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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	167	Press
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75-76.		
Dated	28-3-	1861..

B/w 75-76

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Not to be folded or roughly handled

*Proceedings of the Madras Government, Financial Department,
28th March 1861.*

No. 75. Read the following letter from the Military Finance Department, to the Secretary to the Government of India, Financial Department, No. 80a, dated Calcutta, 18th February 1861.

We have the honor to acknowledge the receipt of your order, No. 1394, dated 8th February 1861, passed on an explanatory letter from the Accountant General, in reference to our communication No. 37, dated 29th January 1861.

2. The Accountant General observes that the Military Accountant's office had very little concern with the preparation of the Estimates under the old form, the great body of them having been submitted by the Military Auditor General; but that what he asked for were Estimates of cash requirements for 1861-62, which are dependent on the "Budget Returns," and that the entire charge and responsibility of preparing these was undertaken in November last by the Military Finance Department, in supersession of the call made upon him in October last.

3. Here the utility of the Military Accountant's office is viewed under one set of conditions, while the absolute necessity for its agency, under other and different conditions, is ignored.

4. In the order above acknowledged, this circumstance seems to have been duly noted, for nothing could better than that order does illustrate the correctness of the remarks submitted by us to Government, relative to the transfer of the Military Accountant's office being essential to our fulfilling the conditions imposed upon us by the Budget System.

5. An Estimate under the old form may be prepared with a sufficient approximation in the aggregate to the eventual expenditure; but, in order to the submission of *Estimates* or *Returns* of local cash requirements, it is necessary that the Estimates of expenditure should be Budget Estimates, in order to ascertain, in the first instance, the local cash requirements of the year; and, secondly, to prepare periodically the Statements of probable cash requirements from the Civil Treasuries, as contemplated in paragraphs 83 and 84 of the Budget Committee's report, No. 1, of 30th July 1860, recorded in the Proceedings of the Government of India, Financial Department, No. 7371, dated 18th August 1860.

6. For both these objects, it is essential that the data in the Military Accountant's office, where information of a special nature is alone recorded, should be available; for how otherwise could the Officers of the Military Finance Department be cognizant of the amount of recoveries, receipts, remittances, &c. The full responsibility of the Military Finance Department could not, without the transfer of the Military Accountant's office, be properly enforced, and hence the above order proceeds, "that now that the Military and Naval Accounts are to be entrusted to the Military Officers recently appointed and separated from the offices of the Accountant General, it is the duty of the Military Finance Department to see that the Budget Estimates in every Department of the Military and Naval Services are transmitted, &c." We fully accept this responsibility, and shall use our best efforts to meet the requirements of the Public Service connected therewith, merely soliciting that a fair portion of time may be granted for performing the duty, dating from the day on which the means for executing the same were extended to us.

7. It is necessary, in connection with the order under acknowledgment, to endeavour to attach a precise meaning to the terms used both in it and in the letter of the Accountant General.

8. In paragraph 2 of the Accountant General's letter, the term "Estimates of cash requirements" is understood to refer to those portions of the Departmental Estimates which comprise Services involving the disbursements of cash in India, and not the periodical Statements of cash requirements referred to in paragraph 22 of the Budget and Audit Committee's report which are required to be sent to the Civil Pay Masters, *i. e.*, Civil Auditors. By paragraph 6 of the Resolution of the 6th July 1860, these "Estimates of cash requirements" are required to be sent to the Accountants General of Madras and Bombay, and such Estimates as regards this Presidency will be prepared and incorporated with the Estimate of the Bengal Presidency; the amount therein assigned as the Military Expenditure in cash, for the Punjab, North Western Provinces,

*Proceedings of the Madras Government, Financial Department,
28th March 1861.*

and the Government of Bengal, being communicated to the respective Accountants of those Governments, after the final sanction of the Government of India has been accorded to the Military Budget Estimate.

9. The term "Budget Returns," employed in the 2nd and 3rd paragraphs of the same letter of the Accountant General, is understood to refer to the Budget Estimates ordered to be prepared by the Resolutions of the 7th April and 6th July 1860.

10. The term "Returns," used in your order as having to be furnished from the Military Department to the Accountants of the North Western Provinces, the Punjab, and Bengal, is understood to mean the "Cash Accounts and other Returns prepared for submission to the Local Accountants," referred to in paragraph 22 of the Budget and Audit Committee's report.

11. We beg the favor of being informed if we are correct in these views, or wherein we are in error.

12. It would be very desirable, as tending to prevent misapprehension and unnecessary correspondence, if all the terms used in designating financial documents were clearly defined, and the same term invariably employed to indicate the same document; and we would advise that the technical expressions lately employed in the various reports to Government and in the Government Resolutions, should be collected and definitions thereof authoritatively issued from your office.

13. In conclusion, having above referred to paragraph 22 of the Budget and Audit Committee's report, we beg here to remark that we now, for the first time, observe that this paragraph of the report has been altered since it was seen by our President, and is made to state that the form of Estimates of the Military Department will be prescribed by the Audit Board; whereas in the manuscript draft, which our President carefully went over with the President of the Committee, it was agreed it should stand thus—"The form of these Estimates will be prescribed by the Military Finance Department, in accordance with paragraph 6 of the Resolution of the 6th July;" and in the printed draft copy upon which our President recorded his memorandum No. 3,517, dated the 17th January 1861, disposed of in the Proceedings of the Government of India, Financial Department, No. 887, of 26th January 1861, the passage stood precisely as above quoted.

14. We submit that an alteration of this importance, and at variance with a previous Resolution of Government, ought not to have been made without having been brought especially under the notice of Government as a change. On this and other points in that report, we shall shortly express our views more explicitly for the consideration of Government.

15. Since writing the above, we have received copy of your letter, No. 1,435, dated 8th instant, addressed to the Accountant, North Western Provinces, and as we do not quite understand what documents are referred to under the designation of "Returns" other than those alluded to in paragraph 10 of this letter, and as we have already intimated in our letter to you, dated 9th February 1861, that all documents relative to the Estimates of the Military Expenditure of Territories under the direct control of the Government of India, are to be forwarded to us, and by us to the Government of India, their transmission to the Accountant North Western Provinces, or Punjab, not being provided for by the Resolution of the 6th July 1860, we request you will be good enough to indicate the paragraph and date of any Resolution or of any report relative to the Budget System, in which any "Returns" are directed to be sent to the Accountants of the Bengal and Punjab Governments, and North Western Provinces. We shall, on clearly understanding what is required of us, make every exertion to comply with the demand.

(True Copy.)

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

*Proceedings of the Madras Government, Financial Department,
28th March 1861.*

From C. HUGH LUSHINGTON, Esq., Secretary to the Government of India, Financial Department, to the Military Finance Department, dated Fort William, Council Chamber, the 1st March 1861, No. 2,236.

Financial Department.

I am directed to acknowledge the receipt of your letter, No. 80a, dated the 18th ultimo.

2. With reference to paragraphs 2 to 6 of your letter, I am desired to observe that the responsibility of your Department, for the timely preparation of the Budget Estimates, can hardly be held to date from the day on which the Offices of the Military Accountants were ordered to be transferred. It has been shewn by the Accountant General that your Department accepted the responsibility in November last, and that the bulk of the work connected with the preparation of the Estimates was not in the Military Accountant's Office, but in the Offices which have for a considerable time been subordinate to your Department; and it was obviously the duty of your Department to apply to the Accountant General, in his capacity of Military Accountant, for any information that might be necessary to complete your Returns, which the Governor General in Council understands your Department did not do.

3. Referring to paragraph 8 of your letter, His Excellency in Council desires me to point out that the Estimates referred to by the Accountant General, are the Estimates of *Cash requirements* mentioned in paragraphs 54 to 56 of the Budget and Audit Committee's report, No. 6 of the 27th October 1860.

4. It is not clear whether you intend to speak of these Estimates as distinguished from the *Budget Estimates*. Your attention to the subject is requested, and I am to add that two distinct Estimates, viz., a *Budget Estimate*, and an Estimate of *Cash requirements* for the year, are necessary as prescribed in the report mentioned above.

5. You are requested to prepare both these Estimates, distinguishing, as far as can conveniently be done, the probable Cash requirements in each Government or Province.

6. With regard to the 9th paragraph of your letter, I am desired to inform you that you are right in supposing that the term Budget Returns employed in the 2nd and 3rd paragraphs of the letter of the Accountant General therein alluded to, refers to the Budget Estimates ordered to be prepared by the Resolutions of the 7th April, and 6th July 1860.

7. With respect to the 10th paragraph of your letter, I am desired to explain that the word "Returns" was intended to comprise all returns of every description which have to be furnished to the Accountants of the North Western Provinces, the Punjab, and Bengal by your Department, under the rules in force.

8. The suggestion contained in the 12th paragraph of your letter, that the technical expressions lately employed in the various reports of the Budget and Audit Committee to Government, and in the Government Resolutions thereon, be collected, and definitions thereof authoritatively issued from this Department, will be attended to.

9. With reference to the 13th and 14th paragraphs of your letter, the Governor General in Council observes, that the effect of the alteration brought to notice by you was intended, and must be understood, to apply only to the forms of Cash requirements necessary to enable the Civil Pay Master to provide a proper supply of funds at each District Treasury, and does not extend to the forms of the Military Estimates themselves, with which the Civil Auditor General has nothing to do, except when they involve matters affecting the Civil jointly with the Military Service, in which case it is right that they should be considered at the Audit Board where both Services are represented.

10. Adverting to the final paragraph of your letter, I am desired to refer you to my letter, No. 1,929, dated the 26th ultimo, relative to the Punjab Civil Force, in which all the points embraced in that paragraph are met.

*Proceedings of the Madras Government, Financial Department,
28th March 1861.*

No. 2,241.

* Governments of Bengal, North Western Provinces, Punjab,
Madras, and Bombay.
† Accountants General to the Governments of India, Madras,
and Bombay.
Accountants, Bengal, North Western Provinces, and Punjab.
Audit Board.

Ordered, that a copy of the above
and of the letter to which it is a repl
forwarded to the Military Department, a
the Governments* and Officers† noted i
margin, for information.

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

No. 76.

ORDER THEREON, 28th March 1861, No. 167.

Communicated to the Military Department.

(Signed) T. PYCROFT,
Chief Secreta

From the Military Finance Department, to the Secretary to the Government of India,
Financial Department, No. 80a, d., Calcutta, 18th February, 1861.

SIR,

WE have the honor to acknowledge the receipt of your order,
No. 1394, dated 8th February, 1861, passed on an explanatory letter from the
Accountant General, in reference to our communication, No. 37, dated 29th
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office had very little concern with the preparation of the Estimates under the
old form, the great body of them having been submitted by the Military Au-
ditor General; but that what he asked for were Estimates of cash requirements
for 1861-62, which are dependent on the "Budget Returns," and that the entire
charge and responsibility of preparing these was undertaken in November last
by the Military Finance Department, in supersession of the call made upon him
in October last.

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one set of conditions, while the absolute necessity for its agency, under other
and different conditions, is ignored.

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proximation in the aggregate to the eventual expenditure; but, in order to the
submission of *Estimates* or *Returns* of local cash requirements, it is necessary
that the Estimates of expenditure should be Budget Estimates, in order to as-
certain, in the first instance, the local cash requirements of the year; and, second-
ly, to prepare periodically the Statements of probable cash requirements from the
Civil Treasuries, as contemplated in paragraphs 83 and 84 of the Budget Com-
mittee's report, No. 1, of 30th July, 1860, recorded in the Proceedings of the
Government of India, Financial Department, No. 7371, dated 18th August,
1860.

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countant's office, where information of a special nature is alone recorded, should
be available; for how otherwise could the Officers of the Military Finance De-
partment be cognizant of the amount of recoveries, receipts, remittances, &c.
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the transfer of the Military Accountant's office, be properly enforced, and hence the above order proceeds, "that now that the Military and Naval Accounts are to be entrusted to the Military Officers recently appointed and separated from the offices of the Accountant General, it is the duty of the Military Finance Department to see that the Budget Estimates in every Department of the Military and Naval Services are transmitted, &c." We fully accept this responsibility, and shall use our best efforts to meet the requirements of the Public Service connected therewith, merely soliciting that a fair portion of time may be granted for performing the duty, dating from the day on which the means for executing the same were extended to us.

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14. We submit that an alteration of this importance, and at variance with a previous Resolution of Government, ought not to have been made without having been brought especially under the notice of Government as a change. On this and other points in that report, we shall shortly express our views more explicitly for the consideration of Government.

15. Since writing the above, we have received copy of your letter, No. 1435, dated 8th instant, addressed to the Accountant, North Western Provinces, and as we do not quite understand what documents are referred to under the designation of "Returns" other than those alluded to in paragraph 10 of this letter, and as we have already intimated in our letter to your address, No. 69a, dated 9th February, 1861, that all documents relative to the Estimates of the Military Expenditure of Territories under the direct control of the Government of India, are to be forwarded to us, and by us to the Government of India, their transmission to the Accountant, North Western Provinces, or Punjab, not being provided for by the Resolution of the 6th July, 1860, we request you will be good enough to indicate the paragraph and date of any Resolution or of any report relative to the Budget System, in which any "Returns" are directed to be sent to the Accountants of the Bengal and Punjab Governments, and North Western Provinces. We shall, on clearly understanding what is required of us, make every exertion to comply with the demand.

[Exd. E. C. Doss.]

True copy
Wm. C. Doss
Secy to the Govt of India

No. 2236

FROM C. H. LUSHINGTON, ESQUIRE,

SECRETARY TO THE GOVERNMENT OF INDIA,

FINANCIAL DEPARTMENT;

TO THE MILITARY FINANCE DEPARTMENT.

Fort William, Council Chamber, the 1st March, 1861.

Financial Department.

GENTLEMEN,

I AM directed to acknowledge the receipt of your letter, No. 80a, dated the 18th ultimo.

2. With reference to paragraphs 2 to 6 of your letter, I am desired to observe that the responsibility of your Department, for the timely preparation of the Budget Estimates, can hardly be held to date from the day on which the Offices of the Military Accountants were ordered to be transferred. It has been shewn by the Accountant General that your Department accepted the responsibility in November last, and that the bulk of the work connected with the preparation of the Estimates was not in the Military Accountant's Office, but in the Offices which have for a considerable time been subordinate to your Department; and it was obviously the duty of your Department to apply to the Accountant General, in his capacity of Military Accountant, for any information that might be necessary to complete your Returns, which the Governor General in Council understands your Department did not do.

3. Referring to paragraph 8 of your letter, His Excellency in Council desires me to point out that the Estimates referred to by the Accountant General, are the Estimates of *Cash requirements* mentioned in paragraphs 54 to 56 of the Budget and Audit Committee's report, No. 6, of the 27th October, 1860.

4. It is not clear whether you intend to speak of these Estimates as distinguished from the *Budget Estimates*. Your attention to the subject is requested, and I am to add that two distinct Estimates, viz., a *Budget Estimate*, and an Estimate of *Cash requirements* for the year, are necessary as prescribed in the report mentioned above.

5. You are requested to prepare both these Estimates, distinguishing, as far as can conveniently be done, the probable *Cash requirements* in each Government or Province.

28/6/72
20/2/79
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6. With regard to the 9th paragraph of your letter, I am desired to inform you that you are right in supposing that the term Budget Returns employed in the 2nd and 3rd paragraphs of the letter of the Accountant General therein alluded to, refers to the Budget Estimates ordered to be prepared by the Resolutions of the 7th April, and 6th July, 1860.

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10. Adverting to the final paragraph of your letter, I am desired to refer you to my letter, No. 1929, dated the 26th ultimo, relative to the Punjab Civil Force, in which all the points embraced in that paragraph are met.

I have the honor to be,

GENTLEMEN,

Your most obedient servant,

W. C. H. Lushington

Secretary to the Government of India.

2241

ORDERED, that a copy of the above letter, and of the letter to which it is a reply, be forwarded to the Military Department, and to the Governments* and Officers† noted in the margin, for information.

* Governments of Bengal, North Western Provinces, Punjab, Madras, and Bombay.
† Accountants General to the Governments of India, Madras, and Bombay.
Accountants, Bengal, North Western Provinces, and Punjab.
Audit Board.

W. C. H. Lushington
Secretary to the Government of India.

[Exd. E. C. Doss.]

Pro: 26 Sept 1860 Pro 66-57

Pro: 1861 - Sep 15

From

The Secy to the Govt
of India. 2241.

St. 1st 21st 3 March 1861.

Enc 1

22-1429.

Copy for information
of a letter addressed
to the Privy Council
relative to the preparation
of the Military Budget &c.
to India & Mysore &c.

With an Order

Order Memo. 28 March 1861. Pro 67.
Communicated to
the Military Department.
J.P.

13 the Military Dept. 28-3-61.