

Public Works (1897) Department.

G.O., No. 3556 W

DATED ⁴18 December 1897

[Despatch Abstract.]

*Expenditure in connection with famine relief works: Sent to
from the Examiner for forwarding copy of his letter to the Secy
General P.W.D. explaining fully the system of granting
Credits and of accounting for — in charge of P.W.D.
Office in this Residency, Secy.*

*B. N. 17
18.12.97*

CURRENT No. 12493

Order

No. 1077.4/03

Dated 15th December 1897

Received 16-12-97

Enclosures

Spare copies

SUBJECT.

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[E. No. 94.]
8,000—26-4-97.

To

No. 1077 A/B. Madras, 15th December 1897.

SIR,

Offg. Examiner, P.W. Accounts, Madras.

Copy of telegram from the Accountant General, Public Works
Department, to the Examiner, P.W. Accounts, Madras, No. 1057 G dated
6th. December 1897.

It has been stated that the Examiner issued from time to time large credits on treasuries without any authority and said that he was justified in doing so because he was working the business on the imprest system please explain exactly what system has been followed with regard to issue of credits and the accounting for expenditure wire brief reply, and explain fully by letter explain also the basis on which your estimates of expenditure were framed from time to time.

Copy

Copy of letter from the Offg. Examiner, P.W. Accounts Madras,
to the Accountant General, Public Works Department, No. 1070 A/13
dated 14th December 1897.

With reference to your telegram No. 1057 G dated the
6th. Instant, and in continuation of my telegram of the 8th.
Idem, I have the honor to explain in detail the system of
granting credits, and of accounting for expenditure in connec-
tion with Famine Relief Works in charge of P.W.D. Officers
in this Presidency.

2. Credits were invariably issued on Executive Engineers'
applications in strict accordance with the rules laid down in

Code Volume II. Chapter III. para

18. Whenever excesses over grants
were anticipated, and whenever the
applications for credit from par-

No. 362 A of 10th. July 1897
No. 347 A of 5th. July 1897
No. 354 A of 7th. July 1897
No. 439 A of 29th. July 1897
No. 620 A of 20th. Sept. 1897
No. 1008 A of 29th. Novr 1897

ticular Divisions appeared to be either excessive or unreason-
able, the facts, supported by figures, were always promptly
reported to Government, and their orders regarding the action
to be taken by this Office communicated when necessary to you,
vide this Office letters Nos. noted in the margin.

3. I would further add that on receipt of your letter No.
475 G dated 24th. June 1897 directing this Office not to issue
credits to Famine Divisions without the previous distinct autho-
rity of Government in each case, or unless they fixed the limit
up to which credit might be issued, the Local Government was
immediately communicated with, and their orders authorizing
the Examiner to issue credits to the extent applied for, were
also forwarded to you with my No. 362 A dated 10th. July 1897.

4. It will be seen from the above explanations that this
Office at no time took upon itself the sole responsibility
of issuing credits in excess of grants, and the statement
quoted in your telegram under reply that "the Examiner issued
from time to time large credits on treasuries without any
authority" is not therefore a correct representation of the
facts.

5. It did however happen in some cases that the Civil
Officers, who under the orders of the Local Government were
entrusted with the payment of famine labour on the Relief Works,
and who in their capacity of disbursers were treated as Officers
of the P.W.D., obtained very large supplies of funds for their
payments direct from the Treasuries, instead of from Executive
Engineers by cheques drawn against the regular credits obtained
on the application of this Office; it also happened that owing
to these direct withdrawals from the Treasuries, the credits
applied for remained in some cases unutilized and apparently
greatly in excess of more immediate requirements; and it is
probably to this state of affairs that the remarks quoted in
your telegram are really intended to refer.

6. The system adopted in this Presidency of entrusting the
payment of all labour on Relief Works to Civil Officers acting
as P.W.D. disbursers has led to many difficulties and much con-
fusion in accounts. These Officers, who were constituted Imprest
holders under the Executive Engineers of Divisions, were un-
acquainted with the accounts system and procedure of the Depart-
ment, very great delays ensued in the submission of their accounts,
difficulties were met with in obtaining vouchers and details of
payments, funds were drawn direct from Treasuries outside the
credits granted to the Departmental Officers; with the result
that the estimating of requirements, the regulation of the supply
of funds, the forecasting of expenditure, the adjustment of trea-
sury transactions between this and the Civil Department, and the
final accounting for expenditure by works have all been made a
task of exceptional and extraordinary difficulty. It is to the
adoption of this system, and not to any unauthorized action on
the part of this Office in respect to the issue of credits that
any failure or irregularity is to be attributed.

7. As regards accounting for expenditure incurred on Famine
Relief Works, this Office has strictly adhered to the procedure
prescribed by the Government of India in Standing Order No. 193

dated

dated 14th. January 1897 to Code Volume I. Chapter IX. para 104, and by the Local Government in G.O. Financial Department No. 133 dated 8th. February 1897, as described in para 82 of my report on the Finance Accounts for 1896-97. The Civil Officers, who under the Local Government Order above quoted were practically required to make all payments in connection with Relief Works, were constituted Imprest holders under the Executive Engineers of Divisions, from whom they were intended to draw the necessary funds, and to whom they were to render accounts according to the ordinary procedure prescribed for this form of account in the Codes. This System, due principally to ignorance of the procedure on the part of the Civil Officers, and partly no doubt to this form of account being ill adapted to meet the requirements for such heavy disbursements as are involved in the payment of famine labour, has proved very unsatisfactory and defective in working. The instructions issued under Government of India No. 1564 dated 30th. July 1897 (embodied in Madras Government Order No. 2289 W dated 20th. August 1897) directing that ~~all~~ Drawing Accounts were to be allowed to all Imprest holders of over Rs. 1000/- were received when the Famine was almost over, and when much practical effect could not be given to them; but I think it is evident that if Drawing Accounts had been allowed from the commencement of operations, this would merely have modified some of the difficulties experienced without remedying the radical defects of a system under which the expenditure on Relief Works chargeable to this Department was disbursed by Officers of another Department, over whom no sort of control could be exercised to ensure the punctual and regular submission of accounts and the due observance of Departmental rules and procedure.

8. Regarding the basis on which my estimates of expenditure were framed from time to time, I have the honor to explain that these estimates were compiled from figures specially obtained from the Executive Engineers of Divisions, modified by the

information

information available in this office and by such as could be obtained from the Civil Accountant General. The estimates were carefully framed on the best data available at the time, but from what I have previously said, it will be understood that, when large unexpected debits were raised against this Department for funds supplied direct from Treasuries to Civil Officers, and when owing to delay in the submission of their accounts a general uncertainty existed as to the actual disbursements and expenditure of these Officers, the estimates could not but prove unreliable in many instances. The early arrival of rain and the sudden fall in the number of relief workers also vitiated the estimates of expenditure in some cases and led to the withdrawal of large credits which had been provided on Executive Engineers applications in the anticipation that the previous rate of expenditure would continue.

9. On receipt of the Government of India Orders contained in their No. 2794 F/206-2 dated 18th. August 1897, the Local Government has appointed a joint Committee to enquire into the whole subject of Famine administration; I trust that in addition to executive measures, the present financial arrangements for the payment of famine labour may receive the careful reconsideration of both the Committee and the Local Government.

(True copies)

Mahomed Yacoub 15¹²/₉₇
Superintendent, General Branch.

PPK
15/12/97

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