M.R.O. 1—77,006—3-6-37.

(1) Number of pages 22

(2) Date of repair 21-6-[illegible]

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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. [illegible]	259	Press / Mis.
14-15		
Dated 5-4		18[illegible].

14-15 [illegible]

Not to be folded or roughly handled

24

Proceedings of the Madras Government, Financial Department, 5th April 1862.

No. 14. Read the following letter from C. H. LUSHINGTON, Esq., Secretary to the Government of India, Financial Department; to the Chief Secretary to Government of Madras, dated Fort William, Council Chamber, the 14th February 1862, No. 1,359.

Financial Department.

With reference to the Minute recorded by the Right Honorable the Governor of Madras, dated 12th November 1861, and the Proceedings of the Madras Government thereon, dated 2nd December following, relative to the preparation of certain Returns of Revenue and Expenditure of the Madras Presidency, I am directed to forward to you copy of a letter from the Auditor General of India, No. 1,516, dated 22nd ultimo, and to state that the Governor General in Council fully concurs with the Madras Government in thinking it desirable that local Governments should exercise a careful supervision over their own Budget Estimates and financial position, not only in matters of purely local concernment, but also in those which involve considerations of Imperial finance.

2. The main branches both of Revenue and Expenditure are, and must remain Imperial and not local; and the Government of India must therefore exercise a superintending control, and, for this purpose, enforce, through its own Officers, an uniform system of Account and Audit. But in so doing, it is by no means its wish to centralize the details of procedure more than is necessary; and the more carefully estimates are framed, revenue fostered, and expenditure checked by local Governments, the less necessity will there be for interference by the Supreme Government.

3. It is, therefore, with no wish to check the policy indicated by the Minute of His Excellency the Governor of Madras, that I am desired to call attention to the letter of the Auditor General. The Government of India freely recognize the right of the local Government to call for Returns and information from their own Board of Revenue and local Officers in any form they consider requisite, and also from the Deputy Auditor and Accountant General, or other Officers of the Supreme Government in their Presidency, to any extent which does not involve any serious delay, expense or inconvenience in the discharge of the duties for which such Officers are primarily responsible.

4. At the same time, the Madras Government will not fail to perceive the force of the remarks of the Auditor General as to the inexpediency of multiplying forms and Returns further than is necessary, and as to the importance of preserving, as far as possible, uniformity in such Accounts and Returns as may be required for statistical purposes and as guides of financial policy.

5. With this view, it will be obviously desirable that wherever the Budget forms of estimate and account, which have been adopted after careful consideration for the whole Empire, will furnish the requisite information, fresh forms should not be asked for, but the information furnished by the Budget forms should either be used by the local Governments, (even if it be not given in the precise form which they might themselves have adopted,) or, if substantial reasons exist for it, that this information should be re-cast into such forms as the local Government Judge to be necessary, in their own Central Office.

6. In the present instance, it would appear that all, or nearly all, the information considered desirable by His Excellency the Governor of Madras is contained in the Budget, or is available in Madras through the Sudder Adawlut, the Board of Revenue and Public Works Department, and that nothing is required but a somewhat different arrangement of this information, to be prepared, not through the Deputy Auditor and Accountant General, or any Officer of the Supreme Government, but in the Secretariat of the Madras Government, care being taken that all the administration and other departmental reports are so prepared as to refer directly to the divisions given in the Imperial forms.

7. To this there can be no objection on the part of His Excellency the Governor General in Council, though it may be desirable to draw the attention of the Madras Government to the advisability of adhering to the established Budget forms whenever they will answer the purpose, for the sake both of diminishing labor and of facilitating comparison with other parts of the Empire.

From the Auditor General of India; to the Secretary to the Government of India, Financial Department, dated 22nd January 1862, No. 1,516.

I am not aware whether the accompanying *Proceedings* of the Government of Madras, supplied for my information by the Deputy Auditor and Accountant General at that Presidency have yet come under the consideration of the Supreme Government, but I think it my duty to bring them to notice because they appear to me to affect the principle of uniformity in the Financial system of the Empire which is a matter of great importance.

2. The multiplication of checks and Returns is one of the chief failings of Indian administration, and their simplification and reduction in matters of account is essential to that promptitude and despatch which is now so much insisted upon.

3. It is not quite clear by whom the detailed Estimate contemplated by the Right Honorable the Governor of Madras is to be consolidated and prepared. It was intended that this duty should be performed by the local Accountant General and Deputy Auditor General, and it was believed that the Budget forms prescribed, which enter into the most minute detail and were circulated in the first instance for review by the several Governments, exhibited in the most simple and intelligible manner all the information requisite for the most complete control by either the local or the Supreme Government.

4. There appear to be no grounds for apprehending delay in the preparation of the present Budget from the operation of the orders referred to, but it is a matter for consideration whether the imposition of additional Returns of the same facts but prepared upon different principles and in a different form from those prescribed by the Imperial Government must not necessarily tend to produce much additional labor in the subordinate Offices; thus retarding the submission of all returns and creating a corresponding increase in the cost of establishments, and whether the object aimed at by the Right Honorable the Governor of Madras may not sufficiently be obtained by the reconstruction of the Budgets and Financial Returns if necessary, in any given form, in the Office only of the Secretary to Government to the great relief of subordinate Offices.

(True Copy.)

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

No. 15. To the Secretary to the Government of India, Financial Department, dated Fort Saint George, 5th April 1862, No. 259.

I am directed by His Excellency the Governor in Council to acknowledge the receipt on the 14th instant of your letter of the 14th ultimo, and of its enclosure, on the subject of the Minute recorded by His Excellency the Governor on the 12th November 1861, and of the Proceedings of this Government of the 2nd December following, relative to the preparation of certain returns of Revenue and Expenditure of the Madras Presidency.

2. In your letter it is stated that although it is necessary that the Supreme Government should exercise a Superintending control over Revenue and Expenditure, and for this purpose should enforce through its own Officers an uniform system of Account and Audit, it is by no means its wish to centralize the details of procedure more than is necessary, and the more carefully estimates are framed, revenue fostered, and expenditure checked by local Governments, the less necessity will there be for interference by the Supreme Government.

3. The Government of India, it is added, freely recognize the right of the local Government to call for returns and information from their own Board of Revenue and local Officers in any form they consider requisite, and also from the Deputy Auditor and Accountant General or other Officers of the Supreme Government in their Presidency, to any extent which does not involve any serious delay, expense, or inconvenience in the discharge of the duties for which such Officers are primarily responsible.

4. At the same time the Madras Government will not, it is remarked, fail to recognize the inexpediency of multiplying forms and returns further than is necessary, and the importance of preserving, as far as possible, uniformity in such accounts and returns as may be required for

statistical purposes, and as guides of financial policy, and therefore that when the Imperial Budget forms of Estimate and Account will furnish the requisite information, fresh forms should not be asked for, but the information furnished by those forms should be used, and, if necessary, that it should be recast into such forms as the local Government may deem necessary, in their own Central Office.

5. In the present instance it is observed it would appear that all, or nearly all, the information considered desirable by His Excellency the Governor of Madras is contained in the Budget, or is available in Madras through the Sudder Adawlut, the Board of Revenue and Public Works Department, and that nothing is required but a somewhat different arrangement of this information, to be prepared, not through the Deputy Auditor and Accountant General, or any Officer of the Supreme Government, but in the Secretariat of the Madras Government. To this there can be no objection on the part of His Excellency the Governor General in Council, but the attention of the Madras Government is called to the advisability of adhering to the established Budget forms whenever they will answer the purpose, for the sake both of diminishing labor and of facilitating comparison with other parts of the Empire.

6. In reply I am instructed to state that as surmised by the Government of India, it is by no means the wish of this Government to throw increased labor on the Officers of Account and Audit, nor to deviate needlessly from the established Budget Returns, and this indeed is intimated in paragraph 5 of His Excellency's Minute. The Government of India have recently transferred the duty connected with the Resource Department from the Civil Paymaster to the Deputy Auditor General and Accountant General, and it is expected that under this arrangement the Supreme Government may rely on obtaining actual results substantially accurate under each of the principal heads of the Budget receipt and expenditure within six weeks at latest of the close of each month. The local Government may of course obtain the results of its own Presidency a yet shorter time after date. The Government have* requested the Accountant General at Madras to furnish a copy of these Returns to them simultaneously with their despatch to the Supreme Government or immediately afterwards, together with another Statement prepared from the above Return and showing the actual receipts and expenditure connected with this Presidency, as distinguished from mere transfers or entries relating to other Governments. The Accountant General is also printing the Madras Budget Estimates for 1862-63. With these papers before them, and referring on matters of detail to the local controlling authorities as the Board of Revenue, the Court of Sudder Udalut, &c., the Madras Government will find no difficulty in obtaining all the information which they may require, which can be thrown into shape in the Secretariat. They are, I may add, fully aware of the onerous duties now devolving on the Deputy Auditor General and Accountant General at Madras, and on the Civil Paymaster and would desire rather to diminish than to add to them, as well as to utilize to the utmost the present Budget Estimates of receipt and expenditure.

Order of the Government of India, Financial Department, 6th January 1862, No. 126.

* Order 15th March 1862, Financial Department, No. 210.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. F. Cartledge.

From the Auditor General of India, to the Secretary to the Government of India, Financial Department.
No. 1516, d. 22d January 1862.

Sir,

I am not aware whether the accompanying Proceedings of the Government of Madras, supplied for my information by the Deputy Auditor and Accountant General at that Presidency have yet come under the consideration of the Supreme Government, but I think it my duty to bring them to notice because they appear to me to affect the principle of uniformity in the Financial System of the Empire which is a matter of great importance.

2 The multiplication of checks and returns is one of the chief failings of Indian Administration, and their simplification and reduction in matters of account is essential to that promptitude and despatch which is now so much insisted upon.

3 It is not quite clear by whom the detailed Estimate contemplated by the Right Honble the Governor of Madras is to be consolidated and prepared. It was intended that this duty should

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be performed by the local Accountant General and Deputy Auditor General, and it was believed that the Budget Forms prescribed, which enter into the most minute detail and were circulated in the first instance for review by the several Governments, exhibited in the most simple and intelligible manner all the information requisite for the most complete control by either the local or the Supreme Government.

4 There appear to be no grounds for apprehending delay in the preparation of the present Budget from the operation of the orders referred to, but it is a matter for consideration whether the imposition of additional returns of the same facts but prepared upon different principles and in a different form from those prescribed by the Imperial Government must not necessarily tend to produce much additional labor in the Subordinate offices; thus retarding the submission of all returns and creating a corresponding increase in the cost of establishments and whether the object aimed at by the Right Honble the Governor of Madras may not sufficiently be obtained by the reconstruction of the Budgets and Financial returns if necessary in any given form in the office only of the Secretary to Government to the great relief of subordinate offices.

(True Copy)

Secy to the Govt of India —

Fin. L/62 8
No 228

9

No. 1359

From C. H. LUSHINGTON, Esquire,

Secretary to the Government of India,

Financial Department;

To the Chief Secretary to the Government of Madras.

Fort William, Council Chamber, the 14th February 1862.

Financial Department.

Sir,

With reference to the Minute recorded by the Right Hon'ble the Governor of Madras, dated 12th November 1861, and the Proceedings of the Madras Government thereon, dated 2nd December following, relative to the preparation of certain Returns of Revenue and Expenditure of the Madras Presidency, I am directed to forward to you copy of a letter from the Auditor General of India, No. 1516, dated 22nd ultimo, and to state that the Governor General in Council fully concurs with the Madras Government in thinking it desirable that local Governments should exercise a careful supervision over their own Budget Estimates and financial position, not only in matters of purely local concernment, but also in those which involve considerations of Imperial finance.

2. The main branches both of Revenue and Expenditure are, and must remain Imperial and not local; and the Government of India must therefore exercise a superintending control, and, for this purpose, enforce, through its own officers, an uniform system of Account and Audit. But in so doing, it is by no means its wish to centralize the details of procedure more than is necessary; and the more carefully estimates are framed, revenue fostered, and expenditure checked by local Governments, the less necessity will there be for interference by the Supreme Government.

3. It is, therefore, with no wish to check the policy indicated by the Minute of His Excellency the Governor of Madras, that I am desired to call attention to the letter of the Auditor General. The Government of India freely recognize the right of the local Government to call for returns and information from their own Board of Revenue and local officers in any form they consider requisite, and also from the Deputy Auditor and Accountant General, or other officers of the Supreme Government in their Presidency, to any extent which does not involve any serious delay, expense, or inconvenience in the discharge of the duties for which such officers are primarily responsible.

4. At the same time, the Madras Government will not fail to perceive the force of the remarks of the Auditor General as to the inexpediency of multiplying forms and returns further than is necessary, and as to the importance of preserving, as far as possible, uniformity in such accounts and returns as may be required for statistical purposes and as guides of financial policy.

5. With this view, it will be obviously desirable that wherever the Budget forms of estimate and account, which have been adopted after careful consideration for the whole Empire, will furnish the requisite information, fresh forms should not be asked for, but the information furnished by the Budget forms should either be used by the local Governments, (even if it be not given in the precise form which they might themselves have adopted,) or, if substantial reasons exist for it, that this information should be recast into such forms as the local Government judge to be necessary, in their own Central Office.

6. In the present instance, it would appear that all, or nearly all, the information considered desirable by His Excellency the Governor of Madras is contained in the Budget, or is available in Madras through the Sudder Adawlut, the Board of Revenue and Public Works Department, and that nothing is required but a somewhat different arrangement of this information, to be prepared, not through the Deputy Auditor and Accountant General, or any Officer of the Supreme Government, but in the Secretariat of the Madras Government, care being taken that all the administration and other departmental reports are so prepared as to refer directly to the divisions given in the Imperial forms.

7. To this there can be no objection on the part of His Excellency the Governor General in Council, though it may be desirable to draw the attention of the Madras Government to the advisability of adhering to the established Budget forms whenever they will answer the purpose, for the sake both of diminishing labor and of facilitating comparison with other parts of the Empire.

I have the honor to be,

SIR,

Your most obedient servant,

Secretary to the Government of India

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Finl 1862 Dept

From

The Secy to the Govt
of India F. Dt 1359.

Dd 14th Feby
Recd 14th March } 1862.

Encl 1 & 3 spare
Copies—

No 223

With ref: to the minute recorded by H. E. the Governor of Madras relative to the preparation of certain Returns of Revenue & Expenditure of the Madras Presy forwards Copy of a letter from the Auditor Genl of India & states that that Govt fully concur with this, in thinking it desirable that local Govts should exercise a careful supervision over their own Budget Estimates of financial position with certain reservations—

Fin'l 1862 Depatch

No 259.

To The Secy to the Govt of India

D/5th April 1862

Regarding the returns of Revenue & Expenditure of the Madras Presidency

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Despt 5/4

213

15

Financial Department.

No. 259

To

The Secretary to the Government
of India.
Financial Department.

Sir,

I am directed by His Excellency the Governor in Council to acknowledge the receipt on the 14 instant of your letter of the 14 ultimo and of its enclosure, on the subject of the Minute recorded by His Excellency the Governor on the 12 Novr 1861 and of the proceedings of this Govt. of the 20 Decr. following relative to the preparation of certain returns of Revenue and Expenditure of the Madras Presidency—

2 In your letter it is stated that although it is necessary that the Supreme Govt. should exercise a superintending control over Revenue and Expenditure, and for this purpose should enforce through

through its own officers an uniform system of Account and Audit, it is by no means its wish to centralize the details of procedure more than is necessary; and the more carefully estimates are framed revenue fostered and expenditure checked by local Govts, the less necessity will there be for interference by the Supreme Govt.—

3. The Govt. of India, it is added, freely recognize the right of the local Govt. to call for returns and information from their own Board of Revenue and local officers in any form they consider requisite, and also from the Deputy Audr. and Accountt. General or other officers of the Supreme Govt. in their Presidency, to any extent which does not involve any serious delay, expense, or inconvenience in the discharge of the duties for which such

Officers

officers are primarily responsible—

4. At the same time the Madras Govt. will not, it is remarked, fail to recognize the inexpediency of multiplying forms and returns further than is necessary, and the importance of preserving, as far as possible, uniformity in such accounts and returns as may be required for statistical purposes and as guides of financial policy, and therefore that where the Imperial Budget forms of Estimate and Account will furnish the requisite information new forms should not be asked for, but the information furnished in ~~the~~ ~~budget~~ those forms should be used, and, if necessary, that it should be recast into such forms as the local Govt. may deem necessary in their own Central Office—

5. In the present instance it is observed it would appear

that

that all, or nearly all, the information considered desirable by His Excy. the Governor of Madras is contained in the Budget, or is available in Madras through the Sudder Adawlut, the Board of Revenue, and Public Works Departt., and that nothing is required but a somewhat different arrangement of this information, to be prepared, not through the Dy. Audr. & Accountt. Genl., or any Officer of the Supreme Govt., but in the Secretariat of the Madras Govt. To this there can be no objection on the part of His Excy. the Govr. Genl. in Council, but the attention of the Madras Govt. is called to the advisability of adhering to the established Budget forms, whenever they will answer the purpose, for the sake both of diminishing labor and of facilitating comparison with other parts of the Empire.

Order of the Govt. of India
Fin. Dept. 6 Jany. 1862
No. 126

6. In reply I am instructed to state that, as surmised by the Govt. of India, it is by no means the wish of this Govt. to throw increased labor on the officers of Account & Audit, nor to deviate needlessly from the established budget returns, and this indeed is intimated in para. 5 of His Excellency's Minute. The Govt. of India have recently transferred the duty connected with the Resource Departt. from the Civil Paymaster to the Dy. Audr. Genl. and Accountt. Genl., and it is expected that under this arrangement the Supreme Govt. may rely on obtaining periodical results substantially accurate

under

Order 15 March 1862
Fin. Dep. No 210

under each of the principal heads of the Budget receipt and Expenditure within six weeks at latest of the close of each month. The local Govt. may of course obtain the results of its own Presidency a yet shorter time after date. The Govt. have requested the Accountt. Genl. at Madras to furnish a copy of these returns to them simultaneously with their despatch to the Supreme Govt. or immediately afterwards together with another Statement prepared from the above returns & showing the actual receipts & expenditure connected with this Presidency as distinguished from mere transfer or entries relating to other Govts. The Accountt. Genl. is also printing the Madras Budget Estimates for 1862/3. With these papers before them, and referring on matters of detail to the local controlling Authorities as the Board of Revenue, the Court of Sudr Udalut &ca the Madras Govt. will find no difficulty in obtaining all the information which they may require, which can be thrown into shape in the Secretariat. They are, I may add, fully aware of the onerous duties now devolving on the Dy. Audr. Genl. and Accountt. Genl. at Madras, and on the Civil Paymaster and would desire rather to ~~reduce~~ diminish it than to add to them, as well as to scrutinize to the utmost the present Budget Estimates of receipt & expenditure.

Fort St. George,
5th April 1862.

12 Copies

T.P.

Indian

Financial 1862 Dept.

No. 259.

To The Secy. to the Govt.
of India
Finl. Dept.

D/5 April 1862.

14 x 15