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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.

164

Press
Mis.

Dated

22-2-

1862.

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Not to be folded or roughly handled

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*Proceedings of the Madras Government, Financial Department,
22nd February 1862.*

No. 100. Read the following letter from Lieutenant Colonel T. McGOUN, Controller of Military Finance; to Colonel H. MARSHALL, Secretary to Government, Military Department, Fort Saint George, dated 21st February 1862, C.

In compliance with the Order of Government under date 19th current, No. 645, forwarding for my report the Proceedings of Madras Government as per margin, I have the honor to submit, that I am unable to perceive the advantages to be realized by the changes in existing arrangements therein proposed.

No. 142, 15th February 1862. Passing orders on rules submitted by the Accountant General, consequent on the transfer of the duties of the General Treasury to the Madras Bank.

2. It moreover appears to me that these changes are subversive of the system of Military Account lately introduced and now on the point of being brought to a successful issue.

3. It has been a main object with the Military Finance Department to establish a distinction between the Executive, or Disbursing Officer, and the Accounting Officer. In furtherance of this object the labour of the Paymaster has been lightened and his responsibility diminished, while the Military Accountant has become the sole Accounting Officer to Government as far as regards Military expenditure.

4. The present arrangement with regard to the disposal of the effects and credits of deserters and deceased officers and men is in strict accordance with this principle.

5. The Paymaster receives all sums recovered at the Presidency on account of Estates and disburses on the same account on orders from the Military Accountant any amount which the Military Secretary to Government may direct to be paid at the Presidency to him or other parties concerned. Thus he is the Executive Officer responsible only that the correct amount of the sum received or disbursed by him is entered in his books. The individual account of the Estate is kept by the Military Accountant with whom the responsibility rests of adjusting the account as it stands between Government and the Estate, and of making the necessary remittances to parties in the interior or in Europe.

6. Articles of value such as Medals, Jewels, &c., have hitherto been placed in deposit under the orders of the Military Secretary to Government.

7. It may generally be observed that the new rules on this point, with the exception of the instance in which the Paymaster is directed to transmit the cash received by him on account of assets of deserters, &c., daily to the Bank of Madras, direct, is a mere transfer of duty from the Military Accountant within whose functions that duty lies, to the Military Paymaster who has no means of keeping a correct account of such transactions except in communication with the Military Secretary to Government, and who has no means of carrying out these instructions, should they eventually prove desirable, his establishment being already overworked.

8. These proposed changes appear consequent on the transfer of the business of the General Treasury to the Bank of Madras, but the alterations, with the one exception just noticed, do not appear to have any connection with the requirements of the Bank of Madras in its new position.

9. I would even go so far as to suggest that, as is the case with other cash payments, all sums on account of Estates, &c., be at once paid into the Bank, the receipt being forwarded to the Presidency Paymaster to enable him to make the necessary entry in his books.

10. I observe that the practice directed to be pursued in these new rules has also been ordered to be followed in the Bengal Presidency; but as it appears to me at variance with an important principle established by the Military Finance Department, it is at least doubtful whether it will be strictly carried out; I would therefore respectfully urge that unless it be found absolutely necessary to the transfer, of the Accounts of the General Treasury to the Bank, no change in existing arrangements be insisted on.

Referred to the Financial Department with advertence to Proceedings in that Department, No. 142 of the 15th instant.

FORT SAINT GEORGE,
22nd February 1862.

(Signed) H. MARSHALL, Colonel,
Secretary to Government.

Proceedings of the Madras Government, Financial Department,
22nd February 1862.

No. 101.

ORDER THEREON, 22nd February 1862, No. 164.

Resolved, that the foregoing letter be communicated to the Accountant General in reference to the Order in this Department, dated the 15th instant, No. 142, and that he be requested to report whether there appear to him to be any objection to the present arrangements in regard to the disposal of the effects and credits of deserters and deceased Officers and men, being maintained, as also to the course suggested in paragraph 9 being followed.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. F. Cartledge.

C.

Office of Comr of Milly Fince.
Fort St. George 21st February 1862

From,

Lieut. Colonel J. McLean,
Comr of Military Fince.

To,

Colonel H. Marshall,
Secretary to Government
Military Department.

Sir,

14th Feb 1862.

Passing order on

rule, submitted

by the Accountant

General, consequent

on the transfer of

the duties of the

General Treasury

to the Comr.

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In compliance with the order
of Government under date 19th Current. N^o 645.
forwarding for my report the Proceedings of
Madras Government as per margin, I have
the honor to submit that I am unable to per-
ceive the advantages to be realized by the
changes in existing arrangements therein
proposed.

It moreover appears to me that
these changes are subversive of the system of
Military Account lately introduced and now
on the point of being brought to a successful
issue.

Yours

3. It has been a main object with the Military Finance Department to establish a distinction between the Executive, or Disbursing officer, and the Accounting Officer. In furtherance of this object the labour of the Paymaster has been lightened, and his responsibility diminished, while the Military Accountant has become the sole Accounting Officer to Government as far as regards Military Expenditure.

4. The present arrangement with regard to the disposal of the effects and Credits of deserters and deceased Officers and men is in strict accordance with this principle.

5. The Paymaster receives all sums recovered at the Presidency on account of Estates and disburses on the same account on orders from the Military Accountant any amount which the Military Secretary to Government may direct to be paid at the Presidency

4. 21 May 1861 to 197.

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Presidency to him or other parties concerned. - Thus he is the Executive Officer responsible only that the correct amount of the sum received or disbursed by him is entered in his Books. - The individual account of the estate is kept by the Military Accountant with whom the responsibility rests of adjusting the account as it stands between Government and the Estate & of making the necessary remittances to parties in the interior or in Europe.

6. Articles of value such as Medals, Jewels &c. have hitherto been placed in deposit under the orders of the Military Secretary to Government.

7. It may generally be observed that the new rules on this point, with the exception of the instance in which the Paymaster is directed to transmit the Cash received by him on account of assets of Deserters &c. daily to the Bank of Madras, direct, a mere transfer of duty from

from the Military Accountant within whose functions that duty lies, to the Military Paymaster who has no means of keeping a correct account of such transactions except in communication with the Military Secretary to Government, & who has no means of carrying out these instructions, should they eventually prove desirable, his Establishment being already overworked.

8 These proposed changes appear consequent on the transfer of the business of the General Treasury to the Bank of Madras, but the alterations, with the one exception just noticed, do not appear to have any connection with the requirements of the Bank of Madras in its new position.

9 I would even go so far as to suggest that, as is the case with other cash payments, all sums on account of Estates &c. be at once paid into the Bank

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Bank the receipt being forwarded to the Presidency Paymaster to enable him to make the necessary entry in his books.

10. I observe that the practice directed to be pursued in these new rules has also been ordered to be followed in the Bengal Presidency; but as it appears to me at variance with an important principle established by the Military Finance Department, it is at least doubtful whether it will be strictly carried out; I would therefore respectfully urge that unless it be found absolutely necessary to the transfer of the accounts of the General Treasury to the Bank, no change in existing arrangements be insisted on.

I have the honor to be,
Sir,
Your Most Obedt. Servant
W. R. M. L. Inf.
Cont. of Mil. Finance

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 1862
 Financial Department
 Proceedings of the Board of Governors
 Read the following letter from the Controller of Military Finance.

(dated 21 February 1862.)

Order thereon - 22nd February 1862. No. 104

Resolved, that the foregoing letter be communicated to the Accountant General in reference to the Order in this Department dated the 15th Instant. No. 142, and that he be requested to report whether there appear to him to be any objection to the present arrangements.

We have no objection to a continuance of the present arrangements - his rule was

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Financial Department
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Proceedings of the Board of Governors
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Submitted by the Accountant General in the form of the draft of the order for the payment to the Military Board.

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Approved by the Board of Governors
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Financial Department 22nd

Sept 1862

Sept 1862

Sept 1862

Pro: of Govt

Sept 22 1862

Forward to the Secretary
General for report on Commission
from the Controller of
Military Finance relative to
the arrangements made for
the disposal of the credit and
effects of the debt and proceeds
of the same and, more on the
Matters of the Treasury
concerning to the Bank of
Madras

Sept 1862

Sept 1862

Sept 1862

Sept 1862

Sept 22 1862

Sept 1862

Sept 22 1862

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