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MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 465 Press Mis.

Dated 5-10 18 65.

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Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department,
3rd October 1865.

No. 1. Read the following letter from E. H. LUSHINGTON, Esq., Secretary to the Government of India, to the Secretary to the Government of Madras; dated Simla, 4th September 1865, No. 2191.

I am directed to forward to you a copy of the Auditor General's Circular,* No. 8, regarding the compilation, in the Local Account Offices, of the monthly accounts of Revenue and Receipts, and on other points connected with the new system of account, and to state that, on completion of the series, the instructions will be condensed in a Code.

* Forms referred to have been forwarded to the Accountant General at Madras, by the Auditor General of India.

2. The Auditor General will be requested to forward to you, direct, copies of his previous and future Circulars connected with the new system of account.

Copy to the Auditor General of India.

Instructions relating to Forms of Accounts.

CIRCULAR No.—8.

From R. P. HARRISON, Esq., Auditor General of India, to all Accountants General; dated Fort William, the 3rd August 1865.

I have the honor to forward, for your information and guidance, copies of forms Nos. 11 to 19, which are to be used in your office under the new system of account, with the following detailed instructions as to the mode in which the examination of Receipts and Charges, their record in the Abstracts and Detail books of your office, and the preparation of the Monthly Periodical Returns, are to be conducted. I have to request that you will give your careful attention to these instructions, and to the manner in which they are carried out in your office.

2. In arranging for the check and examination of the Lists of payments, with their accompanying vouchers, which will be submitted by the Treasury Officers, provision should be made for the post-audit of Service payments, and for the examination of Debt and Account Current charges being carried on simultaneously. To secure this, the District sections of the consolidated Audit Registers of sanctioned establishments and contingent charges* should be divided between a sufficient number of competent Clerks, each of whom should have the entire charge of the accounts of two or more Districts, and deal with all the Vouchers appertaining thereto, except the salary lists of Gazetted Officers and Pensioners' Receipts.

* Forms II and III, of Circular No. 4.

3. Separate Registers are provided for the salaries of Gazetted Officers, the transfer of these Officers from district to district being of frequent occurrence, and an alphabetical list more convenient than a district arrangement on that account. These Registers should be placed in charge of one or more Audit Clerks, who should be exclusively employed in passing salary bills, while the Pension Register, which is also Provincial, might be dealt with by a single clerk.

4. Under this arrangement, it will be necessary, as soon as it has been ascertained that all the vouchers and other accompaniments connected with each list of Payments have been duly received, to separate the Salary Lists and Pension Receipts, and to make them over, for examination and record, to the Auditors concerned. Vouchers connected with the Telegraph Department will then be excerpted, and, after being verified with the lists of payments, will be forwarded, with a simple list, to the Auditor General of India, in the Postal and Telegraph Department, for audit, in anticipation of the Monthly Accounts Current, in which, on the charge or Debtor side, it will be necessary only to specify the aggregate amount of each list and the number and date thereof. The Vouchers may be transmitted to Calcutta, as received, or at convenient intervals.

5. Every Voucher after audit must be stamped at foot by the checking Clerk. Vouchers passed as correct being distinguished by the word "*Admitted*," while those held under objection should be stamped "*Objected to*," in the same manner. For this purpose small circular stamps, with shifting dates, may be employed, blue ink being used for "*Admitted*" items, and red ink for items "*Objected to*."

6. Form No. XI.—As Vouchers are objected to, they must be entered in detail for each district, in the form of Objection Statement which is appended as Form No. 11. The Statement should embrace all the items that have been objected to in the list of payment, including those relating to Salaries and Pensions, and on the completion of the examination of each list of payments, a copy of the Statement must be forwarded to the Treasury Officer concerned.

7. Form No. XII.—Whenever necessary, and in addition to the two Bi-monthly Statements of objectionable items in the lists of payments, a third Statement should be prepared by the Auditor, shewing items of receipts in the Cash Account, regarding whic h reference to the Treasury Officer is necessary.

8. The items entered in both the above statements should be described in such a manner as to obviate the necessity of any further reference arising from insufficient information.

9. The Auditing Clerk must prominently mark on all vouchers the head of account to which each appertains. Printed forms should be brought into use as much as possible.

10. As the Vouchers of each district are disposed of by the salary and Pension Auditors, they should be returned to the Auditor of the District Accounts, who, when the audit of each District is completed, will arrange the whole of the Vouchers according to the heads of account, and post them in the "Classified Abstracts," given as Form No. 13.

11. Form No. XIII.—This Abstract will show, as final charges under the several service heads, all payments actually made, and charged in the Lists, without distinguishing Vouchers objected to from those that have been admitted. Payments, however, that have been disallowed as being altogether inadmissible, and which cannot be recovered by subsequent deductions, must be held under "Advances Recoverable," for recovery in cash.

12. A separate column is provided in the form of Abstract for the distinct exhibition of the Vouchers of each List of payments, and a similar provision is made for the record of the "Deductions from Payment Vouchers." The gross amount of every Voucher, with the exception provided in paragraph 15, must be shewn in this Abstract as a payment under the proper service head, and the deductions made therefrom, on account of Subscriptions to Service Funds, &c., recorded, at the same time, under the proper heads in the columns provided for the purpose —vide pages 4 and 5 of the Form.

13. The entry of these deductions must be made in the detail for which the form provides, to facilitate the preparation of the certified Lists of Fund recoveries, which are to be furnished monthly to the several Secretaries.

14. When the Vouchers of both Lists have been abstracted, the total amount recovered during the month on account of each Fund must be transferred as a credit to the receipt portion of the abstract, as an addition to the local receipts credited in the Treasury officers' Cash Account. Accordingly, all receipts on account of Bengal, Madras and Bombay Service Funds will be credited, in the accounts of other Governments, under the respective Governments of India, Madras, and Bombay; while the Accounts of the Government of India in respect of subscriptions to the several Bengal Funds, and those of Madras and Bombay, in respect of subscriptions of Service Funds of those Presidencies, will exhibit such receipts under the general local head of "Service Funds."

15. Deductions of the nature of short payments in recovery of payments, which, although objected to, had been previously debited under service heads, will not be credited by transfer entries, in the manner prescribed above for Fund subscriptions, the short payment and short charge being sufficient to restore the integrity of the Budget grant.

16. In abstracting both Receipts and Payments, the date of each receipt, and the number of each payment Voucher, must be clearly recorded, so as to be readily available in the office, for purposes of reference. In those cases, however, where the details are included in Schedules, the number of the Schedule should be quoted in the column, "Number of Voucher" or "Date of Receipt."

17. It may be found convenient, when Receipts or Payments under any head are numerous, and are not detailed in a separate Schedule by the Treasury Officer, to prepare a Schedule of the transactions in your office, and to deal with it in the manner just described.

18. The details to be shewn in these abstracts will correspond with those provided in the Form of Budget Estimate appended to the Report of the English Commissioners, as modified by Financial Resolution, No. 2189, dated the 20th April 1865. In regard to Debt heads, however, such as Local Funds, details are not required in the District Abstracts, and they should accordingly be separately posted, the Form of Detail Books being utilized for the purpose, and the totals on account of each Fund made to agree with the aggregate, which will alone appear in the District abstract.

19. When all the vouchers of each list of payments have been posted, the column relating thereto should be summed up, and, if the working is correct, the total of the column will agree with the total of the list, after abating from the former the aggregate amount shewn as deductions from the vouchers.

20. For the proof of the accuracy of the month's entries in the abstract, both of Receipts and Payments, an "Abstract of Totals" is provided at the end of the form. This is more specially needed in the case of payments, as the column provided for the monthly total in the body of the Abstract will show only the totals of the two Lists of Payments against each detail of charge. The total of the minor head to which such details are subordinate will be carried to the Abstract of Totals, and will check the aggregate of the details as shown in the body of the Abstract.

21. The last stage in the completion of the District Classified Abstract is the preparation of the Statement of the Treasury Officers' Account, in the form given on the face of the abstract. The opening and closing balances will be entered by the Examiner, after comparison of the figures given by the Treasury Officer with the closing balance of the previous month's Account, and the Cash Balance Report for the current month. The aggregate of the month's Receipts and Payments will be filled in from the Abstract itself, after having been tested in the manner above pointed out.

22. The amounts placed under objection in the course of the month will then be entered, from the Objection Statement, on the face of the Abstracts in the column "Items under objection," and the balance of objectionable items remaining unadjusted at the end of the month must be struck by the Auditor, who will then finally sign the account as abstracted by him.

23. It is important that the classification of Receipts and Charges should be scrutinized prior to their entry in the Detail Books. The abstracts should accordingly be made over on completion, accompanied by the Cash Accounts, lists of payments, and all their accompaniments, to the "Abstract Examiners."

24. The number of Abstract Examiners will be determined with reference to the work to be performed; but they should be selected from among the more experienced assistants, to secure the efficient discharge of this important work. It is to be understood that the examination will extend to the classification of all items of receipts and charges, but not to a re-audit of vouchers or accounts.

25. Form No. XIV.—The amounts placed under objection, will, after the final approval of each Objection Statement, be entered by the Examiner concerned in the Objection Book, given as Form No. 14. This book will form a very important record of the office, and should be frequently inspected by the Accountant General, who will take measures for the speedy adjustment of all charges placed under objection. There should be a separate Section for each District, and the Examiner in charge of it should be held primarily responsible, under proper supervision, for the correct entry of all items in the first instance, and for the record of subsequent adjustments in the proper columns of the form.

26. Forms No. XV and No. XVa.—As the classified abstracts are passed by the Abstract Examiners, they will be signed by them and made over, without Lists, Accounts, or Vouchers, to the Assistant in charge of the Detail Books, which will be opened in the Forms annexed as No. 15 and No. 15a. Form No. 15 is intended to be used for those heads the details of which may be recorded in the columns provided on a single page; while Form No. 15a will be employed for those heads the details of which require the space of two contiguous pages. These books

will be opened for an entire year, sufficient space being provided under each heading for the consecutive entry of 12 months' transactions.

27. The particulars which appear in the Monthly Classified Abstracts of the several Districts will be brought together under each Sub-head of Service in the Detail Books, which will then shew, in detail of Districts, the amount received and paid throughout the Province under the several sections of each Budget Grant, as well as all other transactions as they occur under the various Remittance and Debt heads.

28. Thus, for instance, as regards Land Revenue, the heads to be opened on the folios of the Detail Books will, in Bengal, be the following:—

Collector's Establishment.
Charges of Khas Mehals.
Revenue Surveys: Controlling Staff.

Under each of these heads, the "Detailed Heads" provided in the Budget, and re-produced in the Classified Abstracts, must appear, each in a separate column, such as "Salaries of Collectors," &c.

29. As the several items of the Classified Abstract are posted into the Detail Books, the page on which each entry is made should be inserted by the Poster against the item in the column provided for the purpose in the body of the Classified Abstract. When the postings under each head have been completed, the detail items should be independently cast up to the total column of the Detail Book, and this total should agree with the total of the Minor Head shewn in the abstract of totals on the reverse of the Classified Abstract. When found correct, the page of the Detail Book in which the total appears should be entered against the amount in the proper column of the Abstract of Totals.

30. The postings in the Detail Books should be independently checked with the entries in the Classified Abstracts, and when all the District Abstracts have been posted in it, the entries under each head should be summed up, and the totals entered at the foot of the column, as the "Total of District Transactions," and, except as relates to Madras, Bombay and Bengal, where the Receipts and Payments at the Presidency Banks and by the Examiner of Claims will also be added at foot, these figures will represent the Provincial Totals of the actual transactions of each month. To or from this Grand Total of Cash transactions, will be added or deducted (as the case may be), under the various heads concerned, all office adjustments, so that the Detail Books will include monthly all transactions of whatever nature connected with Receipts and Payments that will eventually appear on the General Books. The closing totals of each month will thus be as follows:—

Add— Total of District Transactions ... ...

Payments (or Receipts) at Presidency Bank ...

Ditto by Examiner of Claims ... ...

Total of Cash Transactions ....

Adjustments... { Add ... ...
Deduct ... ...

Add— Grand Total...

Payments (or Receipts) in previous months ...

Progressive Total from 1st May ...

31. Form No. XVI.—On the completion of the posting of each abstract in the Detail Books, the totals shewn in the "Statement of Accounts of the several Treasury Officers should be entered in a General Abstract, in the Form No. 16, which will thus bring together the aggregates of the Monthly Receipts and Payments, with the opening and closing balances of all the accounts under your control, and so furnish an efficient check on the accuracy of the entries made in the Detail Books.

32. Form No. XVII.—Provision should be made for recording in detail the transfer adjustments which are to be posted in the Detail Books, as already stated, in a Rough Office Transfer Book, as given in Form No. 17, immediately as the occasion for each arises. An Abstract should be made of this Transfer Book at the end of the month, and the amount posted in the Detail Books in the following manner.

33. Actual transfers (those made, for instance, in settlement of advances, or which remove an amount from a Debt or Remittance Head to a Service Head of Receipt or Charge, or vice versa) will appear as additions at the foot of the Detail Books to the month's receipts or charges under the heads concerned. While transfers from one head of Receipt to another head of Receipt, or from one head of Charge to another head of Charge, will be shewn as additions under the proper head of Receipt or Charge, and deductions under the heads erroneously debited or credited with the amounts in the first instance. The transfer of the moiety of Revenue Charges which is to be borne by the Judicial Department will also be effected through the medium of the Transfer Book, by a minus entry under "Collectors and Establishments" and a plus entry under Law and Justice.

34. No alteration will be made in the Detail Books after they have been closed. When errors are discovered involving the transfer of amounts from one detailed column to another under the same heading, or from one head to another, they should be noted in the Transfer Book, and the necessary corrections should be made in the next monthly entry in the Detail Books in the manner above described.

35. Forms Nos. XVIII & XIX.—The next process will be the preparation of the General Abstracts of Receipts and Disbursements (Forms Nos. 18 and 19) from the Detail Books. It will be perceived from the forms, that the details under Budget heads of Revenue and Charge will be reproduced in these Abstracts without alteration, but that in the case of Local Funds, and other similar transactions, all superfluous details may be omitted. The Grand Total of the month's entries under each column in the Detail Books will be carried into the General Abstracts in which the totals of major heads of Service and of Revenue and Receipts will be brought out for the first time. The balanced account will be checked with the totals of receipts and payments in the Consolidated Abstract Form No. 16.

36. These Abstracts being intended for the purpose of journalizing in the General Books, regarding which instructions will be separately issued, as well as for the purposes of this office, columns have been provided in them for shewing—not only current receipts and charges, but also —the progressive totals up to date, and the amount estimated under each head in the sanctioned Budget. The returns rendered to this office should be submitted not later than the 15th of the second month. In case of any great and unusual delay in the receipt of the accounts of any particular Treasury, its receipts and payments must be included in the return for the following month.

37. When these particulars have been filled in, in the body of the General Abstracts, the totals of the month's receipts and payments must be carried to the General Statement of Account, on the reverse of the disbursement section, and the opening and closing balances should then be added in the detail provided in the form.

38. These balances will represent respectively the Provincial Cash Balance at the commencement and close of each month, and should distinguish "Cash in Treasuries" from "Cash in transit." The arrangements under which this distinction should be preserved will be subsequently communicated.

No. 2. Order thereon, 3rd October 1865, No. 465.
Communicated to the Revenue Department.
(True Extract).

Acting Secretary to Government.

To the Revenue Department.

Exd. J. H. Burns.

E. H. LUSHINGTON, Esq.,

Secretary to the Government of India,

To

The Secy to the Govt of Madras.

Financial Department.

Simla, the 4th September 1865.

Sir,

I am directed to forward to you a copy of the Auditor General's Circulars* regarding the compilation, in the Local Account Offices, of the monthly accounts of Revenue and Receipts, and on other points connected with the new system of account, and to state that on completion of the series, the instructions will be condensed in a Code.

2. The Auditor General will be requested to forward to you direct, copies of his previous and future Circulars connected with the new system of account.

I have the honor to be,

Sir,

Your most obedient Servant,

Ed. H Lushington

Secretary to the Government of India.

Copy to the Auditor General of India.

* Forms reported to have been forwarded to the Audt Genl at Madras by the Auditor Genl of Bengal

Financial Dept.
Copies of Dispatches
from
Secretary to Government
of India Fin. Dept.
No 2191
dated 4th Sept. 1865
Rec'd 26th Sept. 1865

1 Enclosure 4 Sheets (Copies)

No 463

Forwards a Circular from the Auditor General of India, containing instructions relating to Forms of Revenue Accounts.

Bo: 8th June 65 24-25

Circ 10th Oct 65

No. 265 3rd October 1865.

Communicated to the Revenue Department

17-2-11

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So Revenue Dept dispd 6/10

Write and Order

1 & 2