

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 355

Press
~~at~~is.

Dated

19. 6. 18 57

B.M. 16-17

Not to be folded or roughly handled

ms

Fort Saint George, Financial Consultation, 23rd June 1857.

No. 16. From C. HUGH LUSHINGTON, Esq., Secretary to the Government of India; to E. MALTBY, Esq., Acting Chief Secretary to Government, dated 3rd June 1857, No. 2264.

SIR,

I am directed to forward copy of a letter, dated 7th Ultimo, to my address from the Accountant General to this Government, relative to the Quarterly Statements of Receipts and Disbursements called for, under orders of this Government of the 7th October last.

2nd. When the Statements referred to were originally prescribed it was assumed that they could be prepared with an approach to accuracy

† *Note.—The Statements were to be delivered without being balanced, and as it was understood from the several Presidencies to the Financial that balanced Returns could not be prepared Department, Fort William, before the expiration of the 3rd month from the period to which they may appertain.* within the period† fixed by the Government, the Right Honorable the Governor General in Council decided that the Returns should be accepted from the several Presidencies in an un-

balanced form. On preparing, however, in this Department, the General Return for all India for the 2nd Quarter of 1856-57, and by way of experiment balancing it, the amount of Cash Balance on the 31st October last, proved materially different from the amount which according to the *monthly cash Balance Statements* was actually in the several Treasuries throughout India at the close of the quarter; and as such serious discrepancies are objectionable, the Accountant General to this Government has forwarded revised Statements for the 2nd and 3rd Quarters of the Receipts and Disbursements of the territories under the control of this Government and recommended that the Returns of all the Presidencies should in future be balanced.

3rd. A Memorandum of the manner in which the Accountant General recommends that the Statements shall be prepared and the Form which he proposes for adoption are annexed, and you are requested with the sanction of the Right Honorable the Governor in Council to direct the Accountant General of Fort Saint George, to submit revised Statements for his Presidency for the 2nd and 3rd Quarters of 1856-57, prepared on the plan recommended by the Accountant General to this Government, and to furnish similar returns for subsequent periods.

(Signed) C. HUGH LUSHINGTON,
Secretary to the Government of India.

From the Honorable E. DRUMMOND, Accountant General to the Government of India; to C. H. LUSHINGTON, Esq., Secretary to the Government of India, Financial Department, dated 7th May 1857, No. 88.

SIR,

I have the honor to acquaint you that in carrying out the instructions conveyed in your letter, No. 4435, dated 7th October 1856, it has been found that in order to ensure accuracy in the Quarterly Statements of Receipts and Disbursements as prescribed in those orders, the balances of Cash in the Treasuries, though not shewn in the published Accounts, must nevertheless be exhibited in the Returns of each Presidency.

2. It seems impossible almost to ensure correct returns without the check of a balanced Statement and the Statements for the First and Second Quarters furnished from this Department having been checked with the cash balance Reports, and found far from accurate, revised Statements for those Quarters are herewith submitted, together with the Statement for the Third Quarter. In these Statements the transactions of this Government have been classified under heads and according to a system of arrangement which it is believed will be found conducive to accuracy, and most convenient for adoption in this, as well as in the other Presidencies in future, and the preparation of the Accounts on the system in which these are now submitted will not occupy more time than on that first adopted.

Fort Saint George, Financial Consultation, 23rd June 1857.

3. A memorandum of the manner in which the present Statements have been prepared is herewith submitted.

(Signed) E. DRUMMOND,
Accountant General to the Government of India.

(A True Copy.)

(Signed) C. HUGH LUSHINGTON,
Secretary to the Government of India.

MEMORANDUM.

MEMORANDUM.

The main object in the preparation of the Quarterly Statements is to shew the actual receipts and disbursements generally under appropriate heads, and it is a matter of minor importance to distinguish the particular Presidency or Province to which they belong, the head of supplies therefore under which transactions on account of other Presidencies have hitherto been exhibited having been found to occasion much difficulty and confusion seriously delaying the classification and even postponing it to a subsequent year of account besides involving many needless transfer entries it has been superseded by the entries noted in the margin, with these exceptions the present Statement of Receipts and Disbursements exhibit every sum received into or paid out of the Treasuries under the Government of India, whether on account of that or any other Government under its appropriate general head.

The two heads above marginally noted are rendered necessary for the following reasons.

It was found that differences of practice in regard to remittances in transit was a very fertile source of trouble. The general and correct rule of account is that cash remittances shall continue to appear as a balance in the hands of the remitting Officer until he obtain the receipt of the receiving Officer but in applying this rule to Treasuries subordinate to different Offices of Account a double entry may result which will vitiate the General cash balance. Thus 20 Lacs remitted to the North West Provinces, and reaching Allahabad on the 29th of a month, would appear in the General Cash Balance furnished by the Accountant of that Government, but as the Collector's receipt could not reach the remitting Office until some days after in the following month, the same sum will continue to be shewn as a remittance in transit in his Cash Balance Report and would thus appear likewise in the Returns of my Office or in those of the Accountant to the Government of Bengal. The difficulty thus experienced is obviated by the introduction of the head of Cash remittances to other Governments under which all supplies are shewn from the date of despatch, so that the differences ascertained in the Financial Department under this head between the debits of the one and the credits of another Government will at once shew the amount of remittances actually in transit. The same process is followed in respect of remittances in transit within the Government, rendering the Account, the difference being shewn as remittances in transit under the closing balance. The other head of "payments on account of Military Department" is rendered necessary by the circumstance that these payments are chiefly advances to Officers in Account with the other Presidencies who will therefore exhibit the amount in their own Disbursements and include any un-expended balance in their Cash Balance Reports by which the transaction in fact becomes a Cash remittance and all differences are regarded as un-adjusted receipts and charges.

Advances by one Presidency on account of another in the Civil Department are usually *bona fide* Charges, susceptible of adjustment only in account. In some few, such as the Telegraph Department, there may indeed be a small balance, but it is too insignificant to affect materially the result and it may therefore conveniently be omitted.

The net result of all bill transactions is shewn in one item under bills payable. In working out this result no reference is made to the Presidency drawing or drawn upon. Actual money received or paid under this Government is alone considered.

The unaudited disbursements of local Officers held in inefficient Balance and the differences in the advances and credits between the Civil and Military Accounts are together shewn as a net amount under the head "differences of un-adjusted debits and credits."

Fort Saint George, Financial Consultation, 23rd June 1857.

NOTE.—A monthly return of the receipts and charges in the General Treasury on account of the Bengal Government being furnished by the Sub-Treasurer to the Accountant of Bengal, they are treated in the quarterly statement for India as cash remittances to and from that Government.

(Signed) E. DRUMMOND,
Accountant General.

(A true Copy.)

(Signed) C. HUGH LUSHINGTON,
Secretary to the Government of India.

ABSTRACT of the Accounts of the actual RECEIPTS and DISBURSEMENTS of the Territories and Departments under the immediate control of the Government of India for the Quarter ending

RECEIPTS.		DISBURSEMENTS.	
<i>Revenues.</i>		<i>Charges.</i>	
Land Revenue.....	0	Civil Charges.....	0
Abkaree.....	0	Marine.....	0
Customs.....	0	Interest.....	0
Sayer.....	0	Military Charges Ordinary.....	0
Tributes, &c.,.....	0	Do Do. Extraordinary..	0
Marine.....	0	Public Works.....	0
Military.....	0	Miscellaneous.....	0 000
Public Works.....	0		
Miscellaneous.....	0 000	<i>Debt.</i>	
		Loans paid off.....	0
<i>Debt.</i>		Treasury Notes paid off.....	0
Subscription to Loans.....	0	Service Funds.....	0
Treasury Notes.....	0	Local Funds.....	0
Service Funds.....	0	Deposits.....	0
Deposits.....	0	Foreign Governments.....	0
Local Funds.....	0	Miscellaneous Debts	0 000
Foreign Governments.....	0		
Net difference of Unadjusted	0	<i>Advances.</i>	
Debts and Credits.....	0	Miscellaneous.....	000
Miscellaneous Debts.....	0	<i>Supplies from London.</i>	
Mint Certificates, Excess of	0	Honorable Court's Bills.....	0
Receipts over Payment.....	0	Railway Company.....	0
Bills Payable Do. Do. Do.	0 000	Her Majesty's Government.....	0
		Miscellaneous.....	0 000
<i>Advances.</i>			
Miscellaneous.....	000	<i>Cash Remittances to other</i>	
<i>Supplies from London.</i>		<i>Presidencies.</i>	
Stores.....	0	Cash Remittance to Bengal.....	0
Service Funds.....	0	N. W. Provinces.....	0
Railway Company.....	0	Punjab.....	0
Her Majesty's Government.....	0	Madras.....	0
Miscellaneous.....	0 000	Bombay.....	0 000
<i>Cash Remittances from other</i>		<i>Payments on account of the</i>	
<i>Presidencies.</i>		<i>Military Department of</i>	
Cash Remittance from Bengal...	0	<i>other Presidencies.</i>	
N. W. Provinces.....	0	Madras.....	0
Punjab.....	0	Bombay.....	0 000 0000
Madras.....	0		
Bombay.....	0 000	Cash Balance on the 31st July	
		185	0
<i>Receipts on account of the Mili-</i>		Remittances in transit between	
<i>tary Department of other</i>		one Treasury and another in	
<i>Presidencies.</i>		the Territories and Depart-	
Madras.....	0	ments under the immediate	
Bombay.....	0 000 0000	control of the Government of	
		India.....	0 000 000
Cash Balance on the 30th			
April 1857.....	000	Company's Rupees.	0000
Company's Rupees.	00000		

Fort Saint George, Financial Consultation, 23rd June 1857.

No. 17.

ORDER THEREON, No. 335; dated 19th June 1857.

Ordered that the foregoing letter and its enclosures be communicated to the Accountant General, with instructions to submit revised Statements of Receipts and Disbursements for this Presidency for the 2nd and 3rd Quarters of 1856-57 prepared on the plan recommended by the Accountant General to the Government of India, and to furnish similar Returns for the subsequent periods.

No 355

Ordered that the

The foregoing letter and its enclosures be communicated to the Accountant General, with instructions to submit revised Statements of Receipts and Disbursements for this Presidency for the 2^d & 3^d Quarters of 1856/57 prepared on the plan recommended by the Accountant General to the Govt of India, and to furnish similar Returns for the subsequent periods.

*Fort St. George, 3
19th June, 1857.*

W

To the Accountant General. Dtd 2^d