

CHAPTER XIII

SPECIAL RULES FOR IRRIGATION WORKS

I—General

408. The following rules define the procedure to be adopted in connexion with irrigation projects. Throughout these rules the term 'Irrigation project' or 'Irrigation work' should be held to include also navigation, embankment, drainage water-storage projects or works and hydro-electric schemes, for which power is obtained from falls on government canals.

II—Authorities for sanctioning expenditure on projects

409. The powers of the Local Government and authorities subordinate to them to incur capital expenditure on irrigation works will be found in the Book of Financial Powers, Volume I of the Handbook.

410. Sanction to the irrigation projects the estimated cost of which exceeds Rs.10,00,000 should be obtained in accordance with the procedure laid down in Appendix IX.

411. [Omitted; *see* rule (5) of Appendix IB.]

III—Classification of works

412. Irrigation works are divided into two main categories—those for which it is both desirable and possible to maintain accounts on a *quasi*-commercial basis, and those, the maintenance of such accounts for which is either impossible or unnecessary, either because they produce little or no revenue or because, owing to their restricted size, no useful purpose is secured in examining the returns paid by each individual work. For a *quasi*-commercial account, the maintenance of a capital account is essential, since it is only by reference to the amount of capital expended that the value of the results obtained can be determined. Irrigation works are thus broadly classified either as those for which capital accounts are kept or as those for which such accounts are not kept.

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413. Irrigation works, for which capital accounts are kept, are classified as "Productive" or "Unproductive". The criteria to be adopted in deciding the questions of classification are given in paragraphs 1 to 5 of Statement A to Appendix I. The classification of a work as "Productive" or "Unproductive," as it stands from year to year will be found in the administrative accounts, prepared by the Principal Auditor.

IV—Preparation of project

414. Rules regarding preparation of canal and storage projects, the estimated cost of which exceeds Rs.1,00,000, are contained in Appendix IX to this Handbook. Other rules of procedure regarding ordinary projects will be found in Chapter V of the Manual of Orders, Irrigation Branch (Fourth edition)."

415. A date for the completion of a work must be assigned before sanction is accorded, and the sanction unless extended, will lapse on that date.

416. In the case of new lines of embankment it is necessary that the report, accompanying the project, should show clearly the financial responsibilities of the government in connexion therewith, and the manner in which it is proposed that the outlay shall be recovered.

V—Accounting of Revenue and Expenditure

417. When the annual statement of estimated receipts and expenditure of the Province is prepared, the Local Government estimate on one side, the revenue likely to be realized from irrigation works during the year, and, on the other side, the expenditure which it is proposed to incur from the revenue. The account of this revenue and expenditure is known as the "Revenue account" and such expenditure is commonly described as "financed from revenue" which is synonymous with saying "charged within the revenue account". Expenditure "not financed from revenue" is similarly synonymous with expenditure "charged outside the revenue account". Resources outside the revenue account take the form of loans, accumulated balances of previous years, and certain other sources of income not classed as revenue.

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418. The heads of account, under which the Irrigation receipts and expenditure are accounted for and the notes explaining the nature of transactions, pertaining to the different heads are given in Appendix I. The following procedure should be observed in classifying expenditure on capital works :

(i) All the estimates, pertaining to capital works should be classified under the head " 68—Construction of Irrigation, Navigation, Embankment and Drainage Works ". But as expenditure on capital works may be financed either from borrowed funds or ordinary revenues, a reference to the transfer heads 19B (1) Productive or (2) Unproductive, as the case may be, should be given in brackets after the major head " 68 " as shown below in case any expenditure is met from ordinary revenues :

(a) 68A (1) Productive—Financed from ordinary revenues [Transfer head 19B (1)].

(b) 68A (2) Unproductive—Financed from ordinary revenues [Transfer head 19B (2)].

(ii) All expenditure on capital works, the cost of which is met from borrowed Funds, should be booked under the major head 68A (1) Productive.

(iii) All expenditure on capital works, financed from ordinary revenues should be booked initially under the transfer heads 19B (1) or 19B (2) according as the work is productive or unproductive.

(iv) For purposes of preparation of the *pro forma* accounts, referred to in paragraph 773, as well as the Annual Consolidated accounts of the province, the Principal Auditor carries out, at the close of the financial year, an adjustment debiting the head ' 68 ' with the total expenditure of the year, recorded under the heads 19B (i) and (ii) and crediting the same major head with the same amount by means of a *deduct* entry against the total of the major head ' 68 ' in order to arrive at the entire capital expenditure of the year, financed from all sources.

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VI—Closure of construction estimates

419. For rules regarding the closure of construction estimates, preparation and submission of completion reports and the authorities who are competent to pass them *see* Appendix IX.

VII—Open Capital Account

420. For expenditure on open capital works, *see* rule 39 of Appendix IX.

VIII—Expenditure on Unproductive works

421. For expenditure on unproductive works, *see* paragraph 8 of Statement A in Appendix I.