M.R.O. 1—77,000—8-6-37.

(1) Number of pages 10

(2) Date of repair 17. 11. 39

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 669. Press / Mis.

31-32

Dated 2[illegible]-11- 1871.

31-32 417

Not to be folded or roughly handled

17-11-39

Proceedings of the Madras Government, Financial Department,
21st November 1871.

No. 31. Read the following Proceedings of the Government of India in the Financial Department, dated Simla, 25th October 1871, No. 4570 (Accounts):—

Read a letter—

From the Comptroller-General, No. 789, dated 4th October 1871, inquiring whether certain items of revenue and charge, which, from their inclusion in accounts current between Deprtments, could not be adjusted in the year to which they appertained, should be adjusted in the following year as revenue and charge of the later year, or be adjusted outside the finance and revenue accounts, through the head of "Government."

Resolution.—The Comptroller-General very properly does not advise an adjustment outside the finance and revenue accounts, through the head of "Government;" but the existence of any doubt on the subject after so many years' experience of the budget system—and some recent instances of the retention of final payments under suspense or other debt heads, pending removal of technical objections to the payments—render it desirable to re-state the rules which should be implicitly observed for the future.

2. The head "Government" should be strictly confined to its use as a closing head; it should not be employed to relieve other heads of account though writes-off from those heads; and adjustments of items of revenue and charge, which date since the introduction of the new system of accounts in 1865-66, should, on no account, be made to "Government," or be kept out of the revenue and finance accounts.

3. Actual revenue or charge which, for any reason, may not have been recorded as such in the accounts of the year to which it relates, should be so recorded in the earliest accounts that are open, and the record should be scrupulously made the moment that a final adjustment is practicable.

4. Final adjustments have often been retarded by erroneous or defective procedure, and in correction of such, the following rules should be observed:—

I.—Money indisputably payable under rule, contract, operation of law, or other obligation, should be paid even in the absence of budget provision, and should be adjusted against the proper grant of the year, even when sanction to an additional grant may be deferred from any cause.

Financial Order, No. 5024, dated 18th November 1869.
Financial Notification, No. 1274, dated 22nd February 1870.

II.—A final payment of charge by a treasury or a disbursing officer should be recorded against the grant, even when the officer who made the disbursement, or the authority that ordered it, is held responsible for the amount owing to defect of vouchers, or of budget provision, or of competent sanction, or to other cause—the amount, while charged against the proper grant, being held in an objection statement against the officer who is responsible.

III.—The adjustment of a charge against the proper grant, under the two preceding rules, is not to annul or impair the responsibility of any officer who may be accountable for securing competent sanction or obtaining proper budget provision for the expenditure, nor do the

rules now prescribed dispense with the obligation to obtain budget provision before payment for any charge which, in the absence of budget provision, the authority who may order its disbursement is incompetent to sanction.

IV.—Owing to non-receipt in sufficient time (by the Department or Presidency which has to make the final adjustment) of the accounts current for the last month of the year between Governments or Departments, and between Presidency and Presidency, items of charge or receipt remain over for adjustment in the following year. But the number of such postponed items should be reduced as much as possible by the transmission of vouchers of receipts and final payments, in anticipation of the complete account current for the last month of the year.

5. Errors of classification of revenue or charge in the monthly accounts may, during the progress of the year, be corrected by transfer debits and credits in the accounts of succeeding months, but no such correction of errors in the accounts of one year should be attempted in those of a following year. When once the account for a year has been closed, errors in it, if affecting revenue or charge heads exclusively, are past amendment, and they should be simply noted in the appropriation audit report. The accounts of a Province or Department for any year are not, however, to be considered as finally closed, until the closure of the accounts at the central office of the Comptroller-General.

6. If a receipt or charge appertaining to general revenue has been wrongly adjusted in any year under a debt head, the error may be corrected in any later year by debit to allowances and refunds if general revenue has to pay to a debt account, or by credit to the appropriate head of receipts if it has to receive from a debt account.

ORDER.—Ordered that a copy of this Resolution be sent to the Military and Public Works Departments, the several Local Governments, the Comptroller-General, and the several Accountants-General and Deputy Accountants-General in independent charge.

(Signed) R. B. CHAPMAN,
Secy. to the Govt. of India.

No. 32. ORDER THEREON, 21st November 1871, No. 669.

Communicated to all Departments of the Secretariat.

(True Extract.)

R. S. ELLIS,
Chief Secretary.

To the Revenue Department.
,, Military ,,
,, Public Works ,,

Exd. J. Wright.

Govt of India 1871 Records

FINANCIAL.

To The REVENUE DEPARTMENT, &c., &c., &c.

Dated November, 21st.

Read.

G. O., 21st November 1871, No. 669.

NOVEMBER.
Nos. 31-32.

Commissioning Financial Resolution of the Government of India, stating the rules that should be observed for the adjustment of items of revenue and charge which could not be adjusted in the year to which they appertained.

No. 4570.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

ACCOUNTS.

SIMLA, THE 25 OCTOBER 1871.

READ a letter—

From the Comptroller General, No. 789, dated 4th October 1871, enquiring whether certain items of revenue and charge, which from their inclusion in accounts current between Departments could not be adjusted in the year to which they appertained, should be adjusted in the following year as revenue and charge of the later year, or be adjusted outside the finance and revenue accounts, through the head of "Government."

RESOLUTION.—The Comptroller General very properly does not advise an adjustment outside the finance and revenue accounts, through the head of "Government;" but the existence of any doubt on the subject after so many years' experience of the budget system,—and some recent instances of the retention of final payments under suspense or other debt heads, pending removal of technical objections to the payments,—render it desirable to re-state the rules which should be implicitly observed for the future.

2. The head "Government" should be strictly confined to its use as a closing head; it should not be employed to relieve other heads of account though writes-off from those heads; and adjustments of items of revenue and charge which date since the introduction of the new system of accounts in 1865-66, should on no account be made to "Government," or be kept out of the revenue and finance accounts.

3. Actual revenue or charge which, for any reason, may not have been recorded as such in the accounts of the year to which it relates, should be so recorded in the earliest accounts that are open, and the record should be scrupulously made the moment that a final adjustment is practicable.

4. Final adjustments have often been retarded by erroneous or defective procedure, and in correction of such, the following rules should be observed:

I.—Money indisputably payable under rule, contract, operation of law, or other obligation, should be paid even in the absence of budget provision, and should be adjusted against the proper grant of the year, even when sanction to an additional grant may be deferred from any cause.

Financial Order No. 5024, dated 18th November 1869.
Financial Notification No. 1274, dated 22nd February 1870.

II.—A final payment of charge by a treasury or a disbursing officer should be recorded against the grant, even when the officer who made the disbursement, or the authority that ordered it, is held responsible for the amount owing to defect of vouchers, or of budget provision, or of competent sanction, or to other cause—the amount, while charged against the proper grant, being held in an objection statement against the officer who is responsible.

III.—The adjustment of a charge against the proper grant, under the two preceding rules, is not to annul or impair the responsibility of any officer who may be accountable for securing competent sanction or obtaining proper budget provision for the expenditure, nor do the rules now prescribed dispense with the obligation to obtain budget provision before payment for any charge which, in the absence of budget provision, the authority who may order its disbursement is incompetent to sanction.

IV.—Owing to non-receipt in sufficient time (by the Department or Presidency which has to make the final adjustment) of the accounts current for the last month of the year between Governments or Departments, and between Presidency and Presidency, items of charge or receipt remain over for adjustment in the following year. But the number of such postponed items should be reduced as much as possible by the transmission of vouchers of receipts and final payments, in anticipation of the complete account current for the last month of the year.

5. Errors of classification of revenue or charge in the monthly accounts may, during the progress of the year, be corrected by transfer debits and credits in the accounts of succeeding months, but no such correction of errors in the accounts of one year should be attempted in those of a following year. When once the account for a year has been closed, errors in it, if affecting revenue or charge heads exclusively, are past amendment, and they should be simply noted in the appropriation audit report. The accounts of a Province or Department for any year are not, however, to be considered as finally closed, until the closure of the accounts at the central office of the Comptroller General.

6. If a receipt or charge appertaining to general revenue has been wrongly adjusted in any year under a debt head, the error may be corrected in any later year by debit to allowances and refunds if general revenue has to pay to a debt account, or by credit to the appropriate head of receipts if it has to receive from a debt account.

ORDER.—Ordered, that a copy of this Resolution be sent to the Military and Public Works Departments, the several Local Governments, the Comptroller General, and the several Accountants General and Deputy Accountants General in independent charge.

R. B. CHAPMAN,

Secretary to the Govt. of India.

Asstt Secy to the Govt of India

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT

ACCOUNTS.

To

No. 4570.

Dated Simla, *October* 1871.

Received 6-11

Transmit 1871 Statements

From

Chief Secretary Govt of

Comptroller Gen

No 4570.

Forwarded for the orders of the Secretary of State the annexed Statements of Revenue & Charges of Civil Departments for the month of September 1871 with Memorandum explaining the variations in the Heads of Revenue & Charges.

Mr Eden

Mr Bell

Mr Ben Peacocke

No 669 dated 21st November 1871.

Civil Secretariat

Revenue Dept
Military Dept
Public Works Dept

Mr Eden
Mr Bell
Mr Ben Peacocke

Govt. of 1871 Madras.

Financial

To

The Revenue Department

Date Oct. 21.

Read

Ans.

21 Oct. 66

Nos. 31. 32

Convey. Fwd. Res. of the Govt. of India stating the rules that should be observed for the adjustment of items of revenue and charge which could not be adjusted in the year to which they appertained