DESIRED. BEFORE DEPARTING FROM OR ADDING TO A SYSTEM WHICH EXPERIENCE HAS ELSEWHERE SHEWN

TO BE THOROUGHLY EFFICIENT, I WOULD MOST RESPECTFULLY URGE THAT FIRST A FAIR TRIAL BE GIVEN TO THE SYSTEM ITSELF.

I HAVE THE HONOR TO BE,

SIR,

YOUR MOST OBEDIENT SERVANT,

L Conway-Gordon.

EXAMINER, P.W. ACCOUNTS AND MAJOR R.E.

EXD. W.S
9-4-78.

CD. C.W.
12-8-78.

1094
19

FROM THE EXAMINER, P.W. ACCOUNTS,

MADRAS.

TO THE SECRETARY TO GOVERNMENT,

PUBLIC WORKS DEPARTMENT,

GENERAL BRANCH.

NO. 229/W CHEPAK, 15th AUGUST 1878.

SIR,

WITH REFERENCE TO YOUR MEMORANDUM NO. 3450 DATED 6TH. AUGUST 1878, I HAVE THE HONOR TO RESPECTFULLY REQUEST THAT GOVERNMENT, IN THE FINANCIAL DEPARTMENT, MAY BE MOVED TO PASS EARLY ORDERS ON MY LETTER NO. 14. W. DATED 13TH. APRIL 1878, WHICH YOU INFORM ME HAS BEEN TRANSFERRED TO THE FINANCIAL DEPARTMENT.

I HAVE THE HONOR TO BE,

SIR,

YOUR MOST OBEDIENT SERVANT,

L Conway-Gordon

EXAMINER, P.W. ACCOUNTS AND MAJOR R.E.

Nos to 2442 W of 10 June 78

No 3660.

Forwarded to the Financial Dept. in continuation of endorsement dated 16th May No 2077

Gl Genl C.E.R.E. Secy to Govt

19th Augt 1878.

FROM THE EXAMINER, P. W. ACCOUNTS,

MADRAS.

TO THE SECRETARY TO GOVERNMENT,

P. W. DEPARTMENT.

GENL. BRANCH.

Reinmd 5/1878 Corpl Parker (Provincial Service)

NO. 229 W

See C. No. 1072 7

DATED 15 AUGUST 1878.

RECD. 16

Rect 20. August 1878

Read 8-4-79 & 1094 &c

REQUESTING THE EARLY ORDERS OF GOVERNMENT ON THIS OFFICE LETTER NO. 14. W. DATED 13TH. APRIL 1878 TRANSFERRED TO THE FINANCIAL DEPARTMENT.

Forwarded

94 A

Early 16-8-78

Ex 2-4-79

1094/20

FROM THE EXAMINER, P. W. ACCOUNTS,

MADRAS.

TO THE SECRETARY TO GOVERNMENT,

PUBLIC WORKS DEPARTMENT.

GENERAL BRANCH.

NO. 4087 CHEPAK, 13 DECEMBER 1878.

SIR,

IN CONTINUATION OF LETTERS FROM THIS OFFICE AS PER MARGIN, I HAVE THE HONOR RESPECTFULLY TO REQUEST THAT EARLY ORDERS MAY BE PASSED ON THIS OFFICE LETTER NO. 14. W. DATED APRIL 13TH. 1878.

172. W. OF 1-8-78.
229. W. OF 15-8-78.

I HAVE THE HONOR TO BE,

SIR,

YOUR MOST OBEDIENT SERVANT,

Lloyd-Jordan

EXAMINER, P. W. ACCOUNTS, & MAJOR R. E.

F. W- 3565 / 20-8-78.

No. 5644.

Transferred to the Financial Departt. in continuation of Endorsement No. 3660 / 19th Augt/78.

Gd. Md. Coll. &c.
Secy. to Govt.
P.W.D.
16th Dec/78.

No 37

The Public Works Department will be referred to the Offg Secy to Govt Financial Dept with which the papers specified within are returned.

9-1-79 for Secy to Govt

2-8-78	No 3481	W.
18-9-78	- 3674	W.
24-1-79	- 238	W. Mis.
26-3-79	- 913	W.

94 B

Lin 2-6-79

Finl. (Gen) Department
No. 1894

FROM THE EXAMINER, P.W. ACCOUNTS,

MADRAS

TO THE SECY. TO GOVT. P.W.D.

GENERAL BRANCH.

NO. 4088 W

DATED 13 DECEMBER 1878.

RECD.

Rec'd 17-12-78

REQUESTING THAT EARLY ORDERS MAY BE PASSED ON LETTER FROM THIS OFFICE NO. 14. W. DATED APRIL 18TH. 1878.

Transferred

4.5.

1875

G. O. 1769 - 24-6-75.
" - 1936 - 8-7 - "
" - 2219 - 31-7 - "
" - 2325 - 12-8 - "
" - 2680 - 17-9 - "
" - 2690 - 20-9 - "
" - 2822 - 29 - " - "
" - 2846 - 4-10 - "
" - 2872 - 7 - " - "
" - 2909 - 12 - " - "
" - 2925 - 13 - " - "
" - 2935 - 14 - " - "
" - 3634 - 27-12 - "
" - 3635 - 27 - " - "

1876

G. O. 176 - 24-1-76
" - 190 - 25-1 - "
" - 246 - 26 - " - " Mis
" - 274 - 27 - " - " "
" - 301 - 31 - " - " "
" - 12 - 1-2 - " - "
" - 35 - 3-2 - " - "
" - 65 - 7-2 - " - "
" - 90 - 11-2 - " - "
" - 109 - 12-2 - " - "
" - 110 - 12-2 - " - "
" - 121 - 14-2 - " - "
" - 757 - 24.3 - "
" - 817 - 30-3 - "
" - 30 - 4-4 - " Mis
" - 1025 - 24 - " - "
" - 1034 - 25 - " - "
" - 1067 - 28 - " - "
" - 1239 - 17-5 - "
" - 2591 - 27-9 - "
" - 3020 - 10-11 - "
" - 3532 - 26-12 - "

1877.

G. O. 581 - 22-2-77 Ord.
" - 191 - 14-3 - " - Mis
" - 1177 - 10-4 - " Mis
" - 1352 - 20-4 - "
" - 564 W - 8-8 - "
" - 798 W - 22-9 - "
" - 807 W - 29-9 - "
" - 1121 W - 19-10 - "
" - 1235 W - 24-" - "
" - 1928 W - 3-12 - "
" - 1965 W - 4-12 - "
" - 2023 W - 8-12 - "

1878

G. O. 525 W 1-2-78.
" - 616 W - 6-2 - "
" - 1230 W - 11-3 - "
" - 1632 W - 1-4 - "
" - 1636 W - 1-4 - "
" - 1633 W - 1-4-78.

Cir 2-4-78
Cir 3-5-78. Rd 10-5-78.
No 80 Cy 16-4-78

FROM THE EXAMINER, P.W. ACCOUNTS,

MADRAS.

TO THE SECRETARY TO GOVT. P.W.D.

GENERAL BRANCH.

NO. 114 W.

DATED 13TH APRIL 1878.

RECD.

S. Rec'd 1878/7 C.

SUPPLYING CERTAIN INFORMATION WITH REGARD TO THE OUTLAY WHICH WAS INCURRED DURING THE YEAR 1876-77 IN EXCESS OF THE PROVINCIAL PUBLIC WORKS GRANT.

1094 W Genl 15

No. 1094 W. Public Works Department.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

UNDER date the 8th April 1879.

Read the following :—

From The Examiner P. W. Accounts (His. No. 114 W dy 13th April 1878)

" do do (" " 229 W " 15th Augt. ")

" do do (" " 408 W " 13th Decr. ")

Recorded with reference to the undermentioned proceedings:—

No. 3674 W dy 18th Septr. 1878.
" 288 W dy 24th January 1879
" 913 W " 26th March 1879
" 1093 W " 8th April 1879

A.P. 2/5
Exr. P. W. Accounts
Desp. 1-5-79

Cw 318

Govt. of Madras.

PUBLIC WORKS,

To

Dated

Issued

Recd. Encl.

G. O. 8 April 1879. No. 1076 P

Nos. 94-95

Answered

Copies of the Examiner
of Accounts report
on the Accounts which were received
during the year 1876-77 on
the Records of the