

## Monitoring of Maintenance Expenditure

### 1. Introduction

Any system of monitoring will require that the accounts reflect, in a clear manner, the expenditure incurred on maintenance. It is necessary that the accounts are so designed that they indicate the works component and the work charged establishment separately under total maintenance expenditure.

### 2. The Existing Position:

(a) The major heads concerned with maintenance expenditure are :

- 3054 - Roads and Bridges
- 2059 - Public Works (for Buildings)
- 2216 - Housing
- 2701 - Major and Medium Irrigation
- 2702 - Minor Irrigation

(b) Among these heads, "Maintenance and Repairs" is already a minor head (053) under 2059-Public Works. In all the other cases, it is a detailed head-170. 140-Minor Works is another detailed head and 174-work charged establishment is a sub-detailed head.

### 3. The Scheme

(a) Since these heads are already heads of revenue expenditure they may be deemed to be entirely for maintenance expenditure. Some States have now defined capital expenditure at such low limits as Rupees one lakh that, in fact, no other type of expenditure would even now be getting charged to these heads. However, there may be some other items which may be getting charged here and for which a revenue head of expenditure might still be necessary.

(b) But even if these major heads are deemed to be heads of expenditure for maintenance, there will still be need to have a minor head for "Maintenance and Repairs" under all these major heads, as is now the case under major head 2059-Public Works.

(c) In the present system of functional classification of the Budget, the minor head reflects a programme. Maintenance should be considered one such item hereafter. There should be no objection to having this as a minor head. In any event, there is a precedent in the case of major head - 2059 Public Works. The same precedent can be followed in the case of the other Major Heads.

(d) Under the minor head: "Maintenance and Repairs" there should be two sub-heads: (i) Works and (ii) Work Charged Establishment. In this specific case the Accountants General could be requested to include in the accounts not merely the minor head but these two sub-heads so that the actual expenditure under the works portion and under establishment can be separately monitored.

(e) In all these cases, there is a sub-major head: "General" under which there is a minor head: "Direction and Administration" which shows the Departmental establishment. The problem sought to be tackled above is specifically in regard to the work charged Establishment consequent on its becoming provincialised.

### 4. Details

#### **Major head - 3054. Roads and Bridges:**

(a) There are two sub-major heads here. 03-State Highways and 04-District and Other Roads. Under each a minor head - "Maintenance and Repairs" can be opened.

#### **2059 - Public Works:**

There are already minor heads here under the sub-major heads.

01-Office Buildings

60-Other Buildings

There is no problem here.

#### **2216 - Housing:**

a) This Head has a Sub-major Head 01. Government Residential Buildings and a Minor Head: 106 General Pool Accommodation. Under this Minor Head there are Sub-heads:

(i) Direction and Administration

(iii) Maintenance and Repairs

(vii) Machinery and Equipment.

b) What is needed is that Maintenance and Repairs should show Works and Establishment separately i.e. establishment other than under sub-Head (i) Direction and Administration. We also require that maintenance and repairs should be a minor head and not a sub-Head.

c) Therefore, Government Pool Accommodation should be made a sub-major head. Under this there should be the following minor heads:

001 Direction and Administration

052 Machinery and Equipment

053 Maintenance and Repairs

799 Suspense

800 Other Expenditure

This is the case at present for the Sub-major head 04 - Bombay Building Repairs and Reconstruction Scheme.

Under minor head 053. maintenance and repairs there will be two Sub-heads - Works and Establishment.

The same procedure can be followed for (107) Police Housing and (700) other Housing which are at present minor heads along with (106) General Pool Accommodation under Sub-Major head 01: Government Residential Buildings.

#### **2702 - Minor Irrigation:**

There are two sub-major heads here.

01-Surface Water, and

02-Ground Water

(a) In the case of surface water, there are two minor Heads,

101-Water Tanks and

102-Lift Irrigation Schemes.

Maintenance is different in these two schemes and the element of recovery will be much more important in the case of lift irrigation schemes. It is, therefore, important that the maintenance of these two is indicated separately.

(b) If, in this case, a minor head is opened, "Maintenance", "Water Tanks" and "Lift Irrigation Schemes" will have to be separate sub-heads which will not serve the purpose. Therefore, in the case of Minor Irrigation, one option would be that "Maintenance" should be a new Sub-major head. Then under this the minor heads will be "Water Tanks", "Lift Irrigation Schemes" and "Tube Wells".

***2701 - Major and Medium Irrigation:***

(a) The position here is complicated because both minor and medium projects have been brought under one major head; consequently, major irrigation and medium irrigation have become sub-major heads. As a result all other heads below have been pushed down by one level. At the same time, this is a head where each project is big enough to be shown as a separate minor head.

(b) One possibility, therefore, would be to break up this major head into two major heads - one for major irrigation and the other for medium irrigation. In the numbering series of major heads there are spare numbers available for this purpose.

(c) Major irrigation then becomes the major head. Each project can then be the sub-major head. Under this sub-major Head, there can be a minor head for maintenance. Under this

there would be two sub-heads - works and work charged establishments as has been suggested in other cases.

(d) If, however, the major head cannot be split up, as suggested above, then it should be first clarified that only maintenance expenditure, whether on works or on provincial establishment, will be charged to the Revenue Head 2701 and all other project establishment and project works will have to be charged to the capital head. Then, automatically the expenditure under the minor head will reflect the total maintenance Expenditure on a particular project.

(e) Under this minor head the sub-heads are for items like Dam, Canal etc. Under the revised scheme, expenditure under three items - works, provincial establishment and work charged establishment would be reflected separately. If the expenditure at this sub-head level is to be reflected by the Accountant General, as has been suggested for other Heads, this might pose a problem under works because of the number of sub-heads involved. Therefore, it is suggested that there may be three group sub-heads - (1) Works, (2) Provincial Establishment and (3) Work Charged Establishment. The existing sub-heads can then be suitably grouped under these three groups and the Accountant General can indicate expenditure upto group sub-head level above.