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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Revenue DEPARTMENT

G.O. No.	2441	Press.
B.P. No.		Mis.
Dated	30-4-1877	197

R.R.
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2441

GOVERNMENT OF MADRAS.
FINANCIAL DEPARTMENT.

18th April 1877, No. 1287.

Provincial Services.

Read the following paper:—

No. 156. *Proceedings of the Government of India in the Financial Department, dated Fort William, 22nd March 1877, No. 1709.*

Read again—

Resolution No. 3334, dated 14th December 1870.

Read—

The Financial Statement made by the Hon. Sir John Strachey to the Legislative Council of the Government of India on the 15th March 1877, and the Abstracts of the Accounts and Estimates therewith presented.

RESOLUTION.—Subject to the approval of the Secretary of State in Council, the Governor-General in Council has resolved to re-incorporate in the Imperial Estimates and Accounts, in the manner described in this statement by the Honorable Sir John Strachey, the transactions of the Local Governments, which have, since 1871-72, been represented by a single net entry in the Imperial Estimates and Accounts under the head *Allotments for Provincial Services*.

2. Additional Revenues have been already surrendered to the provincial uses of the Governments of Bengal the North-Western Provinces, and Oudh, and additional services transferred to their management and responsibility: it is the intention of the Governor-General in Council, after consultation with the other Local Governments, to propose similar expansions of the measure of December 1870 in respect to the Revenues and Services of the other Provinces.

3. In consequence of the arrangements thus completed or contemplated, it is necessary to revise the conditions under which the Local Governments administer the Revenues and Services entrusted to their particular use and management.

4. In supersession, therefore, of all existing regulations upon the subject, the Governor-General in Council is pleased to decide that, till further orders, the following shall be the—

Rules and Conditions which apply to the administration by the Local Governments of all Revenues and Services surrendered to Provincial uses and Management.

I.—Without the previous sanction of the Government of India—

- (1.) No additional taxation may be imposed, and no change made in any existing system of Revenue management;
- (2.) No new general service or duty may be undertaken: whenever a Local Government proposes to undertake any such new service or duty, it must satisfy the Government of India that it can provide the funds for it, temporarily, if the service or duty is temporary, and permanently, if it is permanent;

- (3.) No appointment may be created with a pay of more than Rupees 250 a-month; and no addition may be made to the pay and allowances of any officer if they exceed, or would, after the addition, exceed, Rupees 250 a-month;
 - (4.) No appointment of which the pay and allowances are more than Rupees 250 a-month may be abolished; and the pay and allowances of no such appointment may be reduced;
 - (5.) No class or grade of officers may be created or abolished; and the pay of no class or grade of officers may be raised or reduced;
 - (6.) The rates of discount upon the retail of stamps and Court-fee labels, and the local duty on spirit and drugs, must not be altered: the Governor-General in Council reserves the right of forbidding any such alterations as are likely to injure the Revenues of neighbouring Provinces or prove otherwise inconvenient;
 - (7.) No addition may be made to the pay or allowances of any individual officer, or class of officers, that may lead to increase in the emoluments of any public servants doing duty in the same Province, whose pay and allowances are not charged under one of the transferred heads of service. The Government of India reserves the right to forbid alterations in rates of pay or allowances, which, in its opinion, would produce inconvenience in other Provinces;
 - (8.) No money may be removed from the Public Treasury for investment, or deposit elsewhere: the Government of India, which is responsible for the provision of ways and means for the public service in all Departments, must, always, retain, as at present, in its own hands, absolute and unconditional control over all money in the Public Treasury: a Local Government may not withdraw such money except for expenditure upon the public service;
 - (9.) No alteration must be made in the form or procedure of the Public Accounts;
 - (10.) No services previously rendered to other Departments at the charge of the Departments made over to the control of the Local Governments may be diminished, and no services previously rendered to these Departments at the charge of other Departments may be increased;
 - (11.) No line of through communication may be abandoned, or allowed to fall out of repair.
- II.—Returns are to be made quarterly, through the several Administrative Departments of the Government of India, to the Financial Department, showing every change made in the pay of any officer, every new office created, and every existing office abolished; also any unusual or extraordinary charge incurred, and any expenditure discontinued.
- III.—All Standing Orders and Rules of the Supreme Government are to be observed, including, in particular, the Rules in the Codes of the Financial and Public Works Departments, Travelling Allowance Rules and the Rules and Circular Orders of the Comptroller-General.
- IV.—Returns, Accounts, and Estimates are to be submitted to the Supreme Government in such forms, and at such times, as may be prescribed.
- V.—The Local Governments must keep the Governor-General in Council, in the several Departments, fully informed of their executive and financial proceedings; the Governor-General in Council will not relinquish his general powers of supervision and control in any Department: but His Excellency in Council will, as far as possible, avoid interference with the details of the administration of the transferred revenues and services, and any embarrassment of the provincial finances.
- VI.—A Local Government must accept, without remonstrance, any charge which would, under the system in force before 1871-72, have been recorded, under any of the transferred Heads of Account, in the Accounts of its Presidency or Province; and must not raise objections on such grounds as that the charge has originated outside the Presidency or Province, or that the Presidency or Province is not interested

in it, or the like: if any doubt arises at any time, whether any charge should or should not be entered under any particular Head in the Accounts of any Presidency or Province, such doubt must be solved by one test only, viz., "How would it have been entered if it had occurred before 1871-72, when the powers and responsibilities of Local Governments were first enlarged?" Thus, for example, the pay or leave allowances of an officer belonging to another Administration on duty or on leave in the North-Western Provinces, and drawn there, must be charged in the Accounts of the North-Western Provinces: the Governor-General in Council did not intend by the measure of 1870, and does not, now, intend, to introduce, or authorise, any change of practice in such matters, or any inter-provincial, inter-presidential or inter-departmental adjustments, not theretofore allowed: in regard to all such transactions, the arrangements made with the Local Governments were calculated upon the basis of the system which existed before the year 1871-72.

VII.—The grant made to a Local Government for all the services entrusted to its administration is a consolidated grant: no claim will lie against the Imperial Treasury on the ground that the cost of any service exceeds the amount at which it was estimated in the calculation of the consolidated grant.

VIII.—In the management of its finances, a Local Government must never absolutely exhaust its balance in the Imperial Treasury: the Government of India will not accept any estimates, or allow any transactions, by a Local Government, which involve the expenditure of more money than is at its credit in the Imperial Treasury: it is the duty of every Accountant-General to take care that this condition is never infringed, and promptly to report to the Governor-General in Council any transgression of it which is not, upon his representation, immediately rectified by the Local Government addressed.

IX.—A Local Government may not lend money from the Balance at its credit in the Imperial Treasury: the Government of India will always pay every attention to any recommendation for the loan of public money in excess of the powers which are entrusted to a Local Government by law or rule; but all loans alike must be from the Imperial Balances; such operations must not be mixed up with the arrangements between the Imperial and the Local Government for the collection and appropriation of the Public Revenues or the administration of the Public Services.

X.—It is a general condition precedent to the delegation of all authority to disburse public money that it shall be *bona fide* for a public object; nothing must be carried out by means of the public funds for the advantage of any individual or body of private persons, unless, in accordance with some declared or established rule or principle, recognised by the Government of India: it is the duty of every Audit Officer, at all times, to challenge any infringement of this principle; and every Local Government must submit, for the orders of the Government of India, any representation made to it by any Audit Officer in accordance with this Rule which it does not promptly accept.

XI.—On or before the 31st January of each year, each Local Government must forward to the Government of India in the Financial and Public Works Departments and publish in the Local Government Gazette, in detail of Major Heads, with such explanations as may be necessary for the due understanding of its financial administration—

(1). An Account showing—

- (a). The Balance of the Local Government in the Imperial Treasury at the beginning of the last complete financial year;
- (b). The revenues appropriated during that year to provincial uses, and the supplementary assignment from the Imperial Treasury;

- (c). The expenditure under provincial responsibility during that year;
 (d). The balance of the Local Government in the Imperial Treasury at the end of that year;

- (2). Revised Estimates in the same detail for the current financial year;
 (3). Estimates in the same detail for the coming financial year.

XII.—The Governor-General in Council reserves power to modify, add to, or repeal these Rules and Conditions at any time.

Ordered, that this Resolution be published for general information in the *Gazette of India* and distributed for information and guidance as follows:—

- 1.—To the several Departments of the Government of India.
- 2.—To the several Local Governments and Administrations.
- 3.—To the Comptroller-General and to the several Accountants-General and Deputy Accountants-General in independent charge.
- 4.—To the several Chiefs of Departments administered by the Government of India in the Financial Department.

(Signed) R. B. CHAPMAN,
Secretary to the Government of India.

(Signed) E. J. SINKINSON,
Offg. Under Secy. to the Government of India.

NO. 1287.

ORDER THEREON, 18TH APRIL 1877, No. 1287.

Communicated to the Departments of the Secretariat, and to the Board of Revenue.
 (True Extract.)

D. F. CARMICHAEL,
Offg. Chief Secretary.

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

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Revenue Department

Govt. of 187.1 *Madras*

FINANCIAL

THE REVENUE DEPARTMENT

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Dated April, 1871.

Issued
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1st.

G.O. 1871, April 1871, No. 1287.

APRIL

Nos. 156-157.

Provincial Services.—Communicating Resolu-
tion of Government of India containing rules and
conditions regarding all revenues and services
surrendered to provincial uses and management.

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20/June/77