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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 154 Press / ~~Mis.~~

Dated 5-3-1863.

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Not to be folded or roughly handled

12/7/39

No. 10. Read the following :—

No. 188*a*.

FORT WILLIAM, FINANCIAL DEPARTMENT, THE 31ST JANUARY 1863.

CIRCULAR.

Propositions having recently been submitted to Government in this Department, for charging certain items of expenditure under debt, in order to exhibit against them the receipts from which they are met, His Excellency the Governor General in Council desires it to be understood that two of the most important subjects of the Budget system are—

1*st*. To exhibit once in every year a complete statement of the public income and expenditure, and,

2*nd*. To subject the whole of that income and expenditure to a thorough revision once in every year,

and that neither of these objects can be attained by crediting receipts by deduction, and charging expenditure against special receipts. Further, this practice involves a degree of concealment which is quite incompatible with financial lucidity and control.

2. Funds which have been appropriated to be managed at the discretion of local authorities for local purposes, in other words, what are technically called "Local Funds," do not of course come under this rule, but the entire *public* income and expenditure, that is all receipts and disbursements appertaining to the *Fisc*, must be shown *without deduction* on their respective sides of the annual estimates and accounts.

3. The estimates for 1863-64 should, as far as possible, be brought into conformity with this principle, and in this view, the Officers of the Audit Department will, as early as convenient, submit a Return of any estimated gross receipts and charges hitherto kept under "Debt," of which the net result only may have been shown in the Budget Estimate for 1863-64; the necessary additions to the Budget can then be made in this office.

(Signed) E. DRUMMOND,
Secretary to the Government of India.

A copy to the several Departments, Governments, and Administrations.
,, to the Auditor General of India.
,, to the Military Finance Department.
,, to the several Deputy Auditors and Accountants General.
,, to the several Civil Paymaster.

(Signed) THOMAS PEACHEY,
Principal Assistant Secretary to the Government of India.

No. 11. ORDER THEREON, 5th March 1863, No. 154.

Communicated to the several Departments of the Secretariat.

(Signed) A. J. ARBUTHNOT,
Chief Secretary.

Exd. T. McMootry.

No. 188*a*.

FORT WILLIAM,

FINANCIAL DEPARTMENT,

The 31st January, 1863.

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Secretary to the Government of India.

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" to the Auditor General of India.
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" to the several Civil Pay Masters.

Thomas Peacock

Principal Assistant Secretary to the Government of India.