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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	<u>529</u>	Press
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*Proceedings of the Madras Government, Financial Department,
29th October 1861.*

No. 60. Read the following Extract from the Proceedings of the Government of India, in the Financial Department, dated 25th September 1861, No. 12,003.

Read Despatch from the Secretary of State for India, No. 129 of 1861, dated 9th August.

RESOLUTION.—As regards the October Estimate of Cash Requirements which the Secretary of State desires should supply the place of the Sketch Estimate, His Excellency the Governor General in Council observes, that this Estimate has been dispensed with, under orders of this Government, dated 8th July 1861, and that it is now too late to rescind them. His Excellency in Council therefore directs that a copy of those orders be transmitted to the Secretary of State for India, with an intimation that in future years, the Estimate will be punctually supplied.

2. With respect to the Regular Estimate for 1861-62, called for in paragraph 7, His Excellency the Governor General in Council observes that the chief question for consideration is in what form it shall be supplied; that is whether it shall be prepared according to the headings of the Regular Estimates furnished in former years, or according to the classification of the Budget.

3. On the one hand, it may perhaps be urged that if the old form is used, Government will be more certain of every receipt and disbursement being given, and that it may facilitate the preparation of the Parliamentary Returns, which, in the two last years, have been compiled from Estimates drawn up in the old form; it may also be urged that it will form a good check on the Budget.

4. On the other hand, it may be urged that such a check is not necessary; that by the time the Regular Estimate is drawn up any omissions in the Budget will have become apparent; that the preparation of the Regular Estimate in the old form would be productive of additional labour in the Offices of the Deputy Auditors General; that there will be little real difficulty in preparing the Parliamentary Returns from Estimates drawn up in the Budget form; and that it is expedient, with a view to the operations of future years, that the classification of the Budget should be preserved on this occasion.

5. In these last mentioned views His Excellency the Governor General in Council concurs,

and he accordingly directs that a Regular Estimate, based upon the entries given in the Budget Estimates, be at once demanded in the form given in the margin, with an intimation that it must be furnished to this Department by the 1st of December, if possible, or at the latest by the 15th of that month; and that it must be accompanied by full explanations of any increase or decrease in the 1st Section* of the 3rd column, as compared with the Budget Estimates originally furnished, as well as of any large items of arrears. The increases and decreases referred to, will be owing, partly to additions or reductions sanctioned by the Government, partly to necessities of the local Governments which are well known, but for which extra grants have not yet been sanctioned or for which applications have not yet been made. The information necessary to the insertion of such increases or decreases will almost always, if not always,

Regular Estimate Year 1861-62.

Particular of Receipts.	Budget entries sanctioned by Government.	ESTIMATE NOW FORMED.				Deduct, adjusted receipts in the accounts of other Governments.	Total cash receipts of Presidency or Province.	Remarks.
		Budget entries with corrections up to date.*	Add, estimated receipts on account of 1860-61, and former years.	Deduct, income of the current year which will not be realized within the year 1861-62.	Total cash receipts.			
Particulars of Disbursements.	Budget entries sanctioned by Government.	ESTIMATE NOW FORMED.				Deduct, adjusted charges in the accounts of other Governments.	Total cash requirements of Presidency or Province.	Remarks.
		Budget entries with corrections up to date.*	Add, estimated payments on account of grant of 1860-61, and former years.	Deduct, charges of the current year which will not be disbursed within the year 1861-62.	Total cash disbursements.			

ates originally furnished, as well as of any large items of arrears. The increases and decreases referred to, will be owing, partly to additions or reductions sanctioned by the Government, partly to necessities of the local Governments which are well known, but for which extra grants have not yet been sanctioned or for which applications have not yet been made. The information necessary to the insertion of such increases or decreases will almost always, if not always,

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be available in the offices of the Deputy Auditors General. It will seldom be necessary to refer to the Local Governments or to call for detailed information from the Districts. But a copy of this Regular Estimate when complete should be forwarded to each Local Government and Administration concerned, not later than the date on which it is forwarded to the Government of India, in order that no time may be lost should any additional information or explanation seem called for.

6. The Regular Estimate in this form will, His Excellency in Council observes, give all that is required. It will include all receipts and disbursements on account of Revenues, Charges, Debt and Supplies; it will shew the Revenues and Charges in the Budget, the arrears of former years, the Cash Requirements of the year, and the sums likely to remain unreceived or unpaid at the end of the year under each head of each Budget grant; and it will enable Government not only to prepare the Parliamentary Returns in the manner in which they have hitherto been prepared, that is, by an exhibition of the anticipated Receipts and Disbursements of the year, but will also enable Government to ascertain the probable surplus or deficit of the year on a true principle, namely, by a comparison of the Budget entries of *Income and Expenditure*.

7. The directions given in the Auditor General's Circular, No. 16, of 25th September 1861, in respect to the preparation of the Cash Requirement Estimates for 1862-63, will, His Excellency the Governor General in Council observes, so far as the Civil portion is concerned, apply generally to the Regular Estimate also, which, like the Cash Requirement Estimate, will be a continuous Statement similar to the Annual Receipts and Disbursements rendered under the old system. The Army and Navy Estimates as well as the Estimates for that portion of the Marine which is under the Government of India, will be prepared in communication with the Military Controllers; and the Deputy Auditors will be careful to see that no items of any description, Civil or Military, heretofore shewn in their Regular Estimates, are excluded, and that none are entered twice over.

8. His Excellency in Council also directs that a separate Estimate be furnished for each Province to correspond with the separate Budget Estimates, and that in every practicable case they be at once printed by the Office drawing them up, on paper of uniform size and, as far as possible, in uniform type.

Extract from a Despatch from the Right Honorable the Secretary of State for India, to the Government of India, Financial Department, dated the 9th August, No. 129 of 1861.

Paragraph 3. With reference to the proposition of the Budget and Audit Committee as to the accounts to be forwarded to this country in future, I sanction the discontinuance of the following Statements, viz. :—

Quarterly Statements.

Accounts Current with Her Majesty's Colonial Government in the West Indies.
Comparative Statement of the Sales and Duty levied on Salt in Bengal.

Annual Statements.

Account Current with the Ceylon Government.
Account Current with the Mauritius Government.
Dead Stock Statement.
Copies of Cash Accounts of the Treasuries in the Straits Settlements.
Copies of the Durbar Books.

4. You propose to discontinue the Anticipation Sketch Estimates, Sketch Estimates, and Regular Estimates, and to furnish only the Budget Estimates, including an Estimate of Cash Requirements, with a further Estimate of Cash Requirements to be prepared on the 1st of October in each year. This proposition is open to objection.

5. The Budget Estimates will take the place of the Anticipation Sketch Estimate, but full explanations must be given of the differences shewn therein, when compared with the Estimates of the preceding year.

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6. The Sketch Estimate has been hitherto furnished in October. This may be discontinued, its place being supplied by your October Estimate of Cash Requirements. According to your proposition no additional Estimate would then be rendered, and the Home Government would be without further information in regard to the results of the year until the receipt of the Actual Accounts, which I do not anticipate will be rendered until the Autumn succeeding the close of the official year. A period of about 18 months would thus elapse after the closing of the Budget Estimates before any detailed statement of receipt and expenditure could be received.

7. To that proposition I cannot assent. As regards expenditure, I trust it will be found that the deviations from the Budget Estimates will generally prove to be unimportant, but in the revenues some changes may reasonably be anticipated. About the month of January in each year, when the Regular Estimates have been hitherto framed, you must be in a position to judge whether any and what alterations are to be anticipated in the results shewn in the Budget Estimates; and as, under any circumstances, it would be necessary for you to prepare about that time the annual accounts for Parliament of the Revenues and Charges "for the Financial year preceding that last completed," "together with the latest Estimate of the same for the last Financial year," I consider that the Regular Estimates should still be supplied as heretofore. These Estimates, as well as your Actual Accounts, must be accompanied by full explanations of any increase or decrease, as compared with the Budget Estimates.

8. I do not object to your proposition to discontinue the transmission of the Monthly Statement of Assets and Liabilities of the Calcutta General Treasury. I request, however, to be furnished quarterly with a Statement shewing the assets and liabilities of the several Treasuries throughout India, and I shall make the necessary communications to the Governments of Madras and Bombay in respect to the Treasuries subject to those Governments respectively.

(True Copy.)

(Signed) C. HUGH LUSHINGTON,

Secretary to the Government of India.

Extract from a Despatch from the Right Honorable the Secretary of State for India; to the Government of India, Financial Department, dated the 9th August, No. 129 of 1861.

Paragraph 11. The stores supplied from this country should be included among the charges of the several Governments and Departments to which they have been supplied, and the interest paid in this country on the Transfer Loan, which is essentially an Indian debt, should also be included among Indian charges; but the "Home charges on the Revenues of India" can be entered in your Estimates and Actual Accounts, in the aggregate, and to enable you to include those charges in your Budget Estimates and Actual Accounts, the necessary particulars will be supplied to you periodically.

12. In regard to the large amount of balances standing on your books against London, under the heads of "Account Current with London," and similar heads, amounting, as you state, in 1858-59, to upwards of 70 crores of Rupees, measures should be adopted for immediately closing those entries on your books.

13. The future supplies to and from this country should be included under one general head of "Account Current with London" which should be confined to actual transactions, the entries of loss or gain by exchange, &c., which are now included therein, being in future credited or debited at once to the proper heads as extraordinary receipts or charges of the year. The items included under "Account Current with London" will then consist of actual supplies of money or value of stores, whether by means of advances on account of the Imperial Government, or otherwise; and credit must be given to London in each year for the amount of the Home Charges.

14. By adopting that course, the balance of the account will be kept down, and in order more completely to effect that object, I desire that you will transmit to me half-yearly, as soon as practicable after the 30th April and 31st October, three copies of your Account Current with London, commencing with the 1st May last, accompanied by statements shewing in detail the

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particulars of the receipts and payments included therein. You will be apprised from time to time of any sums included in your "Account Current with London," which may prove to be wholly or partially irrecoverable, in order that the amount may be written back to the credit of London in your next half-yearly Account Current, and be debited in India as an extraordinary charge, under its proper head.

(True Copy.)

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

Ordered, that copies of these Resolutions be forwarded to the undermentioned Officers viz.:—

To the Auditor General of India, with extracts from the letter of the Right Honorable the Secretary of State, namely, paragraphs 4 to 7, with an intimation that in furnishing the Budget Estimates for 1862-63, the instructions contained in paragraph 5 in regard to the differences shewn in the Budget Estimates, when compared with the Estimates of the preceding year, must be carefully attended to; and paragraphs 11 to 14, with a request that he will take the necessary measures for advising the Accountant General to the Government of India, and the Deputy Auditors and Accountants General, in regard to paragraphs 11, 12 and 13, as well as for supplying the Account Current with London, in duplicate, as requested by Sir Charles Wood, in paragraph 14; and for directing all the Officers of Account to carry out the instructions contained in this Resolution.

To the Military Finance Department, with extracts paragraphs 4 to 7, and 11 to 13, with an intimation that in furnishing the Budget Estimates for 1862-63, the instructions contained in paragraph 5 in regard to the differences shewn in the Budget Estimates, when compared with the Estimates of the preceding year, must be carefully attended to.

To the Accountant General to the Government of India, with extracts paragraphs 3 to 8.

To all Deputy Auditors and Accountants General, with extracts paragraphs 4 to 7.

Ordered also that a copy of the above Resolution, together with copies of the extracts cited, be sent to the several Local Governments and Administrations.

(A true Extract.)

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

No. 61.

ORDER THEREON, 29th October 1861, No. 529.

To be recorded.

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

Exd. T. O'Connor.

No. 12003

EXTRACT from the Proceedings of the Government of India, in the Financial Department, d. 25th September 1861.

READ despatch from the Secretary of State for India, No. 129 of 1861, dated 9th August.

RESOLUTION.—As regards the October Estimate of Cash Requirements which the Secretary of State desires should supply the place of the Sketch Estimate, His Excellency the Governor General in Council observes, that this Estimate has been dispensed with, under orders of this Government, dated 8th July 1861, and that it is now too late to rescind them. His Excellency in Council therefore directs that a copy of those orders be transmitted to the Secretary of State for India, with an intimation that in future years, the Estimate will be punctually supplied.

2. With respect to the Regular Estimate for 1861-62, called for in paragraph 7, His Excellency the Governor General in Council observes that the chief question for consideration is in what form it shall be supplied; that is whether it shall be prepared according to the headings of the Regular Estimates furnished in former years, or according to the classification of the Budget.

3. On the one hand, it may perhaps be urged that if the old form is used, Government will be more certain of every receipt and disbursement being given, and that it may facilitate the preparation of the Parliamentary Returns, which, in the two last years, have been compiled from Estimates drawn up in the old form; it may also be urged that it will form a good check on the Budget.

4. On the other hand, it may be urged that such a check is not necessary; that by the time the Regular Estimate is drawn up any omissions in the Budget will have become apparent; that the preparation of the Regular Estimate in the old form would be productive of additional labor in the Offices of the Deputy Auditors General; that there will be little real difficulty in preparing the Parliamentary Returns from Estimates drawn up in the Budget form; and that it is expedient, with a view to the operations of future years, that the classification of the Budget should be preserved on this occasion.

5. In these last mentioned views His Excellency the Governor General in

Regular Estimate Year 1861-62.

Particulars of Receipts.	Budget entries sanctioned by Government.	ESTIMATE NOW FORMED.				Deduct adjusted Receipts to the accounts of other Govts.	Total Cash Receipts of Presidency or Province.	Remarks.
		Budget entries with corrections up to date.	Add, estimated Receipts on account of 1860-61, and former years.	Deduct Income of the current year which will not be realized within the year 1861-62.	Total Cash Receipts.			
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must be accompanied by full explanations of any increase or decrease in the 1st section* of the 3rd column, as compared with the Budget Estimates originally furnished, as well as of any large items of arrears. The increases and decrease referred to, will be owing, partly to additions or reductions sanctioned by the Government, partly to necessities of the local Governments which are well known but for which extra grants have not yet been sanctioned or for which application have not yet been made. The information necessary to the insertion of such increases or decreases will almost always, if not always, be available in the offices of the Deputy Auditors General. It will seldom be necessary to refer to the Local Governments or to call for detailed information from the districts. But a copy of this Regular estimate when complete should be forwarded to each Local Government and administration concerned, not later than the date on which it is forwarded to the Government of India, in order that no time may be lost should any additional information or explanation seem called for.

6. The Regular Estimate in this form will, His Excellency in Council observes, give all that is required. It will include all receipts and disbursements on account of Revenues, Charges, Debt and Supplies; it will show the Revenues and Charges in the Budget, the arrears of former years, the Cash Requirements of the year, and the sums likely to remain unreceived or unpaid at the end of the year under each head of each Budget Grant; and it will enable Government not only to prepare the Parliamentary Returns in the manner in which they have hitherto been prepared, that is, by an exhibit of the Anticipated Receipts and Disbursements of the year, but will also enable Government to ascertain the probable surplus or deficit of the year on a true principle, namely, by a comparison of the Budget entries of *Income and Expenditure*.

7. The directions given in the Auditor General's circular, No. 1 of 25th September 1861, in respect to the preparation of the Cash R

Council concurs, and he accordingly directs that a Regular Estimate, based up on the entries given in the Budget Estimates, be at once demanded in the form given in the margin, with an intimation that it must be furnished to this Department by the 1st of December, if possible, or at the latest by the 15th of that month; and that it

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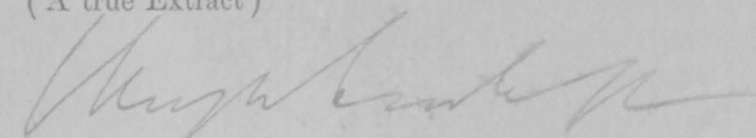
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Ordered also that a copy of the above Resolution, together with copies of the extracts cited, be sent to the several Local Governments and Administrations.

(A true Extract)


Secretary to the Government of India.

