

INTRODUCTION

(I)

What is a District :

A district is a 'territory marked for specific administrative purpose',¹ and administration means the management of public affairs. Thus District Administration connotes the management of public affairs within a territory marked off for the purpose.² District Administration is an administrative mechanism whereby a state government functions locally through its representative, i.e., the District Magistrate, who is the point of the local administration. In other words, it is the functioning of government in its totality in a locality what is known as a district. Since a district is a vital unit of administration where the total apparatus of public administration is concentrated, District Administration may, therefore, be described as that part of public administration which functions in a district.³

The meaning of District Administration in India :

It is comprehended that the management of public affairs commands the total life of a community. It incorporates varying areas of human activity and since these areas vary with local situations so must the conglomeration of matters contained in the scope of administration vary in any particular area. In a completely totalitarian state like that of Fascist Italy and Nazi Germany practically nothing remained excluded from the grip of administration. Whereas, contrary to that, in a state of general 'laissez faire' the administrative apparatus may keep itself concerned with a least number of group or human

activity. Our Indian system of administration is far removed from the two extremes.

District Administration in India deals with a widely embracive sphere of the total management of public affairs. This embracive nature of the sphere of District Administration is particularly significant in the study of public administration in India.

District Administration and Indian Constitution :

It is quite strange that apart from one reference to the appointment of district judges⁴ in the Constitution of India, practically there is no mention at all of a district as a unit of administration leave alone the District Magistrate and Collector who forms the pivot of all governmental functions in the district. Reference of course does appear in other laws and statutes such as the Code of Civil Procedure, the Code of Criminal Procedure, the revenue laws, and other specific statutes; but not in the Constitution.

Importance of District Administration :

District Administration is a unit of field administration, where there can be concentrated the total apparatus of public administration. It provides a practical method for the management of public affairs in a vast country like India.⁵ Here the authority at headquarters instead of doing everything centrally executes things locally through a local representative who is authorised on its behalf to exercise overall responsibility for all governmental activities⁶ from keeping the peace to ensuring

good administration⁷ in his area. It is at the level of district the common man comes into direct contact with the administration. A district rests under the charge of a district officer - called either Deputy Commissioner or District Collector or District Magistrate - who virtually acts as the eyes, ears and arms of the State Government.⁸

The genesis of District Administration :

Although the rudiments of the District Administration may be traced to ancient India, in its present form evolved only with the advent of the British rule in India. In other words, it may be regarded as a handiwork of British rule. The Indian Statutory Commission, which is better known as the Simon Commission observed that the system had some roots in the past.⁹ It was Emperor Akbar, who first sub-divided Bengal into Sarkars. But until the establishment of the British rule, there never existed any settled administration.

The genesis of District Administration dates back to the year 1772 when the East India Company decided to stand forth as the Dewan¹⁰ and assume responsibility for the administration of the country and appointed Collectors 'to superintend the revenue collections and to preside in the courts'.¹¹ Until then the district was yet to be a well-demarcated unit of administration, it became at that time the common unit of revenue and judicial administration. The District Officer now came to perform the roles of Revenue Collector, Civil Judge and Magistrate. This combination of powers made the District Officer an immensely

powerful local authority within his jurisdiction. In fact, the District Officer was a semi-absolute monarch, ruling over a territory as extensive in area and population as some of the smaller countries of Europe.¹²

District Collector versus District Administration :

Sir William Hunter as far back as 1892 wrote about the position of a District Collector vis-a-vis a district thus : "The Indian Collector is a strongly individualised worker in every department of rural well-being, with a large measure of local independence and of individual initiative. As the name of Collector-Magistrate implies, his main functions are two-fold. He is a fiscal officer, charged with the collection of the revenue from the land and other sources. He is also a revenue and criminal judge, both of first instance and in appeal. ... Police, jails, education, municipalities, roads, sanitation, dispensaries, the local taxation, and the Imperial revenues of his District are to him matters of daily concern. He is expected to make himself acquainted with every phase of the social life of the country."¹³ Though it is a fact that the position of a District Collector has deteriorated considerably after Independence, still he wields enough power and may be called the corner-stone of District Administration.

District Administration is one of the relics of the Raj that has not only survived, but is still going strong, with newer functions gradually being entrusted to it.¹⁴ And because of this authority wielded by a District Collector he is rightly invested with the epithet 'the pivot'

of District Administration. It is, therefore, said that there is not, and never has been, an official quite like the Collector anywhere else.¹⁵ District Administration still continues to be the principal instrument of the (State) government, and within its territorial jurisdiction, no exclusions are pronounced.

The General Concerns of District Administration :

The Government of India's Administrative Reforms (1969) Report on District Administration outlines the general concerns of the District Administration thus : maintenance of law and order, control of crime and administration of justice, revenue administration, including land management and collection of land revenue and other public dues, development administration, welfare activities, control and regulation, distribution of food supplies, arrangement for holding elections to Parliament, State Legislatures and Panchayati Raj Institutions, emergencies and natural calamities and other secondary matters like protocol, small savings, general administration, civil defence and any other matters which the State Government may entrust. This was also the working definition accepted by the T.N.Dhar Committee, which made a comprehensive study of the nature of district-level-administration in Uttar Pradesh.¹⁶

Newer areas of concern are still being specifically identified notwithstanding, since almost everything can be covered under the broad category of development and welfare. Therefore, a District Collector in a district

enjoys enormous financial power [if not the judicial powers after the separation of judiciary from executive in 1973¹⁷] for he is the Controller of the District Treasury.¹⁸

The administrative complex goes to make up the District Administration, both as to the component parts as well as to the administration as an organic dynamic whole¹⁹ rather than a static one. District Administration, in fact, is a totality of government functioning in a district.

The functions of the District Magistrate :

The District Magistrate and Collector is the head of the District Administration, and he performs a number of functions which include :

1. General charge of the district;
2. Law and Order which includes Criminal Justice Administration,
3. Trial of Criminal Procedure Code, Certificate, Rent Control and Essential Commodity Act cases,
4. Land, Land Reforms, Revenue,
5. Other Revenue functions, including Amusement Tax, Excise duties etc.,
6. Treasury,
7. Licensing function with respect to arms and ammunition, cinema houses, video parlours, serai, poison marts, money lenders, petroleum storage,
8. Development functions - Fish Farmers Development Agency, District Rural Development Agency, Tribal Development Agency, Rural Water Supply, etc.,
9. Agricultural Development including Agri-Marketing, i.e. Control function over essential commodities,

fertilizer etc., 11. Food and Civil Supplies, 12. Enforcement of Social Legislation like Minimum Wages Act, Shops and Factories Act, Dowry (Prohibition) Act, Child Marriage (Restraint) Act, Sati (Abolition) Act etc., 13. Functions as Member Secretary of the District Planning Body including preparation of Annual Plan, monitoring of progress, and inter-departmental coordination, 14. Protocol and general administration work, including establishment matters, departmental proceedings, vigilance or anti-corruption matters, redressal of public grievances, 15. Education, Health, Immunisation, Family Welfare, 16. Integrated Child Development Scheme and other Special Nutrition Projects, 17. Relief including normal relief, disaster management, 18. Mobilisation of Small Savings, 19. Social Welfare, including voluntary agencies, 20. Panchayats, Zilla Parishad and related matters, 21. Route permits, Motor Vehicle Grievances and enforcement thereof, 22. Jails, Probation matters and Rehabilitation, 23. Elections and Census, 24. Audit, Civil Defence, and 25. Extension of general support to all other departments which do not have a set-up in the district.²⁰

The position of the District Magistrate :

It was a fact that during the Raj, the position of the District Officer was an exalted one. Practically speaking, he was the repository of all the powers of the Government at the district level. But conditions have since been changed after 1947.

In spite of the fact that under the present system the powers of the District Magistrate substantially remain the same, but the atmosphere has changed considerably. In the wake of the change has come about a change in the people's attitude towards him and perhaps, also, in his attitude towards the people. Today the people prefer to go straight to the constituency's member of Parliament or member of the State Assembly instead of to the District Magistrate to ventilate grievances and to ask for remedy.²¹

The District Officer was called the backbone of the British Raj, the unit of which was a district. The position of the District Magistrate vis-a-vis the district has not undergone much change as the district is still the unit of administration as it used to be; and 'the man on spot' on behalf of the State Government to look after the affairs of administration is the District Officer. In near future this position is not expected to register any change for there has to be a District Officer in every district. But it cannot be overlooked that since the dawn of Independence three factors - democratisation, development and decentralisation - have brought about a series of changes in the make-up of District Administration.

Changes in the role of the District Magistrate :

The adoption of the Constitution (on 26th January, 1950) brought a fundamental change in the strategic objective of governance. Emphasis now shifted to land

distribution, community development and rapid agricultural and industrial progress for creating employment opportunities, and reducing the inter-regional disparities. Land Reforms and Integrated Community Development - the twin main programmes undertaken in the first few years of Independence once again brought the Collector to the forefront of District Administration. Besides, the Collector now had 'to interest himself in entirely new activities, like rural development'.²² In view of this, the First Five Year Plan explicitly stated :

(a) the district would continue as the unit of administration; and,

(b) Collector would be the principal officer of the district, and the sole representative of the government.

District Magistrate as District Coordinator :

The Balwantray Mehta Team of Community Development and National Extension Service, which, in actuality, bestowed shape to the concept of Panchayati Raj envisaged the following role for the Collector :

At the district level, the Collector or the Deputy Commissioner should be the captain of the team of officers of all development departments and should be made fully responsible for securing the necessary coordination and cooperation in the preparation and execution of the district plans for community development. Where he is not already empowered to make the annual assessment of the work of the departmental officers in regard to their cooperation

with other departments, their speed in work, their dealings with the people and their reputation for integrity, he should be invested with such powers.²³

As such, the District Collector's coordinating role has since been on the rise. This has been further eased by the setting up of institutions like the District Development Council in the Second Five Year Plan period (1956-61), and the recognition in the mid-sixties that the planning dimension must take account of the district as well. Almost in all States, District Collectors are associated with the planning process, irrespective of the fact whether the Panchayati Raj Institutions are in operation in those states or not, in the capacity as Chairman, Vice-Chairman or as Member-Secretary. The experience with the implementation of the Panchayati Raj Institutions in both Maharashtra and Gujrat has revealed that the development programmes of a district cannot really take-off without the active participation of the District Collector. It was thus envisaged that in District Planning bodies he must play the role of the Chief Coordinator.²⁴

Since the Collector is the head of the District Level Coordination Committee (DLCC) of the Financial Institutions - such as Commercial Banks, Land Development Banks, Financial Corporations etc. - his role in management of the bank-linked rural and urban development programmes, like the Integrated Rural Development Programme (IRDP), Self-Employment Programme for Urban Poor (SEFUP),

Self Employment for Educated Urban Youth (SEEU),
 Self Employment Scheme for Rural Unemployed (SESRU) etc.,
 has also increased.²⁵

D.M. as Controller of Finance in the District :

By virtue of his post as the principal officer of the Zilla Parishad, the District Magistrate is the coordinator of district development activities.²⁶ In fact, these activities are likely to advance in the coming years. As the Executive Officer of the District Standing Committee on Budget and Planning,²⁷ the District Magistrate plays a significant role with regard to the preparation of the planned budgets of other departments of the district.

The District Collector, therefore, performs both the 'regulatory' and 'developmental' functions and as such this way or that controls the finance of the district.

(II)

The significance of Government Finance :

"All undertakings depend upon finance"
 (Kautilya).²⁸ If administration is a vehicle, then finance is its motive power, i.e., fuel. Without finance, rigor mortis sets in the limbs of administration. In other words, the entire administrative machinery collapses.

As a matter of fact, public finance constitutes an integral part of administration. Finance and

administration cannot be separated from each other like man and his shadow. Every administrative act has its financial implications. Nothing moves in government without the expenditure of money, even at the very minimum it involves the compensation of the officials and the employees who act on behalf of the government. Finance is, thus, one of the first and inescapable responsibilities of government executives.²⁹

What is Financial Administration :

Financial Administration implies, "... how public revenue is collected and how it is spent, and who collects it and who spends it."³⁰ Broadly speaking, Financial Administration, reflects the growth and expansion of governmental functions at different levels. Here in this process, it becomes imperative that the financial resources are ascertained, fixed and then distributed to various areas and functions. In this way, Financial Administration becomes an important part of the political process by means of which financial resources are translated into human resources.³¹

The objectives of Financial Administration :

There are three objectives of Financial Administration : fiscal policy, accountability and management.

As fiscal policy involves highly technical issues like the tax theory, the debt theory, the implications of taxes on society, etc., therefore, they come within the purview of Economics and cannot be purely called an

administrative issue. However, accountability and management are the twin important aspects of Financial Administration.

Accountability :

Accountability is the main principle of administration in a democracy. Especially in Financial Administration, it acquires added importance because it is desirable in a democratic set-up that its officers not only to be honest in their dealings but act also honestly.

But it is not unlikely for the government servants not to taste the money that passes through their hands. Democracy has to apply all sorts of means in order to safeguard public money from this susceptibility of its officials. It is, therefore, exigent for the officers incurring or authorising expenditure from public funds should be guided by high standards of financial propriety; and general principles like wisdom, faithfulness and economy should be their beacon light.

Accountability in Financial Administration cannot be effected by simply having recourse to the traditional devices of bounding, book-keeping, accounting and reporting, but it goes farther than custody and stewardship and inducts dynamic policy-determining qualities of management.

Every Government servant must be made to feel that for any loss sustained by Government through fraud or

negligence on his part, he would be held personally responsible.

Even Indian Penal Code, 1860, prescribes severe punishment to the extent of life imprisonment to a public servant for committing 'criminal breach of trust'³² whereas for the same offence an ordinary offender, of course other than a public servant, the maximum punishment prescribed is only three years of imprisonment.³³

The effectiveness of accountability in Financial Administration depends not only on developing internal and external checks as mentioned above, but also on devising an integrated administrative machinery. In a democracy a sound system of Financial Administration is a must for country's overall progress.

(III)

Objectives of the present Study :

A sound fiscal management at the district level is of vital importance to any State government. With the introduction of full-fledged three-tier Panchayati Raj System since 1978 it has acquired further relevance in the State of West Bengal.

Delegation of financial power and responsibility not simply at the level of districts, but further down to the level of blocks and villages in West Bengal has necessitated a proper system of financial management and

control. The main objective of the present study, therefore, is to conduct a systematic analytical study of the modus operandum of the existing system of district-level financial management and control.

With the enormous increase in governmental expenditure under different development projects in recent years at district and block level it became imperative that sound principles, tools and techniques of financial administration have been evolved and effective control exercised at district, block and gram panchayat level in order to arrest extra-vagance and misutilisation of funds by the implementing agencies who operate at the lowest rung of administration.

Successful implementation of development programmes at the district level needs a flow of fund without trammel. This calls for proper management and monitoring of both withdrawal and expenditure. Hence government Treasury at district or sub-divisional level has a vital role to play. It monitors all kinds of withdrawal and expenditure. Panchayati Raj bodies are supposed to maintain their accounts at treasury only and not at any bank. But Treasury functions more or less independent of the Accountant General of West Bengal. It is responsible to the State Accountant General only to the extent of submission of monthly returns of its cash transactions. As a matter of fact, the Government has established Treasury as an independent unit.³⁴

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STATE TREASURY
WEST BENGAL
CASH & BANK DEPT.

The District Magistrate and Collector, who is also the ex-officio Executive Officer of the Zilla Parishad, is the controlling officer of Treasury ~~in a~~ ~~Treasury~~ in a district. He is responsible for its day to day functioning. A Treasury Officer is only a subordinate officer under the District Collector.³⁵ This admits of duality in accounting procedure. While analysing the functions of Treasury an attempt has been made to pinpoint the lacuna and suggest corrective measures.

Development projects undertaken by various agencies in a district should aim at desirable socio-economic changes in the district. Therefore, it is necessary that financial management of these agencies should be efficient and economical. As experience goes, the financial management as governed by the rules is faulty and needs correction. Truly, rules in this regard must serve, not impede the implementation of development projects. An attempt has been made here to unravel the defects of financial management of the development agencies in so far as the implementation of development projects is concerned.

Methodology

In view of the objectives mentioned above the application of mainly two methods became imperative :

Analytical and Empirical

The researcher sought and received help of many officers and staff and panchayat functionaries. The official

documents, the guard files, proceeding registers, data, reports and returns were observed and notes taken from them relevant in connection with the work proved to be of immense help.

Formal and informal discussions with officials and non-officials were also helpful in assessing the difficulties faced by the official functionaries at the grass-roots level of administration. They also provided him with insight in revealing certain relevant facts which otherwise would have been difficult to be obtained only through perusing official papers and documents. This way could he be able to appreciate others' viewpoints also.

While preparing this work the researcher was also benefited by his own experience gained as a civil servant. The first hand knowledge of the intricacies of the district financial administration acquired by him serving as Block Development Officer, Treasury Officer, District Planning Officer, and in other posts at subdivision and district helped him enormously to give his own assessment of the problems. This was an added advantage he enjoyed as a researcher.

Notes and References

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has conferred important powers upon the District
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Executive Magistrates under Sections 107, 108, 109
(relates to security for keeping peace and good
behaviour), and under Sections 133, 144, 145 etc.
(relates to maintenance of public order and
tranquillity). These powers have been vested in
the Executive Magistrates since they have a direct
bearing on law and order in the district.
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- 25 In order to coordinate the functions of different bank
branches in the district in respect of bank-linked
development schemes, a Lead Bank Cell is constituted
in every district under the order of the Reserve
Bank of India. The officer who heads the Lead
Bank Cell is called the Lead Bank Officer. The
LBO functions under the supervision of the District
Collector. The Lead Bank Cell is formed by that
bank in the district whose area of operation is
largest in the district [For further reference,
in this connection, 'Service Area Approach
Formulation of Credit Plan', published by the
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may be seen]
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- 33 Sections 406 and 409 of Indian Penal Code, 1860.
- 34 Rule 4A of West Bengal Treasury Rules, Vol.I, op.cit.
- 35 Rule 2, *ibid*.

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