M.R.O. 14—18,000—27-9-24.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 392 Press ~~Mis.~~

58

Dated 4 — 8 — ~~19~~ 1864

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 4th March 1864.

Dated 4th March 1864, No. 392.

No. 58.

1. The increasing importance of the Local Funds of this Presidency renders it necessary that rules should be laid down for the guidance of the Officers entrusted with their management, the original rules of 1856 being in many respects inapplicable to the present state of affairs, and considerable misapprehension existing on the subject.

2. The Government of India require that an annual Estimate of the receipts and expenditure of these funds should be submitted to them; and, in requiring this, they have declared that their object was "NOT *to exercise any interference with the expenditure of funds which were entirely at the disposal of the Local Government*, but merely that the Government of India should be kept informed of the outlay, for financial purposes, and of the nature of the projects in reference to their effect upon the wants of the country which remain to be met from Imperial Funds."

3. This express abnegation of all desire or intention of interfering renders it the more incumbent on the Government themselves to adopt measures which shall bring the administration of these funds under their own effective control; and justice to the people who contribute these funds requires that every precaution should be taken to ensure their application to the best advantage and with the utmost economy.

4. But in attaining these objects care must be taken to leave the local Officers a proper degree of freedom of action, and prevent the intervention of Government from becoming obstructive or harassing.

5. The observance of the principle of the Budget system cannot fail to be attended with beneficial effects. It will certainly be most conducive to the judicious and economical application of these funds to require the Officers entrusted with them to consider carefully beforehand what projects deserve priority of execution, and to work on a well devised, settled plan of operations, instead of in a hasty, ill-considered or desultory manner. The existing rules, in fact, are based on the Budget principle, but there has been great laxity in the observance of the rules; reports of the operations of each year are delayed till they are practically almost useless, programmes of the operations of future years are either not submitted or are carelessly observed, large balances are kept unemployed, and money is spent on works beyond the legitimate scope of the fund.

6. Not a little of the confusion attending the subject has arisen from the funds being indiscriminately styled "Local Funds." The term is generic and includes every fund of *Local* as distinguished from *Imperial* origin, but the various funds which collectively make up the "Local Fund" of a Presidency differ greatly in their nature and objects, and cannot be brought under the operation of the same rules or the control of the same Department.

7. The first step is to classify the different funds of the Presidency, and this done, to lay down distinct rules for each, keeping in view the general requirements of the Supreme Government for Imperial purposes.

8. The Accountant General states that the principal Local Funds are,

I.—District Conservancy	Fund.	VI.—Stamping Fee	Fund.
II.—Jungle	do.	VII.—Police Lodging	do.
III.—Pound	do.	VIII.—Emigration Fee	do.
IV.—School Fee	do.	IX.—Pier	do.
V.—Port	do.	X.—Income Tax	do.

To this list under recent orders of the Supreme Government must be added the "Public Bungalow Fund."

9. The first of the funds mentioned by the Accountant General is in fact the original Road Fund, and will be so designated in future, the term being more definite and expressive of the real objects of the fund than the designation "Conservancy Fund."

10. The sources of income are,

I.—The Road Cess of 1 Anna per Cawny in South Arcot and 2 per cent. on the assessment elsewhere.

II.—Ferry Rents and Tolls.

III.—Tolls on roads and bridges.
IV.—Surplus Cattle Pound Fines.
V.—Sundry petty items including avenue clippings.

11. The following abstract taken from the Local Fund Report shows the income of the Road Fund in 1861-62 excluding balances on hand:—

	Rs.
Road cess...	1,02,140
Ferry Rents and Tolls	69,020
Surplus Cattle Pound Fines	25,558
Cart Tax	5,550
Avenue clippings	6,736
Grass rents...	3,376
Rent of reeds	201
Manure rents	335
Surplus proceeds of Anicut plantation in Tanjore.	866
Local subscriptions for special work	825
Recoveries	8,078
	2,22,805

12. The management of the Road Fund was by the old rules vested jointly in the Collector and District Engineer. In the recent re-organization of the Department Public Works, the office of District Engineer has been abolished, and as Superintending Engineers, having charge of at least two Districts, cannot have the same minute local knowledge as the District Engineers, and must often be at a considerable distance from the Collector of one or other of the Districts, included in their ranges, it is necessary that the initiative should be decidedly thrown on the Collector. The works which are executed from the fund are minor cross roads, and there is far less need of professional ability than of knowledge of the wants of the people, and the requirements of traffic. Practically in fact the initiative in all District improvements rests chiefly with the Collector, and in the case of Salt roads Government have expressly thrown the responsibility on him. This course will now be followed in regard to Local Funds, but it will still be the duty of the Engineer Officers to bring to the Collector's notice such works as they consider necessary or desirable.

13. The execution of all works rests by the old rules with the Engineer Department, and no change will be made in this respect. These rules, however, admitted of works being executed by other Agency, when the Collector and Engineer concurred in considering this course desirable. In this respect also no change is necessary.

14. Thus the responsibility of selecting works and making the most of the Local Fund will fall on the Collector, the responsibility of executing them properly and economically, on the Engineer.

15. The next point for consideration is the audit of the accounts.

16. Under the old rules the audit was conducted in the Chief Engineer's Office. Certified accounts of expenditure were furnished by the Executive Officer to the Collector, and an annual Statement of the total expenditure prepared by the Collector, countersigned by the Civil Engineer, and accompanied by the bills and accounts of each work, was forwarded to the Chief Engineer for the purpose. When the Chief Engineer's Office was abolished the audit of the Local Fund Accounts passed with that of the Public Works Accounts to the Controller.

17. In their Resolution of the 18th September last, the Supreme Government express themselves as follows on this point:—

"Except when otherwise directed, the detailed audit of the expenditure should be conducted monthly by the Commissioner, or other Superintending local Officer. He should see that the expenditure has been in accordance with duly sanctioned Estimates or other adequate authority; that the sanctioned amounts have not been exceeded, and that the funds have not

been misapplied. When the expenditure is for Public Works, it should be supported by Certificates, signed by the Officers executively responsible, showing the payments made, the parties paid, and the work done. When the cost of a work is charged piece-meal in more than one monthly bill, the total cost up to date should be noted in each bill until completion, so that the Superintending Officer may be in a position to ascertain that the sanctioned Estimates have not been exceeded. The countersignature of the Superintending Local Officer to the monthly bill will clear the amount in the monthly accounts, and his audit should be as speedy and complete as possible.

"When works are executed by the Public Works Department out of Local Funds, the audit of that Department will be accepted in reference to the expenditure.

"According to this arrangement, the Local Committee, or the Magistrate, or other local Officer, will order the payments, and the Commissioner, or other Superintending Local Officer, will audit them."

18. In this Presidency the Collector is the Officer who orders the payments, and the Board of Revenue occupy the position of the Commissioners of Bengal.

19. But the only audit which is really effective is audit by an Officer possessing professional knowledge of the subject he deals with and personal acquaintance with local circumstances. The Superintending Engineer possesses these qualifications, and in his frequent tours will have opportunities of seeing how the works have been executed. The Government resolve therefore to entrust the detailed local audit to the Superintending Engineer.

20. It will still be necessary, however, that some central authority should "perform the same duties in reference to the Local Fund Accounts as the Auditor General performs for the Public accounts of the whole of India." The Government of India have offered the services of the Deputy Auditor and Accountant General, and Government in G. O., 15th Feb. 1863, No. 657, Financial Department accepted this arrangement. Further consideration, however, leads the Government to conclude that this is not the best plan.

Resolution of Supreme Government, dated 18th September last.

21. The Accountant General frequently is an Officer of another Presidency, possessing no acquaintance with Madras, and of necessity having no professional knowledge of the subject with which he deals. The work to be done is defined by the Supreme Government as a review of the Accounts "so far as may be necessary to see that the authorized Budget appropriations have not been exceeded, that the balances have been duly brought forward, and that there is every reason to believe that the local detailed audit has been properly made."

Resolution of Supreme Government, 18th September 1863.

22. The Board of Revenue can do all this a great deal better than the Accountant General. It is true that, like him, they are not Engineers, but they have extensive experience of the country and acquaintance with the local Officers; their ordinary work brings before them the wants of each District; the Local Budgets pass through their hands; they review the operations of each year; they have a well organized Account Department, and they already perform a deal of auditing work. The final audit will therefore be entrusted to the Board of Revenue.

23. On the system above sketched:—

I.—The Collector will be answerable for the proper outlay of the Fund.
II.—The Engineer Department will be answerable for the proper execution of its work.
III.—The Superintending Engineer will locally audit the accounts, and aid the Collector generally.
IV.—The Board of Revenue will supervise the proceedings of the local Officers.

24. Each section of duty is entrusted to the person best qualified to perform it satisfactorily and the responsibility of each is clear.

25. It is necessary that there should be a certain appropriation in each District to meet the rateable share of the Public Works Establishment. The Government of India have hitherto distributed the cost of the Public Works Department equally over all the Funds, Local and Imperial. The sum thus assessed in 1863-64, is Rupees 1,50,000 on an estimated Local

Fund expenditure of Rupees 8,00,000 or 18½ per cent. Local Fund works are of the most simple character, and it is unfair to charge them in the same proportion as Anicuts, &c., requiring high engineering skill. Moreover, the cost of the Public Works Department is enhanced by considerations in which the Local Fund is not interested, viz., the maintenance of a Corps of Military Engineers. The Governor in Council considers that a charge of 10 per cent. on the estimated expenditure is quite as much as circumstances justify, at least until the actual cost can be ascertained by reference to the amount of superintendence given. A reference on this subject will accordingly be made to the Government of India.

26. The last point for consideration is the mode of transmitting these Budgets to the Supreme Government. This question is raised by the Accountant General in his letter, 4th February 1864, No. 369.

27. The Government consider that the Resolution of the Supreme Government in the Financial Department, dated 18th September last, No. 4,559, indicates the correct course for adoption.

28. The "general term Local Funds" includes several funds for various objects. The Supreme Government wish to be furnished with estimates of receipts and disbursements of all these funds solely that they may be "kept informed of the outlay for financial purposes "and of the nature of the projects in reference to their effect upon the wants of the country "which remain to be met from Imperial Funds." The terms of this Resolution are general, "every "fund for the proper administration of which the local Government is responsible" is to be "included in the Estimate, whether derived from local cesses or from private endowments," and the object of the Estimate is to acquaint the Supreme Government with the effect of these Funds "upon the wants of the country which remain to be met from Imperial Funds" not its wants in one particular branch, viz, the execution of what are termed "Public Works" nor the funds annually devoted from the surplus revenues of each year, but the general wants of the country which have to be met from the national Treasury.

29. This general review of transactions affecting the welfare of the Empire at large, is peculiarly the province of the Supreme Government, and cannot fail to be salutary in its effects when (as the Resolution above quoted expresses it) so conducted as "*not* to exercise any interfer- "ence with the expenditure of funds which are entirely at the disposal of the Local Government."

30. But it is quite clear from the extensive scope of the Resolution, that these Estimates should be submitted by the Local Government to the Supreme Government in the *Financial* Department which deals with the finances of the Empire and regulates the supply of funds where- with to meet "the wants of the country." The very circumstance of the Resolution issuing from the Financial Department indicates that it is to that Department that the Estimates should be submitted for the purposes stated.

31. So far as Local Funds are concerned the Public Works Department is purely execu- tive. The funds are raised in various ways from the people, and not only is all work executed out of them by the Public Works Department paid for, but a further and a heavy charge is made for superintendence. In fact, therefore, the Department of Public Works is simply employed by these funds to perform certain work for which it is duly and fully paid. All that the Public Works Department of the Supreme Government can require for its legitimate purposes is a list of the works to be performed with an Estimate of their cost and an assurance that the whole proposed expenditure is available from the Local Fund which requires the work done. The Public Works Department could not deal satisfactorily with the Budgets of revenue, and clearly has nothing to do with them. It might as well call for the Estimates of every branch of the public service, for it does work for all, and derives its funds from them. Barracks are built by it for the Army, but the Army Estimates are not submitted to it. Irrigation works, Schools and Jails are all constructed by it, but the Estimates of those Departments do not come under its cognizance. It is in fact simply "executive," subsisting from year to year on the grants annu- ally made to it, and having no other functions than the economical and advantageous employment of those grants. The Financial Department of the Supreme Government, on the other hand, is

Proceedings of the Madras Government, Revenue Department,
4th March 1864.

the one that can turn to use the information which these Budgets contain, it can watch the progress of the Local Funds, can take care that Imperial Funds are not improperly appropriated as Local, and note "their effect upon the wants of the country which remain to be met from "Imperial Funds." Further, to send all the Local Fund Budgets to the Department of Public Works involves the anomaly of sending it matter with which it cannot deal, while to send it some only will deprive the Government of India of a comprehensive view of these funds. The Government, therefore, consider the proper course and indeed that indicated by the Supreme Government is to send all the Local Funds to the Financial Department, leaving it to deal with each as may be most convenient.

32. These orders do not refer to the Income Tax grant, which is only local in one respect, viz., that the balances do not lapse at the close of each year, is of temporary duration, and will therefore remain, as it is, entirely under the Department of Public Works.

33. The "Jungle Conservancy Fund" is still in its infancy. It is derived from fees levied on wood cut in petty jungles not under conservancy, and is devoted to the preservation and extension of such jungles.

34. The fund will continue, as it is, under the control of the Collectors and the Board of Revenue. The Budget system will be applied to this fund also, and all receipts and charges shown without deduction in the accounts. The rules will necessarily be much more simple than in the case of the Road Fund.

35. The Bungalow Fund is scarcely in existence, and a reference has lately been made to the Supreme Government on the necessity of supplementing the receipts from travellers by grants from Imperial Funds. Public Bungalows are under Collectors and the Board, and will so continue, all repairs, &c., being as a rule performed by the Department Public Works.

36. The "Stamping Fee" Fund is too trifling to need rules. A small fee is charged in a few Districts for stamping Weights and Measures, and the proceeds more than cover all expenses. The same remark applies to the Madura Town Fund. These petty funds can be dealt with on the general principle that all receipts and charges are to be shown without deduction and the expenditure kept within the income. Specification of details is unnecessary in the Budgets, but will be given in the annual report of operations.

37. The other funds mentioned in paragraph 8 will be separately dealt with in the Public Department.

38. The Board of Revenue will circulate to Collectors the Rules *A*. *B*. and *C*. appended to these orders for their future guidance.

(True Extract.)

(Signed) J. D. SIM,
Secretary to Government.

To the Board of Revenue.
" Accountant General.
" Department Public Works.
" Financial Department.
" Public do.

Exd. S. T. Augustin.

A.

RULES

FOR THE ADMINISTRATION

OF THE

DISTRICT ROAD FUND.

I. The Collector of each District shall in November of each year submit to the Board of Revenue a Budget Estimate of receipts for the ensuing official year.

II. The Budget of receipts will show the balances expected to remain unexpended at the end of the current official year, and all sums expected to be received within the following twelve months *without deduction* :—

III. Each distinct source of income will be separately shown in the Budget under the Board's instructions.

IV. Simultaneously with his Budget Estimate of receipts each Collector will submit to the Board of Revenue a Budget Estimate of expenditure for the ensuing year.

V. The Budget will show the proposed expenditure of the year under the following heads :—

I.—New works.
II.—Repairs.
III.—Establishments.
IV.—Stores.

VI. The Board of Revenue will compile a Budget of receipts and expenditure for the whole Presidency from the District Budgets, and submit the same by the 15th December with their remarks and such modifications as they deem expedient for the sanction of Government in the Revenue Department.

VII. The selection of works shall be the duty of the Collector, and he shall be responsible for the same.

VIII. The Collector shall furnish the Superintending Engineer with lists of the works selected, (for which Plans and Estimates are required) as early as possible and not later than in September of the current year so as to enable the Superintending Engineer to make timely arrangements for the preparation of Plans and Estimates where necessary, and for the due execution of the works.

IX. It shall be the duty of the Superintending Engineer to advise the Collector professionally in regard to any work projected by him. It shall also be the duty of the Superintending Engineer to suggest to the Collector the execution of any works that he may himself consider desirable and to afford that Officer general assistance.

X. Where the Superintending Engineer objects to any work on professional grounds the work shall not be proceeded with, unless specially ordered by Government, to whom a reference accompanied by the written opinion of the Superintending Engineer shall be made by the Collector if he desires to carry out the work.

XI. All Estimates and Plans shall be prepared by the Engineer Department under the orders of the Superintending Engineer, to whom the Collector shall apply in writing.

XII. In the case of ordinary repairs and works of emergency when the Superintending Engineer is absent, the Collector may apply direct to the local Executive Officer, informing the Superintending Engineer of the same.

XIII. No new works likely to cost more than Rupees 2,000 shall be commenced until Government have sanctioned the Plans and Estimate, which shall be forwarded for the purpose by the Collector through the Board of Revenue as soon as furnished by the Superintending Engineer.

Proceedings of the Madras Government, Revenue Department, 4th March 1864.

XIV. New works likely to cost less than 2,000 Rupees and repairs to existing works may be commenced on the Budget sanction unless objected to by the Superintending Engineer under Rule X.

XV. Every work estimated to cost more than Rupees 250, whether a new work or repair, shall be separately entered in the Budget. Works estimated to cost less than Rupees 250 will be entered without further specification than

"Petty New works."
"Petty Repairs."

XVI. The execution of all work shall, as a rule, be conducted by the Department Public Works, and the Superintending Engineer shall make timely arrangements for the purpose, intimating the same to the Collector and advising him of the advances or payments necessary.

XVII. The Collector with the concurrence of the Superintending Engineer may himself undertake the execution of repairs and ordinary works, not requiring professional skill, or may entrust the same to any of his subordinate or to the community interested in the work.

XVIII. In the case of work entrusted to the Engineer Department or executed under Rule 17, the Collector shall from time to time make such advances as may be necessary within the Budget allotment.

XIX. The Executive Officer to whom work is entrusted shall forward monthly bills for work done to the Superintending Engineer, by whom they shall be audited and forwarded to the Collector for transmission to the Board of Revenue with his Account Current.

XX. Bills for work done under Rule 17 shall be forwarded by the Collector to the Superintending Engineer for audit, after which they shall be returned by the Superintending Engineer to the Collector.

XXI. The completion of all works with their total cost shall be reported to the Collector by the Officer entrusted with their execution.

XXII. The Collector and Superintending Engineer shall jointly determine the permanent Establishment (if any) required to be maintained in addition to the regular Public Works Establishment specially on account of the Local Fund. The salary of each servant shall be duly entered in the Budget, with explanation of the necessity of the charge. Petty Maistries and other similar servants do not come within the scope of this rule and will be charged in the estimates of the works on which they are employed, as in the Department Public Works.

XXIII. An appropriation of 10 per cent. on the estimated expenditure of the year shall be made in one sum, as the share payable by the Local Fund to the Public Works Department for the supervision and assistance of the Public Works Establishment.

XXIV. The control of all executive servants employed under Rule 22, their entertainment and dismissal shall rest with the Superintending Engineer. But servants employed as Accountants or Clerks under the Collector or on works executed under Rule 17 shall be entertained, punished or dismissed solely by the Collector.

XXV. Ten per cent. of the estimated income of each year shall be reserved as a fund for emergent repairs and unforeseen improvements, and may be expended on such works by the Collector with the concurrence of the Superintending Engineer, or in the absence of the latter, when avoidance of delay is important, on his own responsibility, without the previous sanction of Government. Such expenditure shall be reported to the Board of Revenue at the end of each month with the necessary explanation.

XXVI. The Board of Revenue may sanction the transfer of funds from one sanctioned project to another, but without such sanction the Budget allotment must be adhered to.

XXVII. An account of the total receipts and expenditure of the year of the cost of Establishments, &c., shall be prepared by the Collector and forwarded with the audited bills referred to in Rules 19 and 20 to the Board of Revenue, for final audit immediately after the close of each year.

XXVIII. At the close of each official year the Collector shall prepare a full report of the operations of the year, and shall furnish the Superintending Engineer with a copy of the report for his information and for any remarks which he may wish to make on it. The report shall be

accompanied by an Account Current of receipts and charges, provided for in Rule XXVII, and shall be submitted to the Board of Revenue within six weeks of the close of the official year.

XXIX. The Board of Revenue after finally auditing the accounts shall submit to Government in the Revenue Department an annual report on the Road Fund of the Presidency. The report shall be accompanied by the Collector's reports, and Account Current, and any remarks made by the Superintending Engineers, and shall be submitted by the 31st July.

XXX. The Budget Estimates when passed by Government will be forwarded by the Government to the Government of India in the Financial Department, a copy being forwarded to the Accountant General for his information.

XXXI. A copy of the Board's annual Report with the orders of Government thereon will also be forwarded for the information of the Government of India and the Accountant General.

B.

RULES

FOR THE ADMINISTRATION

OF THE

JUNGLE CONSERVANCY FUND.

Rule I. The Collector of each District shall in November of each year submit to the Board of Revenue a Budget Estimate of receipts, for the ensuing official year.

Rule II. The Budget of Receipts will show the balances expected to remain unexpended at the end of the current official year and all sums expected to be received within the following twelve months *without deductions.*

Rule III. Each distinct source of income will be separately shown in the Budget, under the Board's instructions.

Rule IV. Simultaneously with the Budget Estimate of receipts each Collector will submit to the Board of Revenue a Budget Estimate of expenditure for the ensuing year.

Rule V. The Budget will show the proposed expenditure under the following general heads:—

I.—Formation of fresh plantations and nurseries.

II.—Improvement and maintenance of existing do.

III.—Establishment.

The Talook, Village, or Jungle being specified in each case, and such information given as will enable the Board and Government to decide on the proposed expenditure.

VI. The Board of Revenue will compile a Budget of receipts and expenditure for the whole Presidency from the District Budgets, and submit the same by the 15th December with their remarks and such modifications as they deem expedient for the sanction of Government in the Revenue Department.

Rule VII. The sanction of the Budget by Government will be sufficient authority for proceeding with any of the projects therein entered.

Rule VIII. The Board of Revenue may sanction the transfer of funds from one sanctioned project to another, but without such sanction the Budget allotment must be adhered to.

Rule IX. It shall not be competent to the Collector to entertain any permanent servants without the previous sanction of Government, nor any temporary servants without the previous sanction of the Board and due provision in the Budget.

Rule X. The control over all servants, their entertainment and dismissal shall rest with the Collector, but it shall be competent to the Board of Revenue to interfere in any case when they see sufficient cause.

Rule XI. The Collector shall forward to the Board of Revenue, by the 15th May of each year, for audit an account particular of all receipts and charges under the different Budget heads, with the usual vouchers and a report on the operations of the year.

Rule XII. The Board of Revenue shall submit a report to Government in the Revenue Department by the 31st July of each year, on the operations of the year, and shall at the same time forward the Collectors' reports and the audited accounts of the year.

Rule XIII. The Budget Estimate when passed by Government will be forwarded to the Government of India in the Financial Department, and a copy will be furnished to the Accountant General for his information.

Rule XIV. A copy of the Board's Annual Report and with the orders of Government thereon, will also be forwarded for the information of the Government of India and the Accountant General.

C.

RULES

FOR THE ADMINISTRATION

OF THE

BUNGALOW FUND.

Rule I. The Collector of each District shall in November of each year submit to the Board of Revenue a Budget Estimate of receipts for the ensuing official year.

Rule II. The Budget of receipts will show the balances expected to remain unexpended at the end of the current official year, and all sums expected to be received within the following twelve months *without deduction.*

Rule III. Each distinct source of income will be separately shown in the Budget, under the Board's instructions.

Rule IV. Simultaneously with his Budget Estimate of receipts each Collector will submit to the Board of Revenue a Budget Estimate of expenditure for the ensuing year.

Rule V. The Budget will show the proposed expenditure of the year under the following heads:—

I.—Construction of new Bungalows.

II.—Repairs.

III.—Establishment.

IV.—Purchase and repair of furniture, &c.

Rule VI. The Board of Revenue will compile a Budget of receipts and expenditure for the whole Presidency from the District Budgets, and submit the same by the 15th December with their remarks and such modifications as they deem expedient for the sanction of Government in the Revenue Department.

Rule VII. Application for the construction of new Bungalows shall be made to Government, through the Board of Revenue, in sufficient time to admit of Plans and Estimates being prepared and provision made in the Budget, if the application be approved.

Rule VIII. Plans and Estimates for public Bungalows shall be prepared by the Engineer Department under the orders of the Superintending Engineer.

Rule IX. Estimates for repairs shall be made by the Engineer Department under the orders of the Superintending Engineer on the written requisition of the Collector.

Rule X. No new Bungalow shall be constructed until sanctioned by the Government.

Rule XI. For repairs, petty improvements and purchase of furniture, &c., the passing of the Budget shall be sufficient sanction.

Rule XII. All works or purchases exceeding Rupees 100 shall be separately entered in the Budget.

Rule XIII. The execution of all work shall, as a rule, be conducted by the Department of Public Works, and the Superintending Engineer shall make timely arrangements for the purpose, intimating the same to the Collector and advising him of the advances or payments necessary.

Rule XIV. The Collector with the concurrence of the Superintending Engineer may undertake ordinary repairs and improvements, or may entrust them to any of his Subordinates.

Rule XV. The Collector shall arrange, with the Board's sanction, for the purchase of furniture.

Rule XVI. In the case of work entrusted to the Engineer Department or executed under Rule 14, the Collector shall from time to time make such advances as may be necessary within the Budget allotment.

Rule XVII. The Executive Officer to whom work is entrusted shall forward monthly bills for work done to the Superintending Engineer, by whom they shall be audited and forwarded to the Collector for transmission to the Board with his Account Current..

Rule XVIII. Bills for work done under Rule 14 shall be forwarded by the Collector to the Superintending Engineer for audit, after which they shall be returned by the Superintending Engineer to the Collector.

Rule XIX. The completion of all works with their total cost shall be reported to the Collector by the Officer entrusted with their execution.

Rule XX. It shall not be competent to the Collector to entertain any permanent servants without the previous sanction of Government, nor any temporary servants without the previous sanction of the Board and due provision in the Budget.

Rule XXI. The control over all servants, their entertainment and dismissal shall rest with the Collector, but it shall be competent to the Board of Revenue to interfere in any case when they see sufficient cause.

Rule XXII. The Board may sanction the transfer of funds from one sanctioned purpose to another (except in regard to new Bungalows), but without such sanction the Budget allotment must be adhered to.

Rule XXIII. The Collector shall forward to the Board of Revenue by the 15th May of each year for audit an account particular of all receipts and charges under the different Budget heads with the usual vouchers and a report on the operations of the year.

Rule XXIV. The Board of Revenue shall submit a report to Government in the Revenue Department by the 31st July of each year, on the operations of the year, and shall at the same time forward the Collectors' reports and the audited accounts of the year.

Rule XXV. The Budget Estimate when passed by Government will be forwarded to the Government of India in the Financial Department, and a copy will be furnished to the Accountant General for his information.

Rule XXVI. A copy of the Board's Annual Report with the orders of Government thereon will also be forwarded for the information of the Government of India and the Accountant General.

Rev: 1864 Dispt

Pro: of Govt: for March

№392

Pro: of the Madras Govt

Dy 4 March 1864.

Rules for Local Funds management Communicated to the B. of Revenue

№58

Mr Pelly's remarks on the Memr & Rules.

This Paper (Memo: of Secretary to Govt:) is not sent to us officially but demy officially for our views.

Roads. It is quite proper that the Collector should select the works to be executed. But the Engineer must have many opportunities for suggesting works that are wanted and I am not sure whether as the rules now stand he will think himself at liberty to make such suggestions and give the Coll: valuable assistance in this respect. Rule IX might perhaps be so framed as to elicit the cordial cooperation of the Engineer in suggesting projects to the Collector.

The Rule IX - says it is his duty to suggest such works as he considers desirable.

I.P.S.

The Audit proposed to be made by the Board of Revenue would be as many general audit and would I presume only so far check the accounts as to see that the work done was in accordance with the Budget sanction. The Board are not expected to go into any details audit I presume. If so I think with Mr Sim that the Board is the best place to have the audit made and to report to Govt: But the Secretary has allowed the Board only 15 days to audit all the Bills and submit their report which is too short a time I fancy.

The Plan proposed by Mr Sim for the management of the Road Local Fund differs apparently in

The Reference first Memorandum define the kind of audit to be done at Madras. It is merely an "appropriation" audit the real audit is done by the Secy of Engs.

J D S

This Rider not forthcoming. The Collr is not the officer to prepare, so much as to call the Engr to that the District wants. The Engr does not know this can best be done first and then adds his suggestions. J D S

The 10 per cent is only the share of the total P W Establishment charge debitable to the Local Fund.

J D S

in theory from that of the Imperial Funds in this that in the latter the Engineer projects and the Collector approves or disapproves while the Local, the Collector projects and the Engineer objects but not projects the work. In both cases I think either officer should project but the Collector alone is to submit to superior orders should decide. With this exception I approve entirely of the Rules.

Rule 22, 22½. It is not quite clear but I assume that the 10 per cent on rule 22½ covers all the expenses of the permanent establishment mentioned in rule 22.

Rule 26. The reference to the rules 13 & 14 in this rule, should be to rules 19 & 20.

Public

Public Bungalows. I see no objection to the Rules. But it seems questionable whether the funds and expenditure should be termed Local rather than Imperial.

Such is the final ch the Sup: Jst. d a reference for a supplemental grant has been made. JNS

Jungle Conservatorship. Albright, 11th Feby/64 Supdg C. E.

Bungalows. Some provision must be made I think to Supt. Local receipts. These rules hardly suffice for the maintenance of the buildings in efficient repair &c for the preservation of the furniture.

Mr Clarke's n. t.

If the furniture &c is to be made available for the use of the public something should be done to prevent Collrs hoarding such in his Cutcherry or placing them in the Bungalows in such away as to be wholly useless.

Why do not the Rs. do it?

Mr Bretts notes. 9

I see no objection to any of the rules. With regard to Rule IX, it seems to me quite sufficient that the Superintending Engineers should have a right to suggest the execution of any works that he may consider desirable. It is the duty of the Collector to take a general view of the wants of his Distt, and the means of meeting those wants, and for attending to those wants he is held responsible, tho, if the Superintending Engineer can help him in devising projects &c, the Collr is expected to avail himself of his suggestions.

He has it. It is his "duty". v. Rule IX.

The Remarks of the Bd. of Revl on the Mem.l & Rules.

Mr. S. Lushington's note.

My dear Sir

Herewith I return the proposed Local Funds rules, and have only one or two observations to make about them -

I. The Jungle Conservancy Fund - The Govt. of India have lately called on me for a further account of this Fund. I annex an Extract from my reply - "The Jungle Conservancy Fund is a tax or Seigniorage levied on fuel, firewood, bamboos &c. cut in those jungles

principles to which the operations of the Local Department have not been extended but are conserved by Rl. Co-Electors (vide Board of Revenue Circular No 93 dated 23d June last) of the collections appears to me to belong to Imperial Revenue and should be shown in the Imperial Budget. From this you will gather that in my opinion you are appropriating Imperial Revenue to Local Funds.—

II. District Road Fund Rule XXIII: 10% should 10 per cent be paid to the Public Works Department for supervision and assistance. will they increase the pay

There is a difference however. The Police supply funds rates for all [illegible] Rds. The Local Fund is not held to be governmental but municipal. However, if [illegible] decline we can try this. J D.S.

I do not think it would be a matter in the case of the orders of the Govt. J D.S.

They are petty purposes in which the Village panchayats have commenced light. Not more Imperial than petty purposes to collect taxes &c. J D.S.

pay or number of their establishment? On the principle that the Police supply gratis guards for all departments why should not the Department Public Works afford assistance & supervision gratis. I quite agree with you that the audit of these funds will be best performed by the Engineer Department in the professional part of the audit & by the Board of Revenue in the other parts. The Accountant General could not possibly audit these accounts with any degree of satisfaction either to himself or to Govt. Your remarks on the Department Public Works

Works of the Govt of India are very true they meddle, or rather muddle, with every one and continually exceed their legitimate functions - It is very certain that all the Estimates, whether Local or Imperial do and must go to the Financial Department -

Your remonstrance one very important point - By whom is the entire Budget of Local Funds to be prepared? It appears to me that one authority should prepare the whole rather than as now - At present the Department Public Works prepares one portion, this office another and the Board a third - Either let Govt or the Board prepare the entire Budget -

I am just concluding my Cash Requirement Estimate or I would have paid you a visit with the Rules and Memo -

Believe me
yours sincerely -
(Signed) J. L. Lushington
February 12th 1864 -

Each Dept of the Secretariat will do its own portion of the Financial will send up the whole.
J.L.S

The Accountant General's remarks on the Mem.l & Rules

Sheet No. 8 of Memo

15 Dec

Memorandum

In the orders on the Current years Budget, the Government of India ruled that the cost of the Public Works Establishments of this Presidency should be proportionably charged against the Imperial allotment and the available Local Funds of the several Districts, and it decided that, on this principle, the sum to be charged against Local Funds in 1863/64 should be taken at Rs. 150000

† 8 Lacs or about 1/8 of the Imperial allotment

* About 1/8 of the total cost of the Establishment

2d In the accom-
panying Memorandum,
however, by the Secy
to Govt & Revenue Depts,
it is urged.

1st That the sum of
Rs 150,000 received
in Local Funds should
cover all charges except
those for Machines &c,
which are charged to Ex.
Estimates.

2d That the charge
of Rs 150,000 against
Local Funds is alt-
together disproportionate,
inasmuch as Local
Fund non Rs are of the
most simple character,
and should not therefore
be charged in the same

proportion as Account
&c ; . . . . .

3 Should observe
with reference to the 1st
point stated in the accom-
panying letter from the
Dept No 3328 dated
16th March 63, the Govt
of India was distinctly
informed that it would
not be advisable to
employ separate Establishments on Local
Fund non Rs, but was
advisable to continue
the existing system of
entrusting the execution
of all Local Fund works
to the Officers of the
regular P.W. Establish
ment as a part of their
proper duties. It was

over

lower contemplated
to sanction the enter-
tainment of any additional
Establishments especially
for Local Fund works,
as the Secretary Esta
blishment of the P.W.D.
was organized to meet
all requirements - The sanction
accorded by Govt to the enter-
tainment of an additional Accountant in the Office of the Supt
Engr. 1st Dn was purely exceptional
(and was owing to the heavy work
devolving upon that Office in
consequence of the many im
portant works at the Presi-
dency.

1 With regard to the
second point, touched
upon remark that by far
the greater portion of our
Imperial allotment is
expended in repairs, and
that all this repairs
are of the most simple
character, they are charged
with the cost of the P.W.
Establishment in the same
proportion as Annuals &c
requiring

Here. Such a confidential
portion of our P.W. charges
is for Military purposes.
We need a Corps of
Military Engrs. Labour
may accordingly be
kept distinct from ordi-
nary on all our own
work, but the Local Funds
have no interest in
this portion of the Expendi-
ture & should not be
charged with it.
It seems to me that

in pretty well as long as it is bound to
a large proportion of the cost
to Provincial when the PWD
Establishment will be so much the
less as many to be spent on
Imperial works. Local
Funds will be favoured at
the expense of PW Imperial
both being equally wanted
for the good of the Country

Sheet No 11 of Memo

per requisition of Highways in general
and of Rail...

5 I would suggest
that as the P.W.D. have
nothing to do with the
various services of income
which make up the
Local funds of the
Presidency and are more
over the Collectors & the
Board of Revenue, who
will control all Local
fund operations are
directly under the Revenue
Dept, the Budgets, Re-
ports & Estimates con-
nected with these funds
should be submitted to
the Govt, thro the Secy
that Dept

The

6. By Rule I, the Collr is required to submit his Budget in Nov., and by Rule VIII he is required to furnish the Superr in October previous, with a list of the works selected, so as to enable the latter Officer to make timely arrangements for the preparation of Plans &c &c estimates. The Budget forms require that the amount of the estimate should be entered opposite to each work but if the Superr is to be furnished in October with a list of the works

Rule I for the addition of the 1st Road fund.

are to be selected by the Collr for entry in his Budget, & be submitted in Nov, it is evident that unless the works have been in progress in previous years, the column in the Budget headed "amount of Estimate" must be left blank. It will then frequently happen that a smaller amount than is really necessary for a work will be allotted for it in the Budget, and if it be afterwards found impracticable to supplement the original grant, the work, which is left unfinished, will have been completed in one official year

will

will be charged over
two or three years.
I think that the
Collr should give
the Supt Surveyor intimation,
much earlier than
date of the works
selected for entry
in his Local Fund
Budget for the ensuing
year, and that, in ex-
-ceptional cases only,
no Rs should be
allowed to be entered
in the Budget before
the Estimates are pre
pared.

This will be the
S.D.S.

7. In this rule
the Colls and Supt Surveyor
are told jointly to determine
"the permanent Establishment
required.

Rule XXII for the
Administration of the
District Road Fund.

required to be maintained
especially for the execution
of work chargeable to the
Local Fund, and that
the salary of each servant
shall be duly entered in
the Budget. Does this
mean that the name
of each petty mistry,
Jemadar or peon shall
be separately stated, &
his rate of pay entered
in the Budget as a
charge against the
permanent establish-
-ment for general super-
-intendence, and for which
10 per cent is to be
allowed? I think the
rule had better be omitted,
as its operation will be
to tie the hands of the
Executive, and this prov-
h-

+ No. It will sometimes
happen that Extra
Servants are needed
over & above the D.W.
Establishment - as in
the case above stated
in the 4th Division. The
rule is intended to
meet this. Petty Mistries
are not included -
they are to be paid
out of the Estimates
as in the D.W.

J.D.S.

I think that this should
be more fully explained
if the rule is to stand

W.

Yes I do not see how
this can be done - the
permanent establishment
is generally fixed for [illegible]

has strongly asserted
the opinion that all
petty supervision should
not be debited against
the cost of the Es-
blishment required for
General Superintendence,
but should be charge-
able against work:

Webb.

16 July 1864

Col Orr's
Remarks
on the Mem.
& Rules.

Rev. Deptt.
21
No. 392.
Pro. of the Madras Govt.
4 March 1864.

Memo:

1 The increasing importance of the Local Funds of this Presidency renders it very desirable that rules should be laid down for the guidance of the Officers entrusted with their management, the original rules of 1856 being in many respects inapplicable to the present state of affairs, and considerable misapprehension existing on the subject.

2 The Government of India require that an annual Estimate & Detailed Receipts

Receipts and expenditure of these Funds should be submitted to them, and they have declared that their object in examining the accounts was "not to exercise any interference with the expenditure of funds which were entirely at the disposal of the local Government, and merely that the Government of India should be kept informed of the outlay, for financial purposes, and of the nature of the projects in reference to their effect upon the wants of the country which remain to be met from Imperial Funds."

3 This express abnegation of all desire or intention of interfering ~~with the management~~ renders it the more incumbent on the Government themselves to

to adopt measures which shall, ~~enable them effectively~~ bring the administration of the funds under their own ~~control~~ effective control ~~without unnecessarily hampering the action of local officers~~ and justice to the people who contribute these funds requires that every precaution should be taken to ensure their application to the best advantage and with the minimum of economy.

4 But in attaining this object care must be taken to leave the local Officers a proper degree of freedom of action and prevent the intervention of Government from becoming obstructive or harassing.

5 The observance of the principle of the Budget system cannot fail to be attended with beneficial effects. ~~It only remains to be stated to avoid misconception~~ It will certainly be most conducive

conducive to the judicious and economical application of these Funds for the officers entrusted with them to consider carefully beforehand what projects deserve priority of execution and to work on a well devised, settled plan of operations instead of in a hasty - ill-considered or desultory manner. The existing rules, in fact, are based on the Budget principle but there has been great laxity in the observance of the rules - reports of the operation of each year are delayed till they are practically an almost useless programme of

the

the operations of future years are either not submitted or are carelessly observed - large cash balances are kept unemployed, and money spent and works begun the legitimate scope of the Funds.

6. Not a little of the confusion attending the subject has arisen from the Funds being indiscriminately styled "Local Funds". The term is generic and includes every Fund of local as distinguished from imperial origin, but the various Funds which

which collectively make up the "Local Fund" of a Presidency differ greatly in their nature and objects and cannot be brought under the operation of the same rules or the control of the same Department.

¶ The first step is to classify the different Funds of the Presidency and this done, to lay down distinct rules for each, keeping in view the requirements of the Supreme Government for imperial purposes.

The

¶ The Accountant General states that the principal Local Funds are

I. District Conservancy Fund.
II. Jungle Do.
III. Pound Do.
IV. School Fee Do.
V. Port Do.
VI. Stamping Fee Do.
VII. Police Lodging Do.
VIII. Emigration Fee Do.
IX. Pier Do.
X. Income Tax Do.

To this list under recent orders of the Supreme Government must be added the "Public Bungalow Fund", and hereafter the

the Village Cess Fund.

9 The first of the Funds mentioned by the Accountant General is in fact the original Road Fund, and had better be so designated II III in future - the term being more definite and expressive of the real objects of the Fund than the designation "Conservancy Fund".

10 The sources of Income are :

I. The Road Cess of 1 anna per cwt. on the assessment in the Sub Division and 2 per cent on the assessment elsewhere. — Ferry

II. Ferry Rents and Tolls on non-Imperial lines of communication

III. Tolls on non-Imperial Roads and Bridges

IV. Surplus Cattle Pound Fees

V. Sundry petty items including Avenue clippings

The following abstract taken from the Local Fund Report shows the Income of the Road Fund in 1861/62 excluding Balances on hand

	Rs.
Road Cess	102,140
Ferry Rents & Tolls	69,020
Surplus Cattle Pound Fees	25,558
Cart Tax	5,550
Avenue clippings	6,736
Grass Rents	3,376
Rent of Fields	301
Manure Rents	355
Surplus proceeds of Experiment plantation in Sanjore	866
Local Subscriptions for special work	825
Recoveries	8,078
	222,805

Ibid

1st These items call for no remark except that I think the proceeds of Avenue clippings should be incorporated with the "Jungle and Avenue Conservancy Fund" and be devoted exclusively to the maintenance and formation of Avenues.

2d The management of the road fund was by the old rules vested jointly in the Collector and District Engineer. In the recent re-organization of the Department Public Works the office of District Engineer has been abolished and as Superintending Engineer, having charge

charge of all the Districts, connected with the same minute local knowledge as the District Engineers, and must often be at considerable distance from the Collector of one or other of their Districts, it seems to me desirable that the initiation should be decided by them and the Collector. The works which are executed from the Fund

Funds are minor cross roads and there is far less need of professional ability than of knowledge of the wants of the people, and the requirements of traffic.

Practically in fact the initiation in all District improvements rests with the Collector, and in the case of Salt roads Government have expressly thrown

Orders requested.

thrown the initiation on him. The same course should, I think, be followed in regard to Local Funds.

11. The execution of all works rests by the old rules with the Engineer Department, and this is clearly the correct principle. The old rules however admitted of works being executed by other agency, when the Collector and Engineer concurred in considering this course desirable. A proposed reforming this.

Orders requested.

15 Thus the responsibility of selecting the works

works and making the most of the Local Fund will fall on the Collector the responsibility of executing them properly and economically on the Engineer each will then be required to perform the duties which he is best qualified to perform efficiently and the responsibility for short comings will be well defined.

The

8.

16 The next point for consideration is the audit of the accounts

17 Under the old Rules the audit was conducted in the Chief Engineers office Certified accounts of expenditure were furnished by the Executive officer to the Collector and an annual Statement of the total expenditure forwarded by the Collector, countersigned by the Chief Engineer and accompanied by the bills and accounts of each work as was forwarded to the Chief Engineer for the purpose When the Chief Engineers office was abolished I conclude that the audit of the Local Fund accounts passed with that of the Public Works accounts

accounts to the Controller.
In their Resolution of
the 18th September last
the Supreme Court ex-
-pressed themselves as follows
on this point -

"Except when other-
-wise directed, the detailed
audit of the expenditure
should be conducted month-
-ly by the Commissioners, or
other superintending local
officer. He should see
that the expenditure has
been in accordance with
duly sanctioned estimates
or other adequate authority;
that the sanctioned amounts
have not been exceeded;
and that the funds have
not been misapplied. When
the expenditure is for
Public Works, it should
be supported by Certifi-
-cates, signed by the officers
responsible for it,
showing the payments
made,

made, the parties paid,
and the work done - or
when the cost of a work
is charged piece-meal
in more than one month-
-ly bill, the total cost
up to date should be
noted in each bill pre-
-vious completion, so that
the superintending officer
may be in a position
to ascertain that the
sanctioned estimates
have not been exceed-
-ed - The countersigna-
-ture of the superintend-
-ing local officer to the
monthly bill will clear
the amount in the month-
-ly accounts, and his
audit should be as
speedy and complete
as possible."

" When works are
executed by the Public
Works Department out

of Local Funds, the audit of that Department will be accepted in reference to the expenditure."

"According to this arrangement, the Local Committee, or the Magistrate, or other local officer, will order the payments, and the Commissioner, or other superintending local officer, will audit them."

In this Presidency the Collector is the officer who orders the payments and the Board of Revenue occupy the position of the Commissioners of Bengal. But the only audit which is effective is audit by an officer possessing professional knowledge of the subject he deals with and personal acquaintance with local circumstances. The audit of the accounts of a Bridge by an Engineer who has seen it and personally knows the rates of labor, price and quality of materials available is worth having. That of a distant office is little more than a verification of arithmetical processes. It is quite impossible for a distant office to audit and pass the accounts of a work which never existed save in those accounts. I propose therefore that the detailed local audit shall be that of the Superintending Engineer who possesses professional

professional ability and local knowledge and is no longer an executive Engineer-

V. It will still be necessary however that some central authority should perform the same duties in reference to the Local Fund accounts as the Auditor General performs for the public accounts of the whole of India- The Govt of India have very kindly offered the services of the Sr Auditor and Accountant General and Govt have accepted the offer- Mr Arbuthnot shewed me the draft of this G.O. and I then concurred with him- but further consideration leads me to differ-

VI. These are the following

Orders requested.

Ltr dtd

Ref to Govt of India Ltr dtd 10 Sept 1866.

Encl

following objections to this arrangement-

I. The Accountant General is not the officer of this Govt- He holds from Calcutta and obeys its orders, transmitted direct-

II. He not unfrequently belongs to another Presidency & knows nothing of Madras-

III. He has no professional knowledge of the subject with which he deals-

To the Controller of Public Works, the first of the above objections applies- for though a member of the Madras Corps he really works under orders from Calcutta- and there-

is the further objection weightiest of all, in-any judgment - that the Public Works De-partment of the Go-vernment of India, is the one of all others which oversteps the boundary of Imperial Control and meddles with local measures and details - I would keep our Local Funds out of the grasp of the Govt of India as much as possible and above all, out of its Public Works clutches -

3) It will be ob-served that the Govt of India in the reso-lution quoted make no allusion to the

12

the Controller - but instead of him it offers us the Account ant General!

4) The work to be done is defined by the Supreme Govt as a review of the Accounts "so far as may be necessary to see that the autho-rised Budget appro-priations have not been exceeded - that the balances have been duly brought forward - and that there is every reason to believe that

Resolution of that Govt 18 Sept 1863.

the local detailed audit has been properly made."

25 Now it seems to me that the Board of Revenue could do all this a great deal better than the Account-ant General. It is true that, like him, they are not Engineers - but they have extensive experience of the country and acquaintance with the local Officers - their ordinary work brings before them the wants of each District - the Local

Local Budgets pass through their hands - they review the operations of each year - they have a well organised Account Department - they already perform a deal of auditing work and they are under the absolute control of the Govt. This would I think give us a sound practical audit without making us pay half a crown in accounting for a shilling -

Orders requested.

Thus

7 Thus if any plan be adopted we shall have

I. The Collector answerable for the proper outlay of the Fund.

II. The Engineer answerable for the proper execution of its works.

III. The Superintending Engineer locally auditing the accounts.

IV. The Board of Revenue superintending the proceedings of all.

Each Section of duty possesses a distinct head for Govt. to punish when aught goes wrong.

8

29 It is necessary that there should be a certain appropriation in the Estimates to meet the variable share of the Department Public Works establishment. The Courts of Justice have hitherto fixed a certain sum - at their own judgment. The sums thus assessed in 1863/64 is Rupees 150,000 on an annual Local Fund expenditure of Rs 500,000 or 15% per cent. This sum ought clearly to cover all charges except those for Provinces for who are charged to Provincial Government, Local, Cattle, municipal

an Account on 10th being added with the Sum of the Local Funds to the Superintending Engineer of the Circle. But the same charged for establishments seems to give a disproportionate - Local Funds wastes one of the most simple charges and it is unfair to charge them on the same proportion as Accounts requiring high Engineering skill. Should such charges 10 per cent on the estimated Expenditure in guide as much as circumstances justify - The Royal Public Works Estab

Orders requested.

10th Sept. 1869 Mr. Bell

30 The last point for consideration is the mode of transmitting these Budgets to the Supreme Government. This question is provided by the Constitutional Law No 4 of 1869.

It seems to me that the Resolution of the Supreme Government in the Financial Department dated 15th September last No 1559, indicates the correct course for adoption. The general term Local Funds includes general funds for various objects - the Supreme Government wish to be furnished

resolution are generally
"existing funds for the
proper administration
: tion of which, the
local Government
is responsible" is to
be "included in the
estimate, whether
derived from local
resources or from pri:
:vate endowments"
and the object of
the Estimate is to
acquaint the Supreme
Government with
the effect of these
Funds" upon the
Wants of the Country
which

finances of the Country
and (2) to enable
of all those Funds
solely that they may be
kept in view in
the voting for grants
for such purposes and
of the nature of the
projects in reference
to their effect upon
the wants of the Country
by which, means
to be met from
Imperial Funds."
The terms of this
resolution

which remain to be
met from Imperial
Funds" met it's
wants in one par-
-ticular branch viz
the execution of
what are termed
"Public Works" — non
the funds annually
devoted from each
the surplus revenues
of each year — but
the general wants
of the Country to
which have to be
met from the National
Treasury

Treasury

33 This general review
of transactions affecting
the welfare of the Empire
at large, is peculiarly
the province of the Supreme
Government and cannot
fail to be salutary in
its effects when as the
Resolution above quoted
expressed it is conducted
as "not to exercise any
interference with the
expenditure of Funds
which are entirely at
the disposal of the Local
Government."

34 But it is quite
clear from the extensive
scope

scope of the Resolution.
that these Estimates
should be submitted by
the Local Government to
the Supreme Government
in the Financial Depart-
ment which deals with
the finances of the Empire
and regulates the supply
of funds wherewith to
meet "the wants of the
country." The very cir-
cumstance of the Resolu-
tion issuing from the
Financial Department
indicates that it is to that
Department that the Esti-
mates should be submitted
for the purposes stated.

35 So far as Local
Funds are concerned the
Public Works Department
is purely executive. The
funds are raised in various
ways from the people and
not only is all work exe-
cuted out of them by the
Public Works Department
paid for, but a further and
a heavy charge is made for
superintendence. In fact
therefore the Department of
Public Works is simply
employed by these Funds
to perform certain work
for which it is duly
and fully paid. All
that the Public Works
Department

Department of the Supreme
Government can require
for its legitimate purposes
is a list of the works
to be performed with an
estimate of their cost and
an assurance that the
whole proposed expenditure
is available from the local
fund which requires the
works done. The Public
Works Department could
not deal satisfactorily
with the Budgets of
Revenue and clearly has
nothing to do with
them. It might as well

call

call for the estimates of
every branch of the Public
service for it does work for
all and derives its funds
from them. Barracks
are built by it for the
Army but the army
estimates are not sub-
mitted to it. Irrigation
works. Schools. Jails are
all constructed by it but
the estimates of those De-
partments do not come
under its cognizance. It
is in fact simply "Spec-
dem" subsisting from
year to year on the grants
annually made to it and
having no other functions
than the economical and

advantageous

advantageous employment of those grants. The Financial Department of the Supreme Govt. on the other hand is there that can learn to use the information which these Boards obtain & contain & can watch their progress. can take care that Imperial Funds are not improperly appropriated as Local. and note their effect upon the wants of the country, which remain to be met from Imperial Funds. Further to send the Local Fund Budgets to the Dept. of Public Works involves the anomaly of sending the matter with which it cannot deal.

while to send it some only will deprive the Government of India of a comprehensive view of these Funds. It seems to me that the proper course & indeed that indicated by the Supreme Government is to send all the Local Funds to the Financial Department leaving it to deal with each as may be most convenient.

Orders requested.

I beg to submit the rules drafted on the above principles.

Neither this Memo nor the Rules refer to the Income Tax grant which is only local, in one respect viz that the balances do not lapse at the close of each

each year is of temporary duration and had better remain as it is, entirely under the Department Public Works for the rest of its brief existence.

Finally Govt have to determine to which department of the Secretariat the Board's report &c should come. At present the annual reports always come to the Revenue Department, separate references to P. W. D. and Rev. Dept as much as the spirituous moves the writers. One Govt whichever Govt please to name, had better do the brothi in future.

The

Jungle Conservancy Fund is still in its infancy. It is derived from jungle wood cut in fully jungles not under Conservancy and is devoted to the preservation and extension of such jungles. I would add to it as already proposed the small sum derived from Abkaree Chittys, style it the "Village jungles and Abkaree" Fund and apply the proceeds to the maintenance and extension of village jungles, topes and Abkaree

The

The Fund would continue, as it is, under the control of the Collectors, and the Board of Revenue. The Budget system should be applied to this Fund also, and all receipts and charges shown without deduction in the accounts. The rules would necessarily be much more simple than in the case of the Road Fund. v. Rules B.

The Bungalow Fund is scarcely in existence and a reference has lately been made to the Supreme Govt. on the necessity of supplementing

supplementing the receipts from Travellers by grants from Imperial Funds. Public Bungalows are under Collectors and the 3d and 4th Heads should be continued. All repairs being as a rule performed by the D.P.W. The rules C seem sufficient.

The "Stamping Fee" Fund, is too trifling to need rules. A small fee is charged in a few districts for stamping weights and measures - and the fund exceeds more than cover all expenses.

The same remarks apply

applies to the Madura Town Fund - These petty funds can be dealt with on the general principle that all receipts and charges are to be shown without deduction and the expenditure kept within the income. Specification of details seems unnecessary in the Budgets - but will be given in the Annual Report of operations.

The other Funds mentioned in para. 8 are not in the Revd Deptt so that I need not dwell on them.

L. D.S

14 Copies to the Secy of State Deptt: 10th March
20 — M.P.
2 — Asst Secy
5 — Financial Deptt
5 — Govt of India
7 — Govt of Madras

I quite agree in the above suggestions.
I regret the delay in forwarding this report & other papers in connection with it, but the statistics were not ready and I thought it better to wait for them than send in the report without them.

G.T.

I beg to submit
the enclosed Memo
on Rules for the
Local Funds, for
the consideration
& orders of Govt.

I have shown also
the papers to
The Revd Bd
The Accr Genl
The Chief Secy
and
The Secy to Govt P.W.D.
and enclose their
letters with Brief Re.
March Statement.

J. D'S

44

A.

Rules

For the administration
of the
District Road Fund

I. The Collector of each
district shall in November
of each year submit
to the Board of
Revenue a Budget Es-
timate of receipts for
the ensuing official year

II. The Budget of
Receipts will shew the
balances expected to
remain unexpended at
the end of the current
official year - and all
sums expected to be re-
ceived within the fol-
lowing 12 months with-
out deduction.

III. Each district
source of Income will

be separately shewn in the Budget under the Board's instructions.-

IV. Simultaneously with his Budget Estimate of Receipts each Collector will submit to the Board of Revenue, a Budget Estimate of Expenditure for the ensuing year.-

V. The Budget will shew the proposed Expenditure of the year under the following heads.-

I. New Works.
II. Repairs.-
III. Establishments.-
IV. Stores.-

VI. The Board will compile a Budget of Receipts and Expenditure

Expenditure for the whole Presidency from the District Budgets and submit the same by the 15th December with their remarks and such modifications as they deem expedient for the sanction of Government.

VII. The selection of Works shall be the duty of the Collector and he shall be responsible for the same.-

VIII. The Collector shall furnish the Superintending Engineer in October with

with a list of the works selected, so as to enable the superintending Engineer to make timely arrangements for the preparation of plans and Estimates where necessary and for the due execution of the works.

IX. It shall be the duty of the Superintending Engineer to advise the Collector professionally in regard to any work projected by the former and also to suggest the execution of any works that he considers desirable and to afford them general assistance.

Where

X Where the Superintending Engineer objects to any work on professional grounds the work shall not be proceeded with, unless specially ordered by Government to whom a reference accompanied by the written opinion of the Superintending Engineer shall be made by the Collector if he desires to

to carry it out.

XI. All Estimates and plans shall be prepared by the Engineer Department under the orders of the Superintending Engineer—to whom the Collector shall apply in writing.

XII. In the case of ordinary repairs and works of emergency when the Superintending Engineer is absent, the Collector may apply direct to the local executive officer informing the Supt. Engr. of the same.

No

47

XIII. No new works likely to cost more than Rs. 2000 shall be commenced until Govt. have sanctioned the plans and Estimates which shall be forwarded for this purpose by the Collector through the Board of Revenue as soon as furnished by the Superintending Engineer.

XIV. New works likely to cost less than 2000 Rs. and repairs to existing works may be commenced on the Budget sanction unless objected to by the Superintending Engineer

Engineer under —1,
Rule X

XV. Every work so
estimated to cost more
than Rs. 250 whether
a new work or repair
shall be separately
entered in the Budget.
Works estimated to cost
less than Rs. 250 will
be entered under the
further specification
thereof.

"Petty" new works.
"Petty repairs."

XVI. The execution
of all work shall,
as a rule be conducted
by the Department
Public Works, and the
Superintending

Superintending Engineer
shall make timely
arrangements for
the purpose, intimat-
ing the same to the
Collector and advising
him of the references
or payments necessary.

XVII. The Collector
with the concurrence
of the Superintending
Engineer may himself
undertake the execution
of repairs and ordinary
works, not requiring
professional skill, or
may entrust the same
to any of his subordi-
nate or to the com-
munity interested
in

in the work.

XVIII. In the case of work entrusted to the Engineer Department executed under Rule 17 the Collector shall from time to time make such advances as may be necessary within the Budget Allotment.

XIX. The Executive Officer to whom work is entrusted shall forward monthly Bills for work done to the Sup.t Engineer by whom they shall be audited and forwarded to the Collector for transmission to the Board with his account current.

XX. Bills for work done under Rule 11 shall be forwarded by the Collector to the Sup.t Engineer for credit, after which they shall be returned by the Superintending Engineer to the Collector.

The

XXI The completion of all works with their totals each as shall be reported to the Collector by the officer entrusted with their execution.

XXII The Coll.r and Superintending Engineer shall jointly determine the permanent establishment required to be maintained specially for the execution of work chargeable to the Local Funds. The salary of each servant shall be duly entered in the Budget with explanation of the necessity of the charge.

XXII½ An appropriation of 10 per cent on the estimated expenditure of the year shall be made in one sum as the share payable by the Local Funds to the Public Works Dep.t for the supervision and assistance of the Public Work Establishment

XXIII The control of all executive servants employed under Rule 22 their entertainment

and

and dismissal shall rest with the Superintending Engr. But servants employed as accountants or clerks or under Police or under the Collr shall be considered punished or dismissed solely by the Collr.

XXIV Ten per cent of the estimated Income of each year shall be reserved as a fund for emergent repairs and unforeseen improvements, and may be expended on such works by the Collector with the concurrence of the Superintending Engineer or with the absence of the latter, when avoidance of delay is important, on his own responsibility, without the previous sanction of Govt. Such expenditure shall be reported to the Board of Revl at the end of each month with the necessary explanation.

The

XXV The Board of Revenue may sanction the transfer of funds from one sanctioned project to another, but without such sanction the Budget allotment must be adhered to.

XXVI An account of the total receipts and expenditure of the year of the cost of Establishments, &c. shall be prepared by the Collector and

considered together

Superintending Engineer

and forwarded with audited

the bills referred to

in Rules 13 and 14 to

the Board of Revenue

for final audit as

immediately after

the

the close of each year.

XXVII At the close of each official year the Collector shall prepare a full report of the operations of the year and shall furnish the Superintending Engineer with a copy of the report for his information and for any remarks which he may wish to make on it. The Report shall be accompanied by the account current of receipts and charges provided for in Rule XXVI and shall be submitted

to the Board of Revenue within one month of the close of the official year.

XXVIII The Board of Revenue after finally auditing the accounts shall submit to Government an annual report on the Road Fund of the Presidency. The report shall be accompanied by the Collector's reports, and account current, and any remarks made by the Superintending Engineer and be submitted by the 15th June.

XXIX The Budget Estimates when passed by Government will be forwarded by the Government to the Government of India in the Financial Depart

a

a copy being forwarded to
the Accountant General
for his information.

XXX A copy of the Board's
annual Report and Account
Current with the orders of
Government thereon will
also be forwarded for the
information of the Govern-
ment of India and the
Accountant General.

Jungle Conservancy

Rule I: The Collector of each District shall in November of each year submit to the Board of Revenue a Budget Estimate of receipts for the ensuing Official year.

Rule II: The Budget of Receipts will show the balances expected to remain unexpended at the end of the current Official year and all sums expected to be received within the following 12 Months. without deductions

deductions.

Rule III. Each distinct source of Income will be separately shown in the Budget under the Board's instructions.

Rule IV. Simultaneously with the Budget Estimate of Receipts each Collector will submit to the Board of Revenue a Budget Estimate of expenditure for the ensuing year.

Rule V. The Budget will show the proposed expenditure under the following general heads.

I. Formation of fresh plantations.

II. Pre-procurement and Maintenance of existing Do

III. Formation of fresh avenues.

IV. Improvement and Maintenance of existing Do

V. Nurseries.

VI. Establishment with a statement of the Taluks - Village, road or jungle in each case - and such information as will enable the Board and Government to decide on each case.

Rule VI. The sanction of the Budget by Govt will be sufficient authority for proceeding with any of the projects therein entered.

The

Rule VII. The Board of Revenue may sanction the transfer of funds from one sanctioned project to another, but without such sanction the Budget allotment must be adhered to -

Rule VIII. It shall not be competent to the Collector to entertain any permanent servants without the previous sanction of Govt. nor any temporary servants without the previous sanction of the Board and also provision in the Budget.

Rule. IX. The control over all servants - then

their entertainment and dismissal shall rest with the Collector but it shall be competent to the Board of Revenue to interfere in any case when they see sufficient cause.

Rule X. At the close of each year the Collector shall forward to the Board of Revenue for audit an account particular of all receipts and charges under the different Budget heads with a report on the operations of the year.

Rule XI At the close of each year the Board of Revenue shall submit a report to Govt. on the operations of the year and shall at the same time forward the Collectors

Collectors' reports and the audited accounts of the year.

Rule XII. The Budget Estimate when passed by Govt. will be forwarded to the Govt. of India in the Financial Department and a Copy will be furnished to the Account. ant General for his information.

Rule XIII. A Copy of the Board's annual Report and account current with the orders of Govt. thereon will also be forwarded for the information of the Government of India and the Account. ant General.

Rules for Bungalow Fund.

Rule I. The Collector of each District shall in November of each year submit to the Board of Revenue a Budget Estimate of receipts for the ensuing official year.

Rule II. The Budget of Receipts will shew the balances expected to remain unexpended at the end of the current official year: and all sums expected to be received within the following 12 Months without deductions.

Rule III. Each distinct source of Income will be separately shewn in the Budget under the Board's instructions.

Miscellaneous

Rule IV. Simultaneously with his Budget estimate of Receipts each Collector will submit to the Board of Revenue a Budget Estimate of Expenditure for the ensuing year.

Rule V. The Budget will show the proposed expenditure of the year under the following heads.

I. Construction of new Bungalows.
II. Repairs.
III. Establishment.
IV. Purchase and repair of furniture &c.

Rule VI The Board will compile a Budget of Receipts and expenditure for the whole Presidency from the District Budgets and submit the same by the 15th December with their remarks

remarks and such modifications as they deem expedient for the sanction of Government.

Rule VII. Application for the construction of new Bungalows shall be made to Govt. through the Board of Revenue in sufficient time to admit of plans and estimates being prepared and provision made in the Budget if the application be approved.

Rule VIII. Plans and estimates for Public Bungalows shall be prepared by the Engineer department under the orders of the Superintending Engineer.

Rule IX. Estimates for repairs shall be made by the Engrs. Departt. under the

the orders of the Superintending Engineer on the written requisition of the Collector.

Rule X. No new Bungalow shall be constructed until sanctioned by the Govt.

Rule XI. For Repairs, petty improvements and purchase of furniture y^e the passing of the Budget shall be sufficient sanction.

Rule XII. All works or purchases exceeding Rs. 100 shall be separately entered in the Budget

Rule XIII. The execution of all work shall, as a rule be conducted by the Department Public Works, and the Superintending Engineer shall

make

make timely arrangements for the purpose, intimating the same to the Collr. and advising him of the advances or payments necessary.

Rule XIV. The Collr. with the concurrence of the Superintending Engineer may undertake ordinary repairs and improvements or may entrust them to any of his subordinates.

Rule XV. The Collr. shall arrange, with the Board's sanction, for the purchase of furniture.

Rule XVI. In the case of work entrusted to the Engrs. Depart^t or executed under Rule 17 the Collr. shall from time to time make such advances

as may be necessary within the Budget allotment.

Rule XVII. The executive officer to whom work is entrusted shall forward monthly Bills for work done to the Supt. Engr. by whom they shall be audited and forwarded to the Collr. for transmission to the Board with his account current.

Rule XVIII. Bills for work done under Rule 11 shall be forwarded by the Collector to the Superintending Engineer for audit, after which they shall be returned by the Superintending Engr. to the Collr.

Rule XIX. The completion of all works with their total cost shall be reported to the Collr. by the officer entrusted with their execution.

XX It shall not be competent to the Collr. to sanction any increment of charges without the previous sanction of Government. Nor may any sum for any service be charged to the previous sanction of the Board and their proceedings in the Budget.

XXI The Collectors & Secretaries shall submit to the Collector & Collector shall submit to the Board of Revenue for sanction any extra item they may require to effect economy.

XXII The Board may sanction the transfer of sums from one

sanctioned purpose to another (especially in regard to new Bungalows) but without such sanction the Budget allotment must be adhered to—

XXIII At the close of each year the Collector shall forward to the Board of Revenue an accurate register of all receipts and disbursements under the different Budget heads—

XXIV At the end of each year the Board of Revenue shall submit a report to Government on the operations of the year and shall at the same time forward the Collectors' reports and the audited accounts of the year—

XXV The Budget Estimate when passed by Government will be forwarded to the Government of India in the Financial Department, and a copy will be furnished to the Accountant General for information—

XXVI A copy of the Board's annual Report and account shall be furnished with the orders of Government thereon will also be forwarded for the information of the Government of India and the Accountant General.

Hon.

Table

Copy in a Letter to England
Dy 11th March 1864 No 38.

Revenue 1864 Dept.
Rec. of Govt for March
No 392.

232

15/2/64

20-7-14

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Rec. of the Madras Govt
Dt 31st March 1864.
Rec. Bd of Rev. Dy 29 April 64
No 1249.
Transmitting Dy Statt &
Vouchers Dy 16 March 64
Cr 1864

Rec. Bd. Govt & W. Dept.
Ct. 1045 Dy 21st April 64
From the Superintendg Engr
& Draftsman Dy 20 April 64 No 1174

Fresh rules laid
down for the Manage-
ment of Local Funds
in the several Districts.

From the Fund Dept Dy 20 May 64
Ct 1400.
From W Dept Dy 1 August 64
No 2210.
Rec. Bd of Rev. Dy 25 August 64
No 238.

No 58.