M.R.O. 1—77,000—8-6-37.

(1) Number of pages _____

(2) Date of repair _____

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Financial **DEPARTMENT.**

G.O. No. 474	Press / Mis.
33-34.	
Dated 23-9-	1861.

33-34 5/b

Not to be folded or roughly handled

1K

Proceedings of the Madras Goverment, Financial Department,
23rd September 1861.

No. 33. Read the following Extract from the Proceedings of the Government of India in the Financial Department, under date the 20th August 1861, No. 10,615.

Read the following papers regarding the organization and the duties of the Civil and Military Finance Departments.

General Orders of the Government of India in the Military Department, No. 710, dated the 6th July 1860.

Resolution of the Government of India in the Financial Department, No. 119, dated the 16th November 1860.

Read a letter from the Chief of the Military Finance Department, No. 633A, dated the 15th August 1861, suggesting the expediency of defining the duties of the Controllers of Military Finance and abolishing the designation of Military Auditor General.

RESOLUTION.—His Excellency the Governor General in Council observes that by the orders already passed in the Military and Financial Departments in regard to the constitution of the Department of Military Finance, the office of Military Auditor General as an Auditor of Military disbursements in detail, has been virtually abolished, the duty of after-check on Military expenditure, known as the "detailed audit," having been transferred to the several examiners of Military accounts, while the general functions of control hitherto exercised by the Military Auditor General have been merged in the enlarged powers of preliminary check and control over Military expenditure of every description before it is incurred—entrusted, under the new system, to the Controllers of Military Finance. The object of the change was to secure the practical application of a complete system of Financial control. The mere exercise of previous control over expenditure without subsequent audit, or mere subsequent audit without previous control, cannot, either of them alone, give adequate security to Government for the correct appropriation of the monies or stores as sanctioned, nor ensure prompt notice and correction of any irregularity or excess. The cases will probably be few in which actual interference will be required as the beneficial results of the system are to be expected rather from the existence of the power of control than from its actual exercise.

The functions of the Controllers having thus been rendered more extensive than those appertaining to the Military Auditors General under the old system, His Excellency in Council directs that the title of Military Auditor General, hitherto associated with that of Controller of Military Finance be dispensed with, and that the local chief of the Military Finance Department in each Presidency be distinguished in future by the single designation of Controller of Military Finance as previously indicated in Financial Resolution No. 119, dated 16th November 1860.

The duties of these Officers have already been partially described in the general order promulgated by the Military Department on the 6th July 1860. Their special and primary duty is to make a strict preliminary scrutiny into all demands for money or stores, whether the demand be entered in the Estimates of the several Departments or arise during the course of the year from unforeseen causes. It will also be their duty to supervise and control the appropriation of the grants according to the authorized or sanctioned scale verifying by this preliminary appropriation audit the apportionment as made by Government. When the disbursements come up for final appropriation audit, they are also held responsible for the due observance of these limits; they are now, as Controllers, exempt from direct responsibility for charges passed by the examiners, and are consequently in a better position to judge of, and report on, the propriety and consistency of the acts of Executive Officers, but with a view of more clearly defining their position, His Excellency in Council now directs that the following additional rules be laid down for the information and guidance of the authorities concerned.

The Controllers will check every requisitions for stores on England as an element of the Annual Military Estimates.

The proceedings of administrative heads of Military Departments involving money questions directly or indirectly whether affecting requisitions for stores from England, expenditure from reserve Stock or disbursements of cash for procuring local supplies or carriage, will all be subject to the Controllers' observation and opinion.

Proceedings of the Madras Goverment, Financial Department,
23rd September 1861.

The cognizance and influence of the Controllers of Military Finance being thus extended to all affairs coming within the range of the Military Financial administration, it is necessary for the Governments of Madras and Bombay to refer to these Officers for report every question affecting the Military expenditure of the respective Presidencies in accordance with the principle on which such questions are now forwarded for the opinion of the Military Finance Department before orders are passed on them by the Government of India. On questions connected with Military expenditure in Bengal, the Controller of Military Finance will be consulted by the Military Finance Department.

ORDER.—Ordered that copies of the foregoing Resolution be forwarded to the Military Department, the Military Finance Department and the Governments of Madras and Bombay for information and further necessary orders.

Ordered also that the Resolution be published in the Official Gazette for general information.

(A true Extract.)

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

No. 34. ORDER THEREON, 23rd September 1861, No. 474.

Communicated to the Military Department, and ordered to be published in the Fort Saint George Gazette.

(Signed) J. D. SIM,
Secretary to Government.

Exd. F. Cartledge.

No 1615

3K

Extract from the Proceedings of the Government of India in the Financial Department under date the 20th August 1861.—

Read the following papers regarding the organization and the duties of the Civil and Military Finance Departments:

General orders of the Government of India in the Military Department No 716 dated the 6th July 1860.—

Resolution of the Government of India in the Financial Department No 119 dated the 16th November 1860.—

Read a letter from the Chief of the Military Finance Department No 635 A dated the 15th August 1861 suggesting the expediency of defining the duties of the Controllers of Military Finance and abolishing the designations of Military Auditor General.—

Resolution. His Excellency the Governor General in Council observes that by the orders already passed in the Military and Financial Departments in regard to the constitution of the Department of Military Finance, the office of Military Auditor General as an Auditor of Military disbursements in detail, has been virtually abolished, the duty of after check on

on Military expenditure, known as the "detailed audit", having been transferred to the General Examiners of Military Accounts, while the general functions of control hitherto exercised by the Military Auditor General have been merged in the enlarged powers of preliminary check and control over Military Expenditure of every description before it is incurred entrusted, under the new System, to the Controllers of Military Finance. The object of the change was to secure the practical application of a complete system of financial control. The mere exercise of previous control over expenditure without subsequent audit, or mere subsequent audit without previous control, cannot either of them alone, give adequate security to Government for the correct appropriation of the monies or stores as sanctioned, nor ensure prompt notice and correction of any irregularity or excess. The cases will probably be few in which actual interference will be required as the beneficial results of the System are to be expected rather from the existence of the power of control than from its actual exercise.—

The functions of the Controllers having thus been rendered more extensive than those appertaining to the Military Auditor General under the old System, His Excellency in Council directs that the title of Military

Auditor

5K

Auditor General, attached associated with that of Controller of Military Finance, be dispensed with, and that the head Chief of the Military Finance Department in each Presidency be distinguished in future by the single designation of Controller of Military Finance as previously indicated in Financial Resolution No 117 dated 16th November 1860.

The duties of these officers have already been partially described in the general orders promulgated by the Military Department on the 1st July 1860. Their special and primary duty is to make a strict preliminary scrutiny into all demands for money or stores whether the several Departments or arise during the course of the year from unforeseen causes. It will also be their duty to supervise and control the appropriation of the funds according to the authorized or sanctioned scale verifying by this preliminary appropriation audit the apportionment as made by Government. When the disbursements come up for final appropriation Audit, they are also held responsible for the due observance of these limits. They are now, as Controllers exempt from direct responsibility for charges passed by the Examiners, and are consequently in a better position to judge of and report

orders are passed on them by the Government of India. On questions connected with Military expenditure in Bengal, the Controller of Military Finance will be consulted by the Military Finance Department.—

Order. Ordered that copies of the foregoing Resolution be forwarded to the Military Department, the Military Finance Department and the Governments of Madras and Bombay for information and further necessary orders.—

Ordered also that the Resolution be published in the Official gazette for general information.—

(A True Extract)

Secretary to the Govt of India—

over the propriety and consistency of the acts of Executive Officers, but with a view of more clearly defining their positions. His Excellency in Council was directs that the following additional rules be laid down for the information and guidance of the authorities concerned.—

The Controllers will check every requisitions for Stores on England as an element of the Annual Military Estimates.—

The proceedings of Administrative Heads of Military Departments involving money questions directly or indirectly whether affecting requisitions for Stores from England, expenditure from Reserve Stock or disbursements of Cash for procuring local supplies or Carriage, will all be subject to the Controller's observation and opinion.—

The cognizance and influence of the Controllers of Military Finance being thus extended to all affairs coming within the range of the Military financial Administration it is necessary for the Governments of Madras and Bombay to refer to these officers for report every question affecting the Military expenditure of the respective Presidencies in accordance with the principle on which such questions are now forwarded for the opinion of the Military Finance Department before

orders

Rec 18th August 61 No. 440

List of Dests

33-34

Finl 1861 Sept 41

From

The Secy to the Govt of India. Fd. 9th 1861.

D/ 20th Augt
R/ 16th Sept 33/61.

No 582

Copy the Resolution of that Govt directing the abolition of the designation of Mily Auditor Genl hitherto associated with that of Controller of Mily Finance & that the local Chiefs of the Mily Finance Dept in each Presidency or Fortress singly designated Controller of Mily Finance & laying down certain rules for the guidance of the Authorities concerned with an Order

Order thereon 23d Septr 1861 No 474.

Communicated to the Military Department & ordered to be published in the Fort St George Gazette.

To the Military Dept 24/9

Gazette

No 1 St