Financial Administration in India

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British Influence on Indian Financial Administration
Types of Finances

1. Personal Finance
2. Business Finance
3. Corporate Finance
4. Public Finance
Democracy

- Tax Payers
- Government
- Raising Funds – Spending Funds
- Managing Public Finances
Political System
Bureaucracy
Financial Administration
Vs
Financial Management
Financial Administration

- Prudence
- Public Money
- Accountable to Public
- Public Expenditure
- Modus Operandi
- Judgment on Political/Economical effects of the Financial Policy
Features

1. Secretary of the State is Constitutional Advisor.
2. Unitary
4. Central and Provincial Governments Derive Political Authority from the Secretary of the State.
5. What ever is not delegated rests with him.
6. It is Constitutional Position and Determines the Financial Arrangements.
7. No Independent Financial rights to Center/ State.
8. Secretary is the Repository of Financial Administration.
9. He shall continue to exercise control in Financial Administration.
10. Financial Soundness of Public Life is vital.
11. Indian Financial Administration System is par excellence and effective.
12. Though it is unitary, is well unified and coordinated system.
Defects of Indian Financial Administration System

- It will not prevent wastage and undesirable effects on economic welfare of people.
- It does not allow or condone any irregularity.
- It insists on conformity of regulations.
- Voluminous Rules and Regulations.
- Financial experts themselves confuse.
Scope for Refinement

The Governments are custodians of welfare and advancement of Indian People and the Secretary of the State is agent and chief of the other is highest authority.
Structure of Financial Administration During British Rule
India Office

- Secretary of the State by the Act of Parliament.
- Financial member is the Advisor.
- Finance Committee
- Careful examination of Economic proposals.
Accountability of Finances Member

From the Finance to the Finance committee and from the Finance Committee to the Indian Council is the procedure for transacting all financial business of the Indian office. The decision of Secretary is final.
2. Finance Department

- Presided by Finance member
- Military Finance branch
- Administration and Monitoring Banking System.
- Estimation of Expenditure and Income.
- It is Central station
Revenue Department
Land, Customs, Excise etc.

Auditor General: Next to FM Accounts, Treasury, Auditing

Military Accountant General

Control of Currency
– Official Languages
Public Debt Management
3. Provincial Financial Machinery

- Government has delegated power to Provincials.
- Power vested with Governor – Advisor is member of his council.
- Accountant General Audit and Accounts (Centre/State)
- Deputy Controller of Currency Madras, Burma (Except)
- Treasury Offices
Financial Control
Legislature
Executive Government
Finance Department
Audit Department
Thank You