

Circular No. 34 Public Works.
GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.
ACCOUNT.
General.

Fort William, December 16, 1881.

The Governments of Madras, Bombay, Bengal, the North Western Provinces and Oudh, and the Punjab, in the Public Works Department.
The Chief Commissioners, Central Provinces, British Burma and Assam.
The Resident at Hyderabad.
The Resident at Mysore (through Foreign Department).
The Agents to the Governor General for Central India, Rajputana and Biluchistan.
The Superintendent of Port Blair and Chief Commissioner, Andaman and Nicobar Islands.
The Inspector General of Military Works.
The Accountant General, Public Works Department.

(For information only.)

The Director General of Telegraphs.
The Director General of Railways.
The Director-in-Chief, Indo-European Telegraph.
The Director, Persian Telegraph.
The Deputy Director, Persian Gulf Telegraph.
The Consulting Engineers to the Government of India for Guaranteed Railways, Calcutta, Lahore and Lucknow.
The Accountant General, Bengal.

Copy of the following forwarded to all Local Governments and Administrations and Officers noted in the margin for information and guidance.

A. J. FILGATE, Major, R. E.,
Depy. Secy. to the Govt. of India.

No. 4179, dated 12th November 1881.

RESOLUTION,—By the Govt. of India, Department of Finance and Commerce.

When loans are made by the Government of India to Municipal bodies for the execution of works which are carried out on behalf of the borrowing body under departmental control, the funds for the work are advanced by the local Public Works Department, the advances being debited to the total amount of the loan.

2. The disbursing Officer of the Public Works Department draws the money from the Treasury on an order from the Officer in charge of the local Civil Office of Account. The rules under which the system is worked are contained in Chapter 67, para. 8 of the Civil Account Code, and are as follows :—

“In cases where the loan expenditure is, under special orders, to be conducted and controlled by the Public Works Department, debits will be communicated by the Examiner in his monthly account current, for adjustment to debit of the particular loan, out of which the expenditure is incurred by transfer credit to the Public Works Department. The amount will be charged in the subsidiary register above prescribed, and will bear interest as though it had been advanced on the last day of the month in the account current of which it appears; notice of each charge should be sent without delay to the indebted body.

“The loans under the above arrangements will stand on the Civil books; the calculation and adjustment of interest on them, together with their recovery, devolve on the Civil Accountant General, and the action of the Examiner is confined to an audit of the outlay incurred, and to seeing that the total expenditure is not in excess of the sum granted.”

3. It has been found from some cases of recent occurrence that the rule is not a sufficient check upon the disbursement of more than the actual amount of the loan. The account of the loan money, that is, the noting of the disbursements against the sanctioned amount, is always on the books of the Civil Office of Account. But a loan is sometimes partly expended directly and partly through the Public Works Department. Consequently the Public Works Department may be ignorant of the available amount of loan money, while the Civil Office of Account has been sometimes reluctant to refuse compliance with a demand made on the authority of the Local Administration for money to be expended on works in progress, such refusal meaning the stoppage of the works, even though it knew that the sums asked for were in excess of the sanctioned loan.

4. To prevent the recurrence of irregularities, such as those which have recently occurred in the issue of loan funds, the Governor General in Council is pleased to lay down the following rules for future guidance:—

I.—Every loan to a Municipality, Port Trust, Native State, or other Corporation will be recorded in the books of the Civil Accountant General concerned, and no part of it may be issued otherwise than under his sanction.

II.—No Public Department or Public Officer may make any expenditure or incur any liabilities against such loan funds, unless he has first obtained in writing a statement from the Accountant General that the amount is available out of the loan funds, and has been placed in a separate account by the Accountant General, so as to be available for the proposed expenditure.

III.—The Accountant General, before setting apart any part of the loan under the last rule, will ascertain that the Municipality or other body who are responsible for the loan have assented to the arrangement, or that it is distinctly stated by Government among the terms of the loan.

IV.—Funds spent by any Public Department or Officer under Rule II shall reckon for interest as if they were drawn on the last day of the month in the accounts of which they are included by the Spending Department or Officer.

5. The Governor General in Council also desires that the Local Governments will watch the progress of outlay on all works constructed by departmental agency out of such loans, and bring to notice any tendency to an excess, and check it in due time as far as possible. If it is found that outlay in excess of the sanctioned loan is inevitable, the Local Governments should promptly review the whole financial situation, and, if necessary, apply for an increase to the loan in good time to admit of consideration by the Government of India whether the loan shall be increased or not.

ORDERED, that this Resolution be communicated to the Public Works Department, the Comptroller General, and the several Local Governments and Accountants General.

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.
ACCOUNT.
General.

To

Circular No. 34 Public Works,

Dated December 16, 1881,

Received

The Public Works Department should never make grants for expenditure on Municipal Public Works carried out from loans from Government without first having a certificate from the Civil Accountant General that the money is available in the loan account.

No. 489, P. W. D. Press—17-12-81—1,320.

Circular No. 34 Public Works.
GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.
ACCOUNT.
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The Governments of Madras, Bombay, Bengal, the North Western Provinces and Oudh, and the Punjab, in the Public Works Department.
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To

The Secretary to the Government of Madras
Public Works Department

With 80 spare copies.

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P. W. D. No. 26

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.

ACCOUNT.
General.

To

Circular No. 34 Public Works.

Dated December 16, 1881.

Received 4 Jan/82

80-Sc.

5-1-82

B. No. 79 Waf 11th January/82

The Public Works Department should never make grants for expenditure on Municipal Public Works carried out from loans from Government without first having a certificate from the Civil Accountant General that the money is available in the loan account.

No. 489, P. W. D. Press—17-12-81—1,320.

Entd in Receipt Book
With order
W. H. D. S.

Desud
11-1-82

B. No. 79 Waf 11th Jan 1882

Communicated
to the officers of the
P. W. Dept.

40 3070 W. 3-12-81.

SRs
Ch for J.
Ch to G.
Ch to M. A. S.