

**Financial Administration  
in  
India**

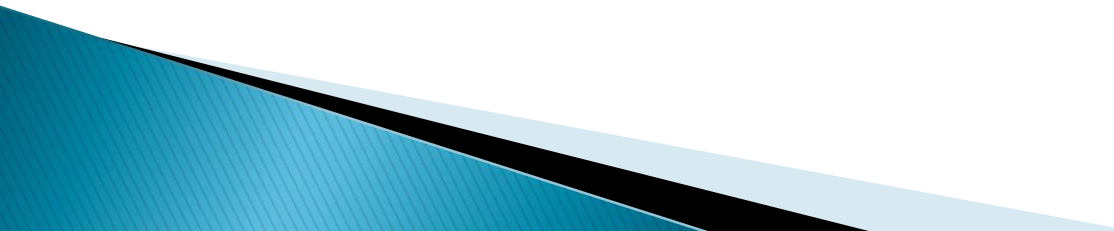
**by**

**Dr. K.Swamy**

**Professor, Dr. MCR HRD I AP**



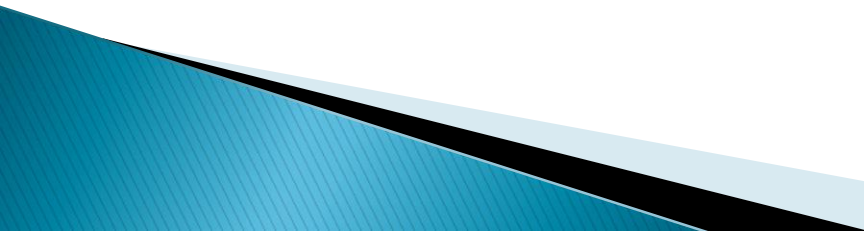
# **British Influence on Indian Financial Administration**



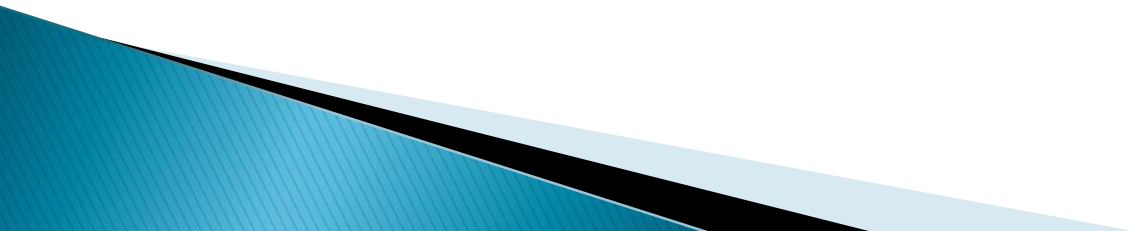
# Types of Finances

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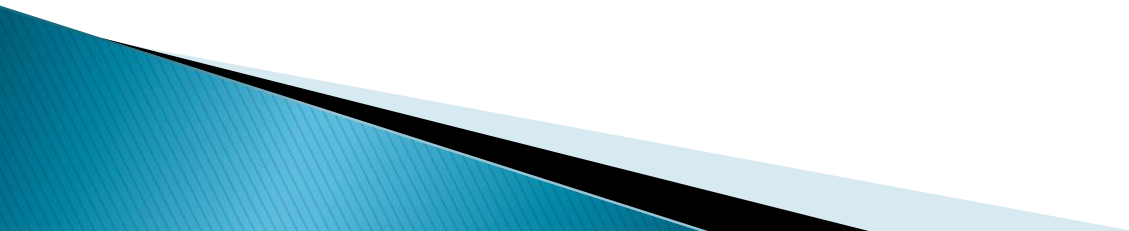
# Democracy

- Tax Payers
  - Government
  - Raising Funds – Spending Funds
  - Managing Public Finances
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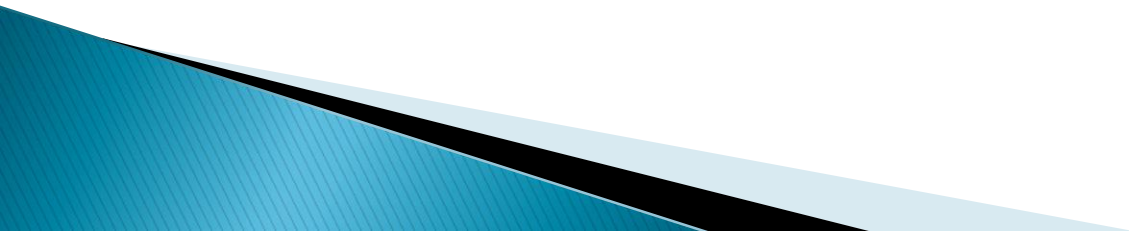
# Political System



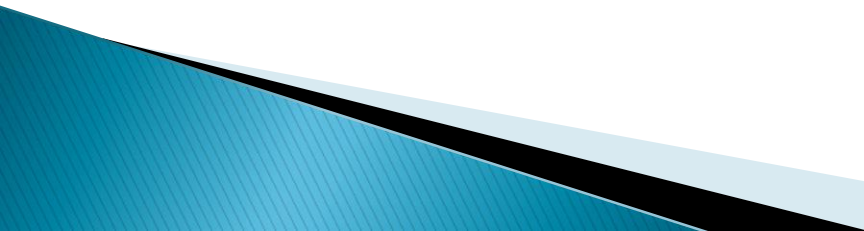
# Bureaucracy



# Financial Administration Vs Financial Management

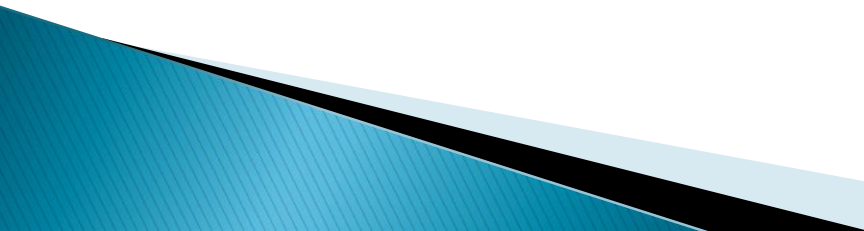



# Financial Administration

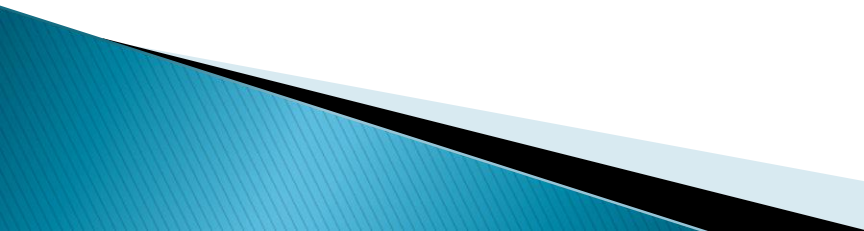
- **Prudence**
  - **Public Money**
  - **Accountable to Public**
  - **Public Expenditure**
  - **Modus Operandi**
  - **Judgment on  
Political/Economical effects of  
the Financial Policy**
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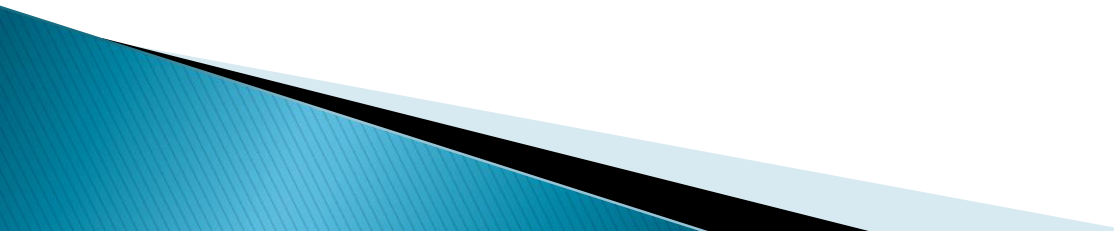
# Features

1. Secretary of the State is Constitutional Advisor.
  2. Unitary
  3. Government of India must obey Financial Matters.
  4. Central and Provincial Governments Derive Political Authority from the Secretary of the State.
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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.
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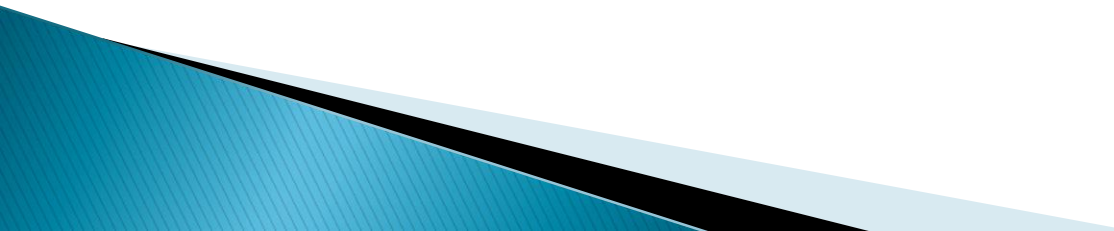
9. He shall continue to exercise control in Financial Administration.
  10. Financial Soundness of Public Life is vital.
  11. Indian Financial Administration System is par excellence and effective.
  12. Though it is unitary, is well unified and coordinated system.
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# Defects of Indian Financial Administration System

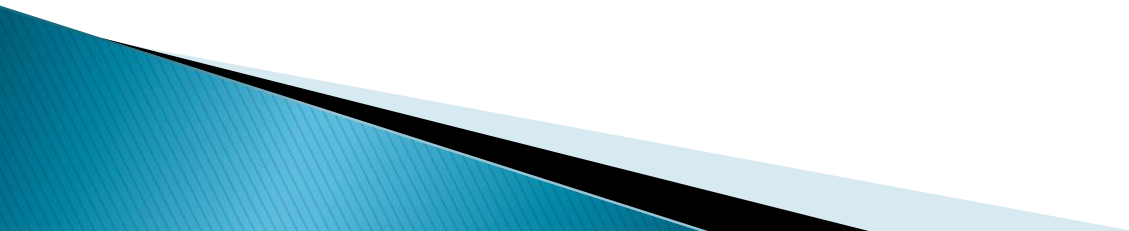
- It will not prevent wastage and undesirable effects on economic welfare of people.
  - It does not allow or condone any irregularity.
  - It insists on conformity of regulations.
  - Voluminous Rules and Regulations.
  - Financial experts themselves confuse.
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#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

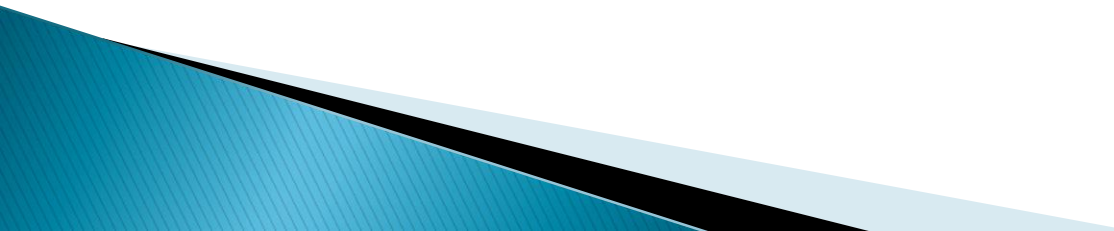
The Governments are custodians of welfare and advancement of Indian People and the Secretary of the State is agent and chief of the other is highest authority.



# Structure of Financial Administration During British Rule

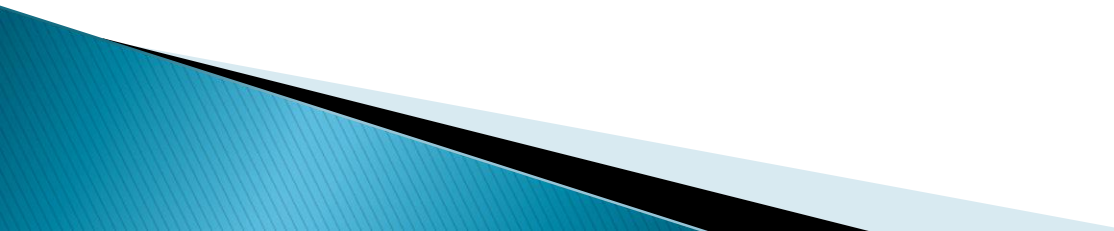


# 1 .India Office

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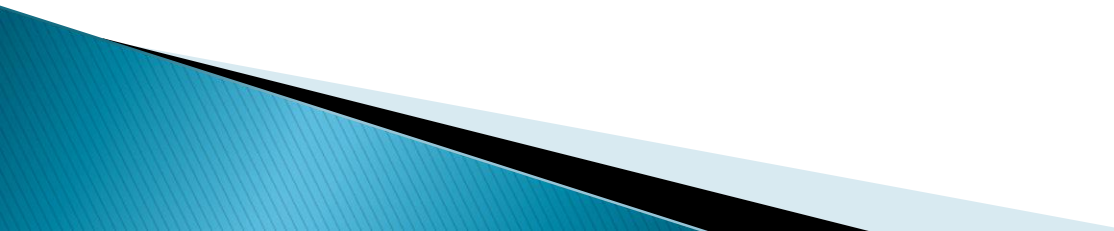
# Accountability of Finances Member

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.





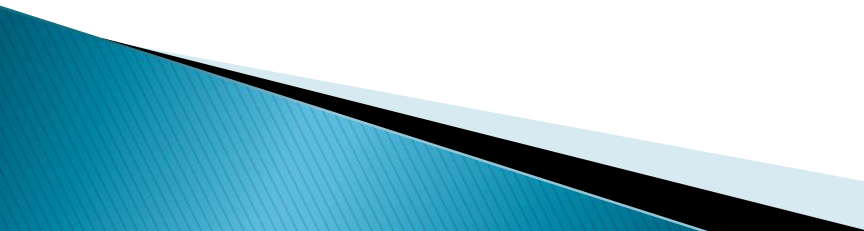
## 2. Finance Department

- ▶ Presided by Finance member
  - ▶ Military Finance branch
  - ▶ Administration and Monitoring Banking System.
  - ▶ Estimation of Expenditure and Income.
  - ▶ It is Central station
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- ▶ Revenue Department  
Land, Customs, Excise etc.
- ▶ Auditor General: Next to FM  
Accounts, Treasury, Auditing
- ▶ Military Accountant General
- ▶ Control of Currency
  - Official Languages
  - In-charge of Currency,  
Resources, Ways and means.

# ▶ 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
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Financial Control  
Legislature  
Executive Government  
Finance Department  
Audit Department



**Thank You**

