Archives I—10,006—16-8 77.

(1) Number of pages 58

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(3) Initials of the Referencer

TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Public works **DEPARTMENT**

G.O. No. 913 W. Press.
~~B.P. No.~~ ~~Mis.~~

Dated 26-3-1879. ~~197~~.

G.P

Not to be folded or roughly handled

913/1

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

26th March 1879, No. 913 W.

General.
Account.

Read the following papers:—

No 306. Proceedings of the Madras Government in the Financial Department, dated 25th February 1879, No. 348.

No. 306-A. Endorsement in the Financial Department, dated 24th February 1879, No. 489.

No. 307. ORDER THEREON, 26th March 1879, No. 913 W.

FOR some time past the subject of irregular expenditure by the Public Works Department has engaged the attention of the Government; and they are of opinion that the time has come when it is essential to enforce observance of the departmental rules which deal with the matter, and to check the laxity which has prevailed, by the enforcement of penalties in all cases in which these rules are transgressed without sufficient reason.

2. The Government accordingly resolve that any officer of the Public Works Department who henceforward incurs expenditure either in excess of the sanctioned allotments, or in anticipation of sanction by competent authority, shall be held personally responsible for the money thus irregularly spent.

3. In the rare and exceptional cases, when an officer is satisfied that delay in carrying out a work would involve loss to the State, he must at once report to the Superintending Engineer of the Circle the action taken by him in incurring unauthorised expenditure; and the irregularity as regards appropriation must be removed without loss of time by the Superintending Engineer. Should that officer be not fully satisfied as to the urgency of the work he must order its immediate suspension.

4. Orders will be issued in the Financial Department impressing upon Presidents of Local Fund Boards the necessity for checking, to the best of their power, all irregular expenditure from Local Funds; and intimating that, should they, in their capacity of Presidents of the Boards, issue orders to the Public Works Officers to carry out a work which has not been sanctioned, or for which there is no appropriation, the Public Works Officers will be considered to be relieved from responsibility in the matter.

(True Extract.)

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

To Superintending Engineers.
To the Chief Engineer, Public Works Department.
,, Chief Engineer for Irrigation.
,, Consulting Architect.
,, General Superintendent, Public Works Stores.
,, Examiner of Public Works Accounts.
,, Financial Department, with papers.

Exd. C. Howarth.

Spare Copies

GENERAL.
ACCOUNT.

Govt. of (1879) Madras.

PUBLIC WORKS.

To

SUPERINTENDING ENGINEERS,

&c., &c., &c.

Dated March 28th

Issued

Recd.

Encl.

G. O., 28th March 1879, No. 913 W.

MARCH.

Nos. 306-307.

Irregular Expenditure by the Public Works Department.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

25th February 1879, No. 348.

Local Funds.

Read the following paper :—

No. 228. *Proceedings of the Board of Revenue, dated 1st February 1879, No. 262.*

Read—

G.O., dated 22nd January 1879, No. 103.
" " 28th " " " 145.

With the first of the Orders above recorded the Government forward papers showing an aggregate deficit of Rupees 6,18,385 in nineteen Local Fund Circles; remark that the Examiner has explained at length that it is not due to any debits made by him in excess of the Budget allotments *plus* reported savings if any but to the actuals under other heads than Public Works not having been kept within Budget limits; and call upon the Board to institute a careful scrutiny into the accounts submitted with the Local Fund reports for 1877-78 and explain fully the causes of the large deficits in view to measures being adopted for their prevention if possible in future.

2. As the Board are not yet in possession of details with regard to the additional deficits now brought to light they will defer an exhaustive examination of the causes of the deficits for submission with their report for the year, merely remarking that they are generally due to the cause suggested by the Examiner but not noticed in the Government Order, viz., a falling off in the Local Fund receipts. The existence of deficits in the Local Funds of distressed districts has already been recognised by Government* as inevitable for the year in question and the Board would submit that their existence in no way indicates any necessity for the adoption of special measures for the prevention of deficits in future. The circumstances of the year were altogether abnormal and a curtailment of Budget allotments in proportion to the diminished receipts would have had the effect of throwing a larger amount of ordinary Local Fund expenditure on Imperial or Provincial Funds leaving the Local Funds clear gainers by the amount of the land-cess recovered in arrears in the following year.

3. With regard to non-distressed circles, the Board observe that deficits appear only in Nilgiris, Calicut, Tellicherry, and Chetterpore. The circumstances of the first-mentioned three circles have been fully discussed in late Proceedings. The Government have agreed to meet the deficit in the Nilgiris† from Provincial, and the recent enhancement of the land-cess will no doubt soon lead to the recovery of solvency in the Calicut and Tellicherry Circles. The deficit in Chetterpore is ascribed partly to the omission to make satisfactory provision for Public Works establishment under the arrangements at that time in force but which have since been rectified. It is mainly due, however, to the cause alluded to in paragraphs 12 to 16 of the Examiner's letter, viz., expenditure in excess of allotment. The Board have

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* G.O., Financial Department, dated 27th November 1877, No. 2769.

† G.O., dated 4th June 1878, No. 985.

nothing to add to the Examiner's remarks on this point. Though the balances now reported cannot be finally accepted until further details have been received, there seems no reason to doubt their substantial accuracy, and the Board consider that they may be adopted in disposing of the Regular Estimates and Budgets referred to in the concluding paragraph of the Order of Government under reply.

4. A statement is attached comparing the balances taken by the Board in the Regular Estimates forwarded to Government with those now intimated by the Accountant-General and the following remarks are submitted with reference to these Regular Estimates and the Budgets for 1879-80. For present purposes it will be assumed that the additional deficits reported appertain entirely to the Road Fund, and suggestions for amendment will be general in their nature. The working out of exact figures for the Budgets for 1879-80 can be effected after the detailed Budgets have been received back from the Government Office.

Saidapet.—The deficit exceeds that taken by the Board by Rupees 1,847. The Road Fund balance in the Regular Estimate can be reduced by that amount and a corresponding reduction made in the Road Fund Reserve for 1879-80.

South Canara.—In this circle there is an increase of Rupees 1,934 which will go to swell balances.

Vizagapatam.—Here adjustment can easily be effected by reducing unallotted balances.

Trichinopoly.—The balance now reported exceeds that taken by the Board by Rupees 11,836. The Local Board can be asked to submit proposals for the utilization of the amount in 1879-80.

Cocanada.—In the case of this circle the Board rejected the President's balance and adopted an amended balance of Rupees 1,49,441. The Accountant-General now reports a balance of Rupees 1,79,272. The Board's reasons for rejecting the President's balances are stated in full in their Proceedings reviewing the Budget for 1876-77, and as it does not appear that the difference between the Board's and the Accountant-General's balance is due to transactions of the year 1877-78 the Board consider that the balance adopted by them should not be raised for the present.

Cuddapah.—The balance adopted in the Regular Estimate was Rupees 47,232 of which Rupees 46,610 appertained to the Road Fund. The Board left this latter sum for the adjustment of famine expenditure. The greater part of the balance of Rupees 7,574 now reported by the Accountant-General seems to belong to the Road Fund and will go to swell unallotted balances.

Kurnool.—The effect of the large deficit in this circle will be to reduce the Regular Estimate of the Road Fund receipts to Rupees 26,566, and as the whole of the sanctioned allotments will be utilized in the adjustment of famine expenditure the current year will probably close with a deficit of rather over Rupees 40,000 under the Road Fund, which will reduce the estimated Road Fund receipts for 1879-80 to Rupees 58,580. The Board, however, considered that the estimated collection of arrears of land-cess was taken at a very low figure by the Collector. and it may be raised from Rupees 1,38,000 to Rupees 1,45,000, which will give an additional Rupees 5,700, and a further sum of Rupees 5,000 may be transferred from the General Fund bringing up the total receipts to Rupees 69,280. The estimated expenditure shown in the Budget is Rupees 97,310, or Rupees 28,030 in excess of the receipts as above estimated. Taking into consideration the poverty of the circle the Board would recommend a Provincial grant of Rupees 30,000. Failing this the Road Fund allotments may be reduced to the amounts sanctioned for the current year and equilibrium produced by reducing the Road Fund Reserve by the amounts required.

Chingleput.—The excess deficit of Rupees 19,762 in Chingleput is serious as the circle is too poor to make up for the whole deficit by arrear collections. This having been a distressed circle even in the current year the Board would suggest that it be allowed to close 1878-79 with a deficit and that a sufficient Provincial grant be given it in 1879-80 to enable it to recover equilibrium in that year. The Board understand that the famine expenditure on roads in the current year has been but small in this circle, and if the Regular Estimate is not exceeded a grant of about Rupees 13,000 would enable the circle to meet the budgeted programme for 1879-80 without the usual Road Fund Reserve, but it will be observed that a grant of Rupees 10,000 has been applied for irrespective of this additional deficit of Rupees 19,362.

Tinnevelly.—In this circle the unexpected results of the adjustment of famine charges appears to be a Road Fund balance of Rupees 31,028 instead of the deficit of Rupees 22,827 anticipated by the Board. The proposed transfer of Rupees 9,300 from the General Fund need not now be made; the full reserve of Rupees 7,500 may be made in the Regular Estimate and the remainder carried forward to swell the unallotted balances for 1879-80.

Ellore.—The remarks made with regard to the Cocanada Circle apply to Ellore also. The balances adopted by the Board should be retained for the present for Budget purposes.

Oosoor.—The deficit now reported being less by Rupees 389 than that taken by the Board no remarks are called for.

Madhanapalle.—The addition of Rupees 3,086 to the deficit in this circle will not interfere with the budgeted programme.

Dindigul.—The Board were of opinion that famine expenditure had been incurred on roads in this circle during the current year. They now learn that this is not the case, and the balance of Rupees 13,996 left by them for the adjustment of famine expenditure will cover the greater part of the additional deficit of Rupees 19,523 now reported. The remaining Rupees 5,527 can be easily met by a transfer from the General Fund balance.

Madura.—In this circle there is a surplus of Rupees 69,255 against an estimated deficit of Rupees 4,624. If the present Budget is now passed supplemental estimates can be called for for 1879-80.

Calicut.—Here the deficit is less by Rupees 8,662 than that assumed by the Board. This will render more easy the recovery of solvency now being striven after.

Tellicherry.—A similar remark applies to Tellicherry.

Coimbatore.—The way in which solvency can be regained in Coimbatore has been noted in Board's Proceedings, dated 27th January 1879, No. 226.

Cuddalore.—The trifling difference of Rupees 184 calls for no remarks.

Shermadevi.—In this circle the Board left out of account the Road Fund balance of Rupees 13,863 reported by the President. The large balance now shown to be available will permit of the withdrawal of the restriction on the current year's expenditure enjoined on in paragraph 3 of the Board's Proceedings reviewing the Regular Estimates.

Vellore.—A surplus of Rupees 4,248 is now reported against an estimated deficit of Rupees 9,854 which will justify a corresponding increase to the unallotted balance of the Budget for 1879-80.

Masulipatam.—The balance was less than that assumed by Rupees 2,513. The amount can easily be spared from the budgeted balances.

Salem.—The deficit is less by Rupees 509 than that taken by the Board. No further remarks seem necessary.

Nellore.—In this circle the deficit is greater than was supposed by Rupees 49,442, so that if the expenditure entered in the Regular Estimate for the current year be carried out the Road Fund will close with a deficit of about Rupees 50,000. In paragraph 5 of their Proceedings reviewing the Regular Estimate the Board have directed the President to reduce expenditure as far as possible with the view of swelling the savings available for the adjustment of famine expenditure. The Board now understand that there has been no famine expenditure on Roads in the Nellore Circle in the current year, and if the President's attention be directed to the new reasons which have appeared for making every effort to curtail expenditure the Board consider that it may confidently be expected that the deficit at the close of the year will not be greater than Rupees 25,000. This may be met in 1879-80 by striking out the Road

Fund Reserve and transferring Rupees 7,000 from the General to the Road Fund, leaving unforeseen and emergent road work to be provided for by transfers from budgeted works or by further transfers from the General Fund as the Local Board may desire. With reference to Clause (*b*), paragraph 17, of the Examiner's letter the Board observe that the course supposed to have been adopted by the Bellary and some other Local Fund Boards would have been contrary to law, which reserves two-thirds of the proceeds of the land-cess to expenditure on communications. All that the Local Boards in question did was to curtail their Public Works grants when they found that owing to diminished resources the retention of the usual grants would have landed them in hopeless insolvency.

(A true Extract.)

(Signed) J. STURROCK,
Acting Secretary.

ENCLOSURE No. 1.

STATEMENT showing the Balances taken in the Regular Estimates of the Budgets before Government compared with the Balances now reported by the Accountant-General.

—	As per Regular Estimate.				Balances as per Accountant-General's Statement.	Difference.
	Road Fund.	Endowment Fund.	General Fund.	Total.		
	RS.	RS.	RS.	RS.	RS.	RS.
1. Saidapet	— 40,764	321	1,593	— 38,850	— 40,697	— 1,847
2. Canara	30,715	..	24,438	55,153	57,087	+ 1,934
3. Vizagapatam	52,316	..	15,665	67,981	57,256	— 10,725
4. Trichinopoly	— 1,070	13,730	12,059	24,719	36,555	+ 11,836
5. Cocanada	61,543	10,078	77,820	1,49,441	1,79,272	+ 29,831
6. Cuddapah	46,610	..	622	47,232	7,574	— 39,658
7. Kurnool	— 19,162	..	2,609	— 16,553	— 74,871	— 58,318
8. Chingleput	— 7,747	406	— 1,957	— 9,298	— 29,060	— 19,762
9. Tinnevelly	— 22,827	— 1,121	4,399	— 19,549	34,306	+ 53,855
10. Ellore	47,029	..	91,836	1,38,865	1,06,754	— 32,111
11. Oosoor	— 392	489	— 13,729	— 13,632	— 13,243	+ 389
12. Madhanapalle ..	9,963	..	— 17,998	— 8,035	— 11,121	— 3,086
13. Dindigul	— 18,510	919	6,534	— 11,057	— 30,580	— 19,523
14. Madura	— 23,473	694	18,155	— 4,624	69,255	+ 73,879
15. Calicut	— 17,617	116	— 30,034	— 47,535	— 38,873	+ 8,662
16. Tellicherry	— 13,897	..	— 18,998	— 32,895	— 31,836	+ 1,059
17. Coimbatore	— 26,499	2,146	33,138	8,785	— 11,096	— 19,881
18. Cuddalore	— 35,030	463	3,556	— 31,011	— 31,195	— 184
19. Shermadevi	13,863	— 3,755	8,497	19,005	34,620	+ 15,615
20. Vellore	— 9,120	858	— 1,592	— 9,854	4,248	+ 14,102
21. Masulipatam	85,276	524	89,462	1,75,262	1,72,749	— 2,513
22. Salem	17,462	680	— 26,959	— 8,817	— 8,308	+ 509
23. Nellore	— 53,359	..	— 12,191	— 65,550	—1,14,992	— 49,442

(Signed) J. STURROCK,
Acting Secretary.

No. 229.

ORDER THEREON, 25th February 1879, No. 348.

The Government observe that the explanation of the Board of Revenue in the Proceedings above recorded, of the deficits in Local Fund Circles at the close of 1877-78 reported by the Accountant-General, is far from satisfactory, after making every allowance for the exceptional circumstances of the last thirty months which must have made it extremely difficult to ascertain the true position of a Circle Fund in a Famine District.

2. The Board seem in a measure to regard Local Fund expenditure largely in excess of assets to be advantageous to the State; for they say that Provincial Funds have really been saved expenditure in the long run by such excesses. The endorsing of such a policy by Government would amount simply to encouraging the Local Fund Boards, District Engineers, and the Controlling authority—the Board itself—in a system of financial laxity which would be most detrimental to good administration. Local Fund Boards should be educated to work independently of any prospect of grants-in-aid from Provincial Funds, and to keep well within their assets. In performing the duties of custodian of Local Funds and banker for Local Fund Boards, the Government regard it as a matter of the highest moment that Provincial Funds should in no way, even temporarily, be inconvenienced in so doing, which may result, in case of local deficits, under the present system of Imperial and Provincial finance. The policy which the Board would pursue in regard to Local Funds is, it is further observed, opposed to Rule 2 "Financial" of Local Fund Rules, page 26, by which the responsibility of limiting the expenditure to the assets of each year is fixed upon the Collectors. The Board should have reported how far they have enforced this rule and what practical difficulties, if any, presented themselves in its enforcement.

3. The Circle Reports for 1877-78, which the Government expected would furnish the requisite information in regard to the deficits above detailed, have not, apparently, been yet scrutinised by the Board although nearly ten months have elapsed since the close of that year, and although it appears from the Circle Budgets now coming in that the reports from many of them for 1877-78 were sent in to the Board of Revenue some time ago. The Board state that they are not yet in possession of details with regard to the additional deficits now brought to light, and that they will defer an exhaustive examination of the causes of the deficits for submission with their report for the year: but when Government may expect this report is not stated. They remark generally that the deficits are due to a falling off in the Local Fund receipts. But this remark is not supported by any facts. The following statement compares the actual receipts as per latest figures in the Government Office from the Accountant-General with the estimate for 1877-78, from which it will be seen that the aggregate receipts show an increase:—

	Latest Accounts from the Accountant-General.	Budget Estimate.
	RS.	RS.
Special Funds	3,71,750	4,37,620
Rates	31,92,565	40,10,040
School Fees	20,312	29,450
Contribution from Local Funds	29,983	13,460
Endowments	2,74,415	2,40,300
Miscellaneous	*10,08,469	1,24,420
Total ..	48,97,494	48,55,290

4. It would have been satisfactory if the Board had examined the accounts and ascertained beyond all doubt how far the short receipts of the year operated to derange the finances of the various circles.

5. Appropriations from the Reserve and Unallotted Balance of the Budgets are carried out under Rule 67-A under the orders of the Board of Revenue. This power, if judiciously exercised, would have gone a great way in saving some circles from insolvency. In reviewing the report for 1876-77 the Government had occasion to observe that there was much laxity in this respect (*vide* closing remarks in paragraphs 12 and 20 of G.O., 15th October 1878, No. 1839, Financial Department). The Board will report whether, when short receipts became imminent, steps were taken to revise expenditure allotments.

6. Under existing arrangements the Government are called upon to pass year after year Budget Estimates without there being laid before them the actuals of the last year as is usual in other departments. Unless improvement is made in this direction it will be hopeless to look for accuracy in the estimates. The Board will bear in mind that the instructions of Government in the last paragraph of G.O., 15th October 1878, No. 1839, should be strictly enforced to attain this end.

---

* Includes Rupees 8,83,502, Department of Public Works refunds.

7. The Examiner's remarks regarding laxity in enforcing adherence to the grants of the year by the Public Works Officers will be referred to the Public Works Department for early action. The proposals of the Board in paragraph 4 will involve considerable modification in the Budget figures after being passed by Government. It is too late this year to avoid following the course desired by the Board of Revenue, but in future a more satisfactory arrangement is very desirable, and the Budget as passed by Government must be considered final and not open to revision by the Board without reference to Government except in the manner directed by them, all scrutiny of figures and adjustment of accounts being effected prior to the submission of Budgets to Government.

8. The Board's suggestions in regard to the alterations to be made in the Circle Budgets in view to their revision with reference to the Examiner's figures are more or less arithmetical and will be considered in connection with each Budget. The last paragraph of the Board's Proceedings explains an important point noticed by the Examiner, but it is too indefinite to be deemed a thorough and satisfactory explanation of the Examiner's allegation. The circumstances should have been stated in greater detail.

9. The Government are strongly of opinion that the only effectual remedy for securing efficient check on expenditure is absolute separation of credits between Imperial, Provincial, and Local Funds. The Examiner will in communication with the Accountant-General submit proposals for attaining this end with the least possible delay.

(True Extract.)

Acting Under Secy. to Govt.

To the Board of Revenue.
„ Public Works Department.
„ Accountant-General.

Exd. A. S. Rodgers.

~~Lr~~. 508 of 31st Jany/79 CE
145 - 28 Jany/79 7

Govt. of 1879. Madras.

FINANCIAL.

To
The BOARD of REVENUE,
&c., &c., &c.

Dated February, 25th.
Issued 26
Recd. Ind.

G.O., 25th February 1879, No. 348.

FEBRUARY
Nos. 228-229.

Local Funds.—Orders passed on the explanation of the Board of Revenue of the deficits in Local Fund Circles at the close of 1877-78.

In G.O. 26-3-79 No. 913 F

913/b

Schedule of Expenditure.

* Division.

For the month of 187

187 Accountant.

I hereby certify that †

I have not allowed any departure from the measurements and specifications of sanctioned estimates and that all existing estimates which are likely to be exceeded or to require revision are noted in the Audit Note which accompanies.

187 Executive Engineer.

* Here enter Imperial Irrigation Capital and Revenue, or Imperial Agricultural for which Capital and Revenue Accounts are not kept, Imperial Buildings and Roads, Provincial, Local, or Special, as the case may be.

† Here add, if necessary, with exception of "trivial cases and those detailed in the *Deviation Statement* attached.

Compared with Account Current Examined & posted in Register File No.

918/7

[Schedule of Works and Tools and Plant—Outside.]

Name of Work	Estimate.		Appropriation.		Expenditure No.	Charges of the Month.				Total charges during the year.	Total charges to end of Month.
	Register No.	Amount.	Register No.†	Amount.		Cash.	Book Transactions.	Stock.	Total.		
	A.		B.								

This form is sent in monthly to this office –

In any case where expend^re^ is incurred without estimate or app^n^ the fact is at once evident from the absence of authority in these two cols. A & B

† When appropriations are made by Govt. in Board of Rev. No. & D. of the Proceedings of the Board of Rev. should be quoted.

[P. W. D., Chap. XIX., Sec. 2, Para. 87.]

[P. W. D. Form No. 28.]

_____ *Division,* _____ *District.* *Statement of Objectionable Items in the Accounts, for the Month of* _____ 187

913/8

Particulars of each Item.	Estimate or Item of Estimate.	Expenditure up to date.			Appropriation of the year.	Expenditure during the year.			Expenditure during the month.			Executive Officer's Explanations.	Remarks by Examiner.	Remarks by Superintending or District Engineer.	How disposed of
		RS.	A.	P.		RS.	A.	P.	RS.	A.	P.				

in Every case when Expend^t. is incurred [illegible] [illegible] [illegible]

Particulars of each Item.	Estimate or Item of Estimate.	Expenditure up to date.			Appropriation of the year.	Expenditure during the year.			Expenditure during the month.			Executive Officer's Explanations.	Remarks by Examiner.	Remarks by Superintending or District Engineer.	How disposed of.
		RS.	A.	P.		RS.	A.	P.	RS.	A.	P.				

Statement showing important deviations from the sanctioned specifications and Estimates, found necessary during the course of actual construction of works.

Deviations already reported are excluded.

Name of Work.	Sub-head in which departure occurs.	Nature of Departure.				Result anticipated.	Remarks.
		Original of sanctioned arrangement.		Arrangement being or to be carried out.			
		No.	Unit	No.	Unit		

[Sar. Wks. Form No. 229.] [P. W. D. Code, Cap. XIX., Sec. ii., Para. 97.] [P. W. D. Form No. 23.]

913/8

_______ *Division,* _______ *District.* *Statement of Objectionable Items in the Accounts, for the Month of* _______ 187

No. in Schedule.	Particulars of each Item.		Estimate on Item of Estimate.	Expenditure up to date.			Appropriation of the year.	Expenditure during the year.			Expenditure during the month.			Executive Officer's Explanations.	Remarks by Examiner.	Remarks by Superintending or District Engineer.	How disposed of.
				RS.	A.	P.		RS.	A.	P.	RS.	A.	P.				

In every case when expend. is incurred [illegible] [illegible] the Exec. Engineer enters the amount in this form which accompanies the monthly a/cts

B.W. accounts, an applicatio

GOVT. OF MADRAS. } 1879. { P. W. DEPT.

SECRETARY.

Fort St. George, 12 April, 1879.

OFFICE NOTE.

To

C.

The enclosed papers, relating to unauthorised Expenditure by P.W. Officers, are forwarded Confidentially for your perusal. Will you please draft an order in accordance with the views of the Members of Government (by order)

W.

F.G.P.

OF 187

12/3

[Exp. Wks. Form No. 111.]

915/11

GOVT. OF MADRAS. } 1879. { P.W. DEPT.

EXAMINER, P. W. ACCOUNTS.

Madras, March 18th 1879.

Office Note. No 216

To

W.

Although it would probably entail much additional labor, there would be no practical difficulty in introducing a system of issuing separate credits as suggested by the Members of Govt.

But before doing so, as the proposed system would involve some radical changes in the present system of keeping the Treasury & the P.W. accounts, an application

Keep with Genl. No.

dated 187.

915/12

to the Govt of India would be necessary. I may here remark at once that the supply of funds separately to each Head of Service would necessitate the maintenance of a working cash balance under each head, & this would largely increase the amount of the P.W. cash balances. On this ground alone the Govt of India would probably object to the proposal.

~~As to the proposal~~ itself there are one or two points that may usefully be touched upon:-

In the first place, it is an error to suppose that any irregular expendre. is ever incurred in ignorance. Under the rules no expendre. can be incurred without written sanction, and it can never be a matter of doubt to any one whether he has or has not a written document authorising the expendre.

Every month, each disbursing officer has to enter in the schedule of expenditure submitted to this office, in Col. A the amount of the sanctioned estimate, and in Col. B the amount of the appropriation. Should there be no Est. or no approp.

he has himself to show the item in his Stat. of Object. items – from the very returns he submits, he must not only know, but he must record for the inform. of this Office, whatever irregularities he is committing –

In the second place, it is easy to show that the system proposed would be no safeguard against Object. Expenditure – As proposed, there are to be but two separate accts:–

1st. Local, (and Special?)
2nd. Imperial, Irrigation & Provincial –

but it is evident there must be as many separate heads as there are heads of service if even the contemplated results are to be secured – Otherwise it would be easy to incur excess Expend. under Prov. from the available balance under Imperial or Irrigation –

Even supposing there were separate supplies for each head of service, there would still be no reliable safe-guard against irregular Expend. for the following reasons.

1st. As between the different Heads of Service

There is nothing to prevent

an Officer, when his Provincial balance runs low, from paying for Provl. works by a cheque on his Local Fund account. It is done as easily under the proposed system as it is at present. The Contractor will not care whence the money comes, as long as he gets it, and neither will the Officer. In other words, all Govt will have to depend on is the observance by Officers of departmental rules & of orders generally, and this is what Govt has to depend on at present. The basis of the working of both systems

is the same.

As far as a reliable self-acting safeguard is concerned, there is none in the proposed system of supplying funds to the Dept; while on the other hand, there would be endless complications whenever Officers did pay from one account for expend.e on another, not to mention the mistakes that would inevitably occur in all offices concerned in placing money to one head which was intended for another.

2nd. As regards one Head of service alone

It is apparently assumed all through these papers that irregular expend.e can be upon but the observance of Dept. rules by all Officers concerned – If these rules are adhered to, there will be no irregular expendre.; if they are not, there will be the system of supplying funds what it may: And this leads me to earnestly suggest to Govt. that no application be made to the Govt of India to change the financial system.

The only grounds for such an application would be that this Govt is unable in any other way to prevent P.W. Officers from incurring objectionable expendre., in other words that this Govt is otherwise unable to get its orders attended to – It is, as stated by the Govt of India, a fact that even in the smallest Administrations of India, such irregularities are almost unknown, and I do not think it can be doubted that they would be equally unknown here, were any serious attempt made to put a stop to them – It appears to me altogether absurd even to discuss the question whether the Chief Engineer in this Presidency has or has not at present ample power to put down these irregularities if he choose to exercise his powers –

It is beyond doubt that he has at present ample powers, & that if these powers were exercised in the same way as they are exercised in every other Province in India, irregular Expendre would be absolutely exceptional -

Nothing more is necessary than to carefully ascertain who is responsible for the irregularity, and then punish for disobedience of orders. No difficulties need be introduced by considering the amount irregularly expended, or by holding the Offender pecuniarily responsible for the amount :- the fault is as great whether the amount is Rs 200. or Rs 20.000; the breach of discipline has alone to be looked to - Reducing each offender one step in his grade for each offence would bring the Dept into some order in three months.

In conclusion - It appears to me altogether unnecessary to make a formal application to the Govt of India for a radical change in their financial system on such trivial grounds - The very applicat would reflect much discredit on the whole administration of P. Works in this Presidency, and I consequently think it would be better in every way to afford the present Chief Engr. an opportunity of dealing with the subject himself before anything further is done - I shall of course be glad to assist in every possible way. Were the Objectl. item returns, after submission to Govt from the Board., referred to me for draft disposal, I could at least suggest disposals in accordance with the usual practice elsewhere

and I feel confident, if Govt will only endorse the action proposed, that in three months, they would be no longer troubled with further objectionable outlay.

L. Conway-Gordon

[illegible] Note [illegible]

It is considered that future irregularities can be prevented by the issue of orders intimating that Officers of the P.W. Dept. will be held personally responsible for money expended by them in excess of allotments, or in anticipation of sanction, unless it can be clearly proved that the State interests would have suffered, or the public been seriously inconvenienced, by delays in carrying out the work. And that in no instance

I am desirous of impressing on P.W. Officers their responsibility for Expenditure in Excess of approp[ns]. but I dislike threatening what we can't enforce. because officers do not wilfully violate the rule I believe. They don't know when they have funds at their disposal – how much is for what – & this is why I want to enforce the district credits. The objection to this I cannot see –

A.C.P. 3/3

See separate paper received [illegible]

should such expenditure be incurred without instant report to the Superintending Engineer, who, if not satisfied as to the urgency of the work, will order it to be immediately stopped. It is upon Supg. Engrs. that the absolute neceſsity for firmly checking irregular expenditure must be impreſsed.

2. When it has been found neceſsary to commence a work in anticipation of sanction, the irregularity as regards "appropriation" must be removed without loſs of time, the Supg. Engineer ascertaining the probable approximate expenditure on the work, and should he be unable to provide the neceſsary funds, applying to Govt. for them.

In iſsuing these orders, it should be clearly understood that the Government mean to carry them out rigidly.

It is also considered that it will not be in the interests of Govt. to enquire into the irregularities of the past; attention should be given to the future wholly.

It will be well to have orders iſsued simultaneously in the P.W. Dept. and the Financial Dept., and that in the latter, Presidents of Local Fund Boards should be informed that should they in their capacity of Presidents of the Board issue orders to the P. W. Officers to carry out a work which has not been sanctioned, the P. W. Officers will be considered relieved of any responsibility in the matter.

This Note has been seen by the Examiner, P.W.A., who is of opinion that an order ~~issued~~ in accordance therewith will fully meet the object in view.

Cir. 21-2-79.

Hon. W. Huddleston
His Grace the Gov.

A decided check to irregularities such as alluded to is needed but I agree with Mr Huddleston nor can I realise the difficulties which have been advanced

I consider ~~that~~ credit should be given under 2 distinct heads ~~to~~ an Exec Engr.

Imperial & Provincial — Local Fund

That the Exec. Engr. must keep his account in 2 ~~[illegible]~~ heads also –

I entirely concur in H.G.'s remarks & think they sh'd be embodied in a G.O. & the Exam'r. Acct. Gen. & Ch: Engr. to submit a scheme for giving effect to these views

8.3.

That he must
not exceed on either

That in reporting
~~his~~ monthly cash balances
he shd report balance
on each head –

I see no difficulty
in this because the
Exam^{r} who issues the
credits is guided
by the Budget which
shows the division
I suggest –
Thus in issuing each credit
to an Exec Eng^{r} –
The advice would
be e.g.

20000 – Head A
15000 – Head B
35,000 – Max credit

The Exec Eng^{r} in
reporting his cash
balance – knows on
what under he has
been spending ~~and~~
and can ~~th~~
no difficulty in
reporting that e.g.
his cash balance is
5380 – A
7406 – B
12786 Total –
because he will
have drawn cheques
during the month
on certain items

for certain works
of a D. & 7a B —

In the same way the
Exec. Eng. in applying
for credit must specify
his requirements
under the 2 separate
heads —

If this can be carried
out — & I do not see why
it cannot — and if
the [illegible] restricted
Division Z. Z.
credits for the 1st
6 months in an agreed
proportion so as to ensure gradually
the amount not being in
excess of receipts I
see no difficulty in

imposing on P.W. Officers
pecuniary responsibility
if they exceed without
sanction or authority —
without some such
system I do feel
much hesitation in
imposing such a
responsibility in
theory — and an
almost impossibility
of enforcing it in
practice — unless it
be enforced as the rule
exemption will be the
rule and the
influence intended
to be exercised will
be nil — A

Small sums such as
would be paid by a
stoppage say of 1/2
salary for 3 months
or so. may & can be
imposed with good effect
but if the amount be
such as to need a
year or 2 years salary
~~stoppage [illegible]~~
it cannot be imposed
as a stoppage
without not only
[illegible] but injury
to the individual &
I consider to the service

without the system of
separate credits - the
excess - or unsanctioned
amounts will - as hitherto

be large - frequently - for
the check and the
system is not seen as
being prominently
to an officer's knowledge
the fact that while
within his credits generally
he has exceeded on
one portion of them -

BC. 6/3

I would therefore ask
the Exam^r. a the Exam^r
Ac Gen & C.L. ~~to~~
agree on a system for
keeping the credit
& expenditure under
the 2 heads distinct
~~throughout~~. BC.

913/25

P. W. Deptt

The undersigned recirculates these papers with an Office Note by the Examiner, and requests the reconsideration of the members of Govt. with reference to his Note on the subject, on which the draft order now circulated is based, which he trusts may receive the sanction of Government for adoption and issue.

Colls. R.E.

Ag: Secretary to Govt.
P. W. D.

I have passed the draft as an experiment on the assurce. of the Examr. that the plan of District audit will not work, & that what is proposed is sufficient. If it proves otherwise the subject must be reconsidered.

March 1879.

Bl 24/3

{Hon: W. Huddleston
{His Grace the Gover

Unauthorised expenditure

Ent^d Chief

Evo 1783-

G.O. 26-3-79 No. 912 W

Cir 21-3-79.

912/26

P.W.D.

Genl Acct

Proceedings of the Madras Govt.

Under date the

Read the following:-

Pro: Financial Departt. (H.C. No 348 of 25th Feby/79)
Endorsement in —— Do —— (" " 489 " 24th —" —)

25.3.79

Bm 24/3

For some time past the subject of irregular expenditure by the Public Works Department has engaged the attention of the Government; and they are of opinion that the time has come when it is essential to enforce observance of the departmental rules which deal with the matter, and to check the ~~prevailing~~ laxity × which has prevailed by the enforcement of penalties in all cases in which these rules are transgressed without sufficient reason.

2. The Government accordingly resolve that any Officer of the Public Works Department, who, (after the receipt of these orders,) incurs expenditure either in excess of the sanctioned allotments, or in anticipation of sanction by competent authority, shall be held personally responsible for the money thus irregularly spent.

3. In the rare and exceptional cases, when an Officer

Henceforward

913/27

Officer is satisfied that delay in carrying out a work would involve loss to the State, [or serious inconvenience to the public,] he must at once report to the Supg: Engineer of the Circle the action taken by him in incurring unauthorised expenditure; and the irregularity as regards appropriation must be removed without loss of time by the Superintending Engineer. Should that officer be not fully satisfied as to the urgency of the work, he must order its immediate suspension.

Orders

4. Orders will be issued in the Financial Departt. impressing upon Presidents of Local Fund Boards the necessity for checking, to the best of their power, all irregular expenditure from Local Funds; and intimating that, should they, in their capacity of Presidents of the Boards, issue orders to the P.W. Officers to carry out a work which has not been sanctioned, or for which there is no appropriation the P.W. Officers will

be

be considered relieved from responsibility in the matter.

Supg. Engrs. √ 1–5 With One Copy of Endt. G.O. 348/79 to each
Ch: Engr. P.W.D. √ 1
Ch: Engr. for Irrign. √ 9
Cons: Architect √ 6
Genl. Supt. P.W. Stores √ 3
Exr. P.W. Accts. With One Copy of G.O. No. 348/79 √
Finl. Departt. with papers. 10
D. 1733/79

Desp. 27—3—79

Cir. 21-3-73.

C. 1733 / 1935

Govt. of (1879) Madras.

PUBLIC WORKS.

To

25-3-79

Dated

Issued

Recd.

Encl.

G. O., 25th March 1879, No. 918 W

Nos. 306-307

Irregular Expenditure by the P. W. Dept.