46/8/24/81

11311/8

M.R.O. 1—77,003—8-6-37.

(1) Number of pages 28

(2) Date of repair 10-10-40.

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	1602	Press / Mis.
2-4-25.		24-25
Dated	6-8-	1875.

14/15

Not to be folded or roughly handled

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Budget Estimates.

No. 24. Read the following Circular from E. F. HARRISON, Esq., Comptroller-General, to all Accountant-Generals, dated Calcutta, 5th July 1875, No. 209 :—

I have the honor to forward instructions for the preparation of the various Returns connected with the Budget ; they supersede only my Circular No. 27. The principles here laid down apply also to the Budget of Provincial Services and Local Funds.

1. The history of a Budget extends over three years.

In the preceding year—

forms are issued to local officers wherein they may prepare complete estimates of the charge for the salaries and contingencies of themselves and their establishments;

these forms are returned to the Accountant-General, reviewed, checked by statements of sanctioned establishments prepared in his office, made the subject of any necessary correspondence, and then compiled into the prescribed form and submitted to the local Government ;

It may be well to describe, for information, the plan on which compilation is effected most conveniently for record ; a foolscap book is prepared for each minor head, divided by columns and lines, in which a column (or a line) is assigned to the figures of a district (or a detailed head), the detailed heads (or the district names) being entered to the left. Which of these shall appear on the lines, and which in the columns, is a question for local consideration ; the cross, as well as vertical, totals have to be made, and, as there is certainly more risk of error in cross totals, the columns should be assigned to districts or to detailed heads as either is the more numerous.

the compiled Budget is submitted by the local Government to the Financial Department, and a copy of it sent to the Comptroller-General by the Accountant-General ;

the cash requirement estimate is submitted.

Correspondence may then ensue between the central and local authorities on the subject of the figures propsoed, and finally the Budget figures for the several Provinces and for the Empire are fixed.

In the year for which the estimate was prepared—

the grant for the contingent expenses of every office is notified in any necessary detail to the Head of the office, and also to the controlling officer ;

the revised estimate is submitted to the Financial Department;

the regular estimate is prepared and embodied in the Budget of the coming year, with any explanatory remarks ;

successive revises and explanations are given on half-margin notes prepared by the Financial Department.

In the year following—

sundry statements explain the actual outturn of the year. *(See paragraphs* 20—22.*)*

PREPARATION.

2. No minute rules can be laid down for the collection of local details and for the estimates of revenue and charge, as each local Government has power to make such arrangements as may seem to it best; only every Head of an office will prepare a *complete* estimate, including both the salaries and contingent charges of his establishment; thus the treasury officer may not be called on to prepare the estimate for the Civil Courts and all other offices in the district, nor may the local estimate be for the variable charges only.

"What are called fixed establishments are not irrevocably fixed for all time, and should be brought under the formal review of Heads of departments from time to time; even when there is no thought or intention of making any change in establishments, it would still seem to be desirable that Heads of departments should review the entire estimate of the requirements of their departments."

3. Ordinarily, it is found convenient for the Accountant-General to issue forms for the new estimate, and he sometimes utilizes for this purpose those on which he notifies the year's grants to the several officers. The estimates of some officers are returned to the Accountant-General direct, but it is desirable that all those of one department should first be reviewed, and if possible consolidated, by the Head of that department, or, at all events, by the local controlling officers.

But in one Province the several sections of the Budget Estimate reach the Accountant-General only after they have been reviewed and approved by the local Government.

Where salaries and other charges are divided in a fixed proportion between two heads, the whole charge may be shown in the local (district) estimates against the one head; in the general estimate prepared for Government it will, of course, be divided.

4. Forms for the preparation of the Budget are supplied by the Comptroller-General; they contain columns on the interleaves for the figures of eight months' actuals, and the regular estimate, which is also prepared and furnished at the same time with the Budget, and wherever possible in the same detail.

5. The responsibility for all the estimates for the coming year, especially those of charge, lies upon the local Government, and they are accepted by the Government of India as the estimates, not of the local Accountant-General, but of the local Government, and for any error or failure in the estimates the local Government is primarily accountable. An Accountant-General is bound to place the local Government in possession of all the facts which he can supply, and (so far as he is permitted to do so) of his opinion and advice bearing upon the estimates; but he will not enter, or alter, any figure in his estimate without sufficient authority from the local Government. (*F.D.*, 43, *of 6th July* 1871.)

Forest estimates are reviewed by the Government of India (in the Department of Agriculture, &c.) before their figures are passed into the local Budget.

Proceedings of the Madras Government, Financial Department,
6th August 1875.

6. Although the local Government is held responsible for the Budget, the Accountant-General is required, after personal scrutiny, to furnish a full explanation of the figures for the information of the Government of India, a copy being sent to the Comptroller-General; the explanation must also embrace the regular estimate, for which, in the absence of special orders, the Accountant-General is solely responsible; both the new and the regular estimates must, under major heads, be worked to even thousands of rupees.

7. The following rules should be strictly observed in preparing the explanations:—

For the new year's estimate—

(*a.*)—The explanation of the figures for the new year should be given on a separate foolscap sheet, wherein, in two columns, would be shown increase and decrease on each minor head, the remaining space being reserved for the explanation.

(*b.*)—It is not sufficient to explain merely variations from the previous year; an item may have been once passed or omitted as an exceptional case, and its repetition may require to be accounted for.

(*c.*)—Variations in the columns of "numbers" must be explained, as well as those in amounts.

(*d.*)—The style of the explanations should be as brief as is consistent with clearness; and if any of the variations to be explained rest on an Order of Government, the number and date of that Order should be quoted.

For the regular estimate—

(*e.*)—The remarks must be written on the interleaves of the form, and placed in every case exactly opposite to the figures to which they refer, and explain clearly the difference (if any) between the Budget and regular estimates of the current year.

If there be not sufficient space for the explanation, it should be summarized in this place and reference given to the separate memorandum where fuller details will be found.

(*f.*)—The figures given must be those expected in the actuals, irrespective of Government orders or sanction.

(*g.*)—Special attention should be drawn to cases where the Budget provision for charge is likely to be exceeded, and any steps taken in consequence should be noted.

8. The following are the chief rules for the preparation of the Budget Estimate:—

(*a.*)—It should be for what is expected to be actually received or paid (under proper sanction) during the year, not for demand or liabilities.

(*b.*)—For fixed charges the detailed estimate should show the full amount of the sanctioned scale, and, where it is found by experience that a saving will arise from absence or other cause, a lump deduction may be made.

(*c.*)—The columns of numbers must be carefully checked; the rate of pay should be stated, whenever possible, in order to admit of verification with the column of charge.

(*d.*)—Opposite every item of fluctuating charge, such as travelling allowances, contingencies, official postage, and the like, note in red ink should be made of the actual expenditure of each of the three years last past, together with a brief explanation of any abnormal variation.

(*e.*)—Arbitrary distinctions must not be made; it is expected that, where details are shown, they are the result of a comparison of at least equally detailed subordinate estimates with similar actuals.

(*f.*)—No new charge may be included in the Budget until sanctioned by competent authority, but a note may be made (with explanation) at the end of the Budget of any fresh charge that is expected to be sanctioned and to come in course of payment during the year to which the Budget relates.

It not infrequently happens that an establishment, or some special allowance, is sanctioned for an official year, and the charge for the last month of the year only becomes due when the new year has commenced, and must be taken against the grants of that year; provision should be made accordingly.

(*g.*)—Every department will provide for the whole receipt and charge with which it deals finally; thus the Public Works Department which collects Irrigation revenue will estimate for it.

(*h.*)—As charges for the freight paid in India on stores received from England will be borne by the department against which the cost of the stores is charged in the Home accounts, provision will be made in the departmental estimate.

(*i.*)—Provision should be made for the amount of printing charges in communication with the Superintendent of the Government Press employed. In Calcutta, the Superintendent of the Government Central Press will send to each Head of a department a classified memorandum of the actual expenditure of the past two years, and an estimate of the future charge will then be returned, and provision made in the Budget: the information so afforded will also give guidance to the Superintendent of the Press as to the amount of work for which he must be prepared.

9. The original figures of the current year's Budget must be left exactly as printed; if, for example, an additional grant have been made, this will be a reason for increasing the regular estimate, but cannot alter the fact that the Budget did not include it.

Proceedings of the Madras Government, Financial Department,
6th August 1875.

10. With the Budget Estimate should be submitted a statement in the following form for each minor head of grant under which there are extensive establishments, showing the sanctioned scale on which the estimate is based:—

Name of District.	Sanctioned Scale.													
					Sadr Office.					District Establishment.				
	Collector or Deputy Commissioner.	Joint Magistrate.	Assistants.	Uncovenanted Deputy Collectors.	Accountant.	Treasurer.	Clerks above Rupees 50 a-month.	Clerks below Rupees 50 a-month.		Tehsildars or Mamlutdars.	Clerks, &c.		Total.
1													
2													
3													
4													
5													
&c.													
Total ...													

The above specimen form shows roughly the requirements for the Land Revenue establishments, but details differ according to the Province and department concerned, and therefore each Accountant-General must frame his own headings; the totals will, of course, agree with those given in the Budget.

To the forms circulated for the Annual Returns of Establishment Books, an abstract should be added to summarize the detailed information; it will contain the same divisions as the forms just mentioned, and thus will permit a ready comparison of the Budget provision and of the numbers actually employed. Each Establishment Return will, on receipt, be checked, and the abstract posted into the forms given above; one copy of the abstract, when complete, should be placed at the beginning of the Establishment Books and another sent to the Comptroller-General. The numbers in the Return which accompanies the estimate may not precisely agree with that compiled from the establishment roll, but any wide difference should be noticed.

11. The Budget Estimate must be despatched on 12th January; the extra week has been given in order to allow the Accountant-General to review it and the regular estimate in the light of the actuals of eight months. After its despatch he will telegraph the monthly actuals under the receipt heads—Land Revenue, Excise, Customs, Salt, Opium, and Stamps; and also the charges on Land Revenue, Salt, Administration, and Law and Justice, month by month, as soon as they can be ascertained; will use every exertion to despatch the monthly consolidated abstract

with the utmost promptitude; and will telegraph any facts likely to invalidate the estimate as soon as they are discovered.

12. The cash requirement estimate must be despatched on 15th February; it will be prepared on forms supplied by the Comptroller-General. Its opening pages show the Budget heads of receipt and charge, with two columns, one for the Budget figures of the coming year, the other for those of the regular estimate of the current year: then follow all the debt and remittance heads, giving first the receipt and then the expenditure on each, with three columns, one for the estimate of the new year, one for the regular estimate of the current, and the third for the actuals of the past; the right-hand page is blank for explanation of the difference between the figures of the regular estimate and those formerly adopted; and also of the difference between the figures proposed for the new year and those indicated by the expenditure of the past. The statement closes with a new abstract wherein the figures are collected under great heads and the cash balance expected to close the year worked out; here the current year has three columns, *viz.*, for regular estimate, for actuals of eight months, and for Budget Estimate.

The figures for the new year under debt and remittance heads should be based on those of the last three years, but corrected by any information obtainable from other sources.

13. The successive revises of the Financial Secretary, and any calls for information by the Comptroller-General, should meet with prompt personal attention at the hands of the Accountant-General.

WORKING.

14. Immediately on receipt of the detailed Budget, as passed by the Government of India, extracts should be sent to all disbursing and controlling officers showing the amounts allowed for the contingencies of every office.

There is no need to communicate sanctions for fixed charges, or for refunds, interest, or travelling charges.

The Accountant-General need not notify any grants to the treasury officers.

If the forms for preparation of the Budget be used for this purpose, the figures to be shown in the column of Budget Estimate in the receipt portion should be those accepted by the local authorities for each district; it is not necessary to make a laborious distribution of the figures finally accepted by the Government of India.

15. The grants as made by the Supreme Government are for the service of a whole department, or, as the account phrase goes, for *major* heads. With the district distribution of the grant the Supreme Government does not concern itself, nor does it interfere with the transfer of an ascertained saving on one section of a department to meet new wants of another. But the Accountant-General should not report as available for redistribution a saving on one minor head when the grant for the major head as a whole is likely to be exceeded.

16. Expenditure which cannot be met from the grant made at the beginning of the year for the service of the department to which it appertains requires, *ipso facto*, and apart from all other rules, the sanction of the Government of India. Whenever application is made for such sanction, specific information must be

Proceedings of the Madras Government, Financial Department,
6th August 1875.

submitted of the extent to which the original assignment for the department will fall short of what is required, as follows:—

Amount of grant for the Department or major head to which the application appertains.	Amount now applied for.	Total amount now expected to be spent on the Department affected during the year.

N. B.—If the amount entered in column 3 differs from the sum of the amounts shown in the first and second columns, explanation must be given.

Sanction to an application of this nature is to be held to authorize the expenditure during the year upon the department concerned of the sum entered in the third column. (*F.D.*, 3922, *dated* 29*th December* 1870.)

The responsibility of the Accountant-General is set forth in paragraph 11 of Circular 207.

17. Save for exceptional reasons, expenditure for which no provision has been made in the estimates of the current year should not be proposed, and cannot be sanctioned; in the absence of special arguments, the Government of India assumes that any expenditure proposed is intended to have effect from the beginning of the following financial year, and not earlier. Whenever, therefore, a proposition of this kind is made, the fact that provision has not been made for the desired expenditure in the estimates should be prominently set forth, as well as the particular reasons why it is, nevertheless, considered indispensably necessary that the outlay should be immediately incurred, and should not be postponed to the next financial year. Explanations should also be invariably given why the need for the expenditure was not foreseen in time to obtain sanction for its inclusion in the estimates. (*F.D.*, 1959, *dated* 31*st July* 1873.)

18. The revised estimate, which must reach Calcutta by 20th November at latest, should be based, if possible, on a consideration of six months' actuals. It should show in parallel columns the figures of the printed budget and those now proposed for each major head; the amounts should be shown in round thousands of rupees; the revision should only extend to considerable alterations that can be made with confidence, and brief reasons should be given for any. Details below major heads are not necessary, but are not objected to if they can be given without much trouble.

19. Instructions touching the preparation of the regular estimate have been given above.

The regular and later estimates should be based on the figures obtained by adding to the ascertained actuals of past months those of the closing months of the past year; correction should be introduced from what is known, or can be ascertained, of the history of the past and the expectations of the coming months, and regard should be had to the experience of earlier years.

Except under the largest heads, nothing is likely to be gained by carrying the estimate below minor heads, nor are estimates in district detail likely to be of the least use; District Officers should, however, be pressed to notify at the earliest moment any facts likely to affect the outturn of the year.

RETROSPECTS.

20. As soon as the preliminary accounts of March in each year are ready, an abstract statement should be submitted to the Financial Department showing, and briefly explaining, the differences under major heads between the latest estimate and the actual outturn.

The form prescribed in the next paragraph may be taken as a pattern.

21. An annual account of revenue and expenditure, comparing the actuals with the passed estimates and explaining deficiencies or excesses, superseded the old appropriation audit statement, and is commonly known by its name; it is submitted in the appended form to the Financial Department and the Comptroller-General immediately after the final account for March, and should be followed by a supplementary one of corrections after the books are formally closed, if under instructions from the Comptroller-General any corrections have been made.

The amounts should be stated in whole rupees only.
The explanations on each minor head will be written just opposite it; the figures of another minor head will be posted at a level lower than that reached by the remarks on the preceding one.
There will be no grand forward total; the figures of each major head, and the remarks on them, will be cut off from those of the preceding and following head by a broad line across the page.
A similar statement of *forest revenue and expenditure* is prepared by the Conservator for submission to the Government of India in the Department of Agriculture, &c.; it will be submitted through the local Accountant-General, in order that he may certify that the totals agree with the figures on his books.

22. Besides this a memorandum should be prepared under major heads of the actuals of the three years last completed; it is not necessary to prescribe a form, as it may best take the shape of a letter, devoting a triple paragraph to each head, prefacing each with the three amounts to be compared; first should come the remarks comparing the first and second years, then those for the second and third, and last those for the first and third. The original memorandum should be submitted to the local Government, but copies should be furnished to the Financial Department and the Comptroller-General: as it must be prepared on the final account for March, care should be taken to state prominently that the figures are still liable to alteration; but even in case of alteration it will not be necessary to send any supplementary or explanatory statement, though a note in the next year's Return will explain why the figures there shown for the year differ from those formerly reported.

PARAGRAPH 21: TO BE RULED ON FOOLSCAP LAID LENGTHWAYS.

Annual Account of Revenues and Expenditure compared with the Estimates for 187 -7 .

No. of Head.	Revenues.	Budget Estimate.	Revenues and Receipts as per Books.	Less than Estimate.	More than Estimate.	Remarks.
	Major and minor heads...					The causes.

Number of Head.	Head of Services.	Sanctioned grant.	Expenditure as per Books.	Less than Grant.	More than Grant.	Remarks.
	Major and minor heads...					Rs. Original grant ... ... 000 New grant under No. ... 000 Total as per Column 1 ... 000 Add transfer to or from Grant No. ... ... 000 Total ... 000

No. 207.

Copy forwarded to the Secretary to the Government of Madras for information.

(Signed) E. GAY,
Deputy Comptroller-General.

No. 25. ORDER THEREON, 6th August 1875, No. 1602.

The Governor in Council directs that Clause (i.), Section 8, of the foregoing circular be communicated to the Supervisor of the Government Press; and that paragraph 17 be communicated to the departments of the Secretariat and to all Heads of departments for information and guidance.

(True Extract.)

Officiating Chief Secretary.

To the Supervisor of the Government Press.
,, all Heads of Departments.

Exd. J. W. Fischer.

Desp^d 20/8

11a

Jud^l Department.

List showing the distribution of the Proceedings of Government, dated 6th Augt 1875 No. 1602

Revenue Department, for information and for communication to Subordinate Officers ... 57
Public Works Department do. 57
Military Department do. 57
Secy to Bd of Rev — 14

Judicial.

Honorable the Judges of the High Court, for information and for communication to Subordinate Officers	57
Inspector-General of Madras Police do.	31
Inspector-General of Jails do. do.	31
Magistrates of the Town Police Court	3
Do. of the Egmore Police Court	3
Judges of the Madras Court of Small Causes	3
Advocate-General	3
Government Solicitor	1
Administrator-General	1
Coroner of Madras	1
Inspector-General of Registration	6
	299

Public.

Surgeon-General, Indian Medical Department, for information and for communication to Subordinate Officers	6
Sanitary Commissioner	6
Health Officer	6
Committee for the Examination of Assistants	1
Private Secretary to His Excellency the Governor	1
Government Astronomer	1
Superintendent, Government Central Museum	1
Chemical Examiner	1
Superintendent of Stationery	1
Supervisor of the Government Press	1
Protector of Emigrants	1
Tamil Translator to Government	1
Teloogoo do. to do.	1
Malayalim do. to do.	1
Canarese do. to do.	1
Hindustani do. to do.	1
~~Postmaster-General~~	
~~Superintendent, Electric Telegraphs~~	
Examiner of Medical Accounts	1
	1
Chemical Exr in charge of Assay Dept	

Political.

Resident in Travancore and Cochin	6
Government Agent at Chepauk	1
Government Agent at Tanjore	3
Political Agent at Poodoocottah	3
Collector in charge of the Special Agent's Department at Cuddalore	3
Officer in charge of the Stipend Pay Office at Vellore	3

Ecclesiastical.

The Right Reverend the Bishop of Madras	3
Venerable Archdeacon of Madras	3
Senior Chaplain of the Church of Scotland	3
	1361

Govt. of Madras.

FINANCIAL.

To

The Supervisor of the Government Press, &c., &c., &c.

Dated August, 75.

Issued

Recd. Encl.

G.O., 6th August 1875, No. 1602.

AUGUST.
Nos. 24-25.

Budget Estimates.—Extracts from the Comptroller-General's circular regarding the preparation of the various Returns connected with the Budget, communicated to the officers concerned

Marine	Master Attendant, Madras, for information and for communication to Subordinate Officers ...	3
Financial	Accountant-General	6
	Commissioner of Paper Currency	1
Educational.	Director of Public Instruction	7
	Commissioner for the Uncovenanted Civil Service Examinations	
		398

397 Corr
1.04

13a

BUDGET ESTIMATE.

Comptroller General's Office;
Calcutta the 5th July 1875.

CIRCULAR No. 209.

FROM

THE COMPTROLLER GENERAL,

To

ALL ACCOUNTANTS GENERAL.

SIR,

I have the honor to forward instructions for the preparation of the various returns connected with the budget; they supersede only my Circular No. 27. The principles here laid down apply also to the budget of Provincial Services and Local Funds.

1. The history of a budget extends over three years.

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the regular estimate is prepared and embodied in the budget of the coming year, with any explanatory remarks;

successive revises and explanations are given on half margin notes prepared by the Financial Department.

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"What are called fixed establishments are not irrevocably fixed for all time, and should be brought under the formal review of heads of departments from time to time; even when there is no thought or intention of making any change in establishments, it would still seem to be desirable that heads of departments should review the entire estimate of the requirements of their departments."

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But in one province the several sections of the budget estimate reach the Accountant General only after they have been reviewed and approved by the local Government.

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advice bearing upon the estimates; but he will not enter, or alter, any figure in his estimate without sufficient authority from the local Government.—*F. D.* 43 *of* 6*th July* 1871.

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(*e.*)—Arbitrary distinctions must not be made; it is expected that, where details are shown, they are the result of a comparison of at least equally detailed subordinate estimates with similar actuals.

(*f.*)—No new charge may be included in the budget until sanctioned by competent authority, but a note may be made (with explanation) at the end of the budget of any fresh charge that is expected to be sanctioned and to come in course of payment during the year to which the budget relates.

It not infrequently happens that an establishment, or some special allowance, is sanctioned for an official year, and the charge for the last month of the year only becomes due when the new year has commenced, and must be taken against the grants of that year; provision should be made accordingly.

(*g.*)—Every department will provide for the whole receipt and charge with which it deals finally; thus the Public Works Department which collects Irrigation revenue will estimate for it.

(*h.*)—As charges for the freight paid in India on stores received from England will be borne by the department against which the cost of the stores is charged in the home accounts, provision will be made in the departmental estimate.

(*i.*)—Provision should be made for the amount of printing charges in communication with the Superintendent of the Government Press employed. In Calcutta, the Superintendent of the Government Central Press will send to each head of a department a classified memorandum of the actual expenditure of the past two years, and an estimate of the future charge will then be returned, and provision made in the budget: the information so afforded will also give guidance to the Superintendent of the Press as to the amount of work for which he must be prepared.

9. The original figures of the current year's budget must be left exactly as printed; if, for example, an additional grant have been made, this will be a reason for increasing the regular estimate, but cannot alter the fact that the budget did not include it.

10. With the budget estimate should be submitted a statement in the following form for each minor head of grant under which there are extensive establishments, showing the sanctioned scale on which the estimate is based.

Name of District.	SANCTIONED SCALE.												Total.
					Sudder Office.					District Establishment.			
	Collr. or Depy. Comr.	Joint Magistrate.	Assistants.	Uncovenanted Depy. Collrs.	Accountant.	Treasurer.	Clerks above Rs. 50 a month.	Clerks below Rs. 50 a month.		Tehsildars or Mamlutdars.	Clerks, &c.		
1													
2													
3													
4													
5													
&c.													
Total ...													

The above specimen form shows roughly the requirements for the Land Revenue Establishments, but details differ according to the province and department concerned, and therefore each Accountant General must frame his own headings; the totals will, of course, agree with those given in the budget.

To use for [illegible] circulate [illegible]al returns of Establishment Books, an abstract should be added to [illegible]ains the detailed information; it will contain the same divisions as the forms just mentioned, and thus will permit a ready comparison of the budget provision and of the numbers actually employed. Each Establishment Return will on receipt be checked, and the abstract posted into the forms given above; one copy of the abstract, when complete, should be placed at the beginning of the Establishment Books, and another sent to the Comptroller General. The numbers in the return which accompanies the estimate may not precisely agree with that compiled from the establishment roll, but any wide difference should be noticed.

11. The budget estimate must be despatched on 12th January; the extra week has been given in order to allow the Accountant General to review it and the regular estimate in the light of the actuals of eight months. After its despatch he will telegraph the monthly actuals under the receipt heads—Land Revenue, Excise, Customs, Salt, Opium, and Stamps; and also the charges on Land Revenue, Salt, Administration, and Law and Justice, month by month, as soon as they can be ascertained; will use every exertion to despatch the monthly consolidated abstract with the utmost promptitude; and will telegraph any facts likely to invalidate the estimate as soon as they are discovered.

12. The cash requirement estimate must be despatched on 15th February; it will be prepared on forms supplied by the Comptroller General. Its opening pages show the budget heads of receipt and charge, with two columns, one for the budget figures of the coming year, the other for those of the regular estimate of the current year: then follow all the debt and remittance heads, giving first the receipt and then the expenditure on each, with three columns, one for the estimate of the new year, one for the regular estimate of the current, and the third for the actuals of the past; the right

hand page is blank for explanation of the difference between the figures of the regular estimate and those formerly adopted; and also of the difference between the figures proposed for the new year and those indicated by the expenditure of the past. The statement closes with a new abstract wherein the figures are collected under great heads and the cash balance expected to close the year worked out; here the current year has three columns, *viz.*, for regular estimate, for actuals of eight months, and for budget estimate.

The figures for the new year under debt and remittance heads should be based on those of the last three years, but corrected by any information obtainable from other sources.

13. The successive revises of the Financial Secretary, and any calls for information by the Comptroller General, should meet with prompt personal attention at the hands of the Accountant General.

Working.

14. Immediately on receipt of the detailed budget, as passed by the Government of India, extracts should be sent to all disbursing and controlling officers, showing the amounts allowed for the contingencies of every office.

There is no need to communicate sanctions for fixed charges, or for refunds interest, or travelling charges.

The Accountant General need not notify any grants to the treasury officers.

If the forms for preparation of the budget be used for this purpose, the figures to be shown in the column of budget estimate in the receipt portion should be those accepted by the local authorities for each district; it is not necessary to make a laborious distribution [illegible] figures finally accepted by the Government of India.

15. The grants as ma[illegible] Supreme Government are for the service of a whole department, or, as the account phrase goes, for *major* heads. With the district distribution of the grant the Supreme Government does not concern itself, nor does it interfere with the transfer of an ascertained saving on one section of a department to meet new wants of another. But the Accountant General should not report as available for re-distribution a saving on one minor head when the grant for the major head as a whole is likely to be exceeded.

16. Expenditure which cannot be met from the grant made at the beginning of the year for the service of the department to which it appertains, requires, *ipso facto*, and apart from all other rules, the sanction of the Government of India. Whenever application is made for such sanction, specific information must be submitted of the extent to which the original assignment for the department will fall short of what is required, as follows:—

Amount of grant for the department or major head to which the application appertains.	Amount now applied for.	Total amount now expected to be spent on the department affected during the year.

N. B.—If the amount entered in column 3 differs from the sum of the amounts shown in the first and second columns, explanation must be given.

Sanction to an application of this nature is to be held to authorize the expenditure during the year upon the department concerned of the sum entered in the third column. *F. D.* 3922, *dated 29th December* 1870.

The responsibility of the Accountant General is set forth in para. 11 of circular 207.

17. Save for exceptional reasons, expenditure for which no provision has been made in the estimates of the current year should not be proposed, and cannot be sanctioned; in the absence of special arguments, the Government of India assumes that any expenditure proposed is intended to have effect from the beginning of the following financial year, and not earlier. Whenever, therefore, a proposition of this kind is made, the fact that provision has not been made for the desired expenditure in the estimates should be prominently set forth, as well as the particular reasons why it is, nevertheless, considered indispensably necessary that the outlay should be immediately incurred, and should not be postponed to the next financial year. Explanations should also be invariably given why the need for the expenditure was not foreseen in time to obtain sanction for its inclusion in the estimates. *F. D.* 1959, *dated* 31*st July* 1873.

18. The revised estimate, which must reach Calcutta by 20th November at latest, should be based, if possible, on a consideration of six months' actuals. It should show in parallel columns the figures of the printed budget and those now proposed for each major head; the amounts should be shown in round thousands of rupees; the revision should only extend to considerable alterations that can be made with confidence, and brief reasons should be given for any. Details below major heads are not necessary, but are not objected to if they can be given without much trouble.

19. Instructions touching the preparation of the regular estimate have been given above.

The regular and later estimates should be based on the figures obtained by adding to the ascertained actuals of past months those of the closing months of the past year; correction should be introduced from what is known, or can be ascertained, of the history of the past and the expectations of the coming months, and regard should be had to the experience of earlier years.

Except under the largest heads, nothing is likely to be gained by carrying the estimate below minor heads, nor are estimates in district detail likely to be of the least use; district officers should, however, be pressed to notify at the earliest moment any facts likely to affect the outturn of the year.

Retrospects.

20. As soon as the preliminary accounts of March in each year are ready, an abstract statement should be submitted to the Financial Department showing, and briefly explaining, the differences under major heads between the latest estimate and the actual outturn.

The form prescribed in the next para. may be taken as a pattern.

21. An annual account of revenue and expenditure, comparing the actuals with the passed estimates and explaining deficiencies or excesses, superseded the old appropriation audit statement, and is commonly known by its name; it is submitted in the appended form to the Financial Department and the Comptroller General immediately after the final account for March, and should be followed by a supplementary one of corrections after

the books are formally closed, if under instructions from the Comptroller General any corrections have been made.

The amounts should be stated in whole rupees only.

The explanations on each minor head will be written just opposite it; the figures of another minor head will be posted at a level lower than that reached by the remarks on the preceding one.

There will be no grand forward total; the figures of each major head, and the remarks on them, will be cut off from those of the preceding and following head by a broad line across the page.

A similar statement of *forest revenue and expenditure* is prepared by the conservator for submission to the Government of India in the Department of Agriculture, &c.; it will be submitted through the local Accountant General, in order that he may certify that the totals agree with the figures on his books.

22. Besides this, a memorandum should be prepared under major heads of the actuals of the three years last completed; it is not necessary to prescribe a form, as it may best take the shape of a letter, devoting a triple paragraph to each head, prefacing each with the three amounts to be compared; first should come the remarks comparing the first and second years, then those for the second and third, and last those for the first and third. The original memorandum should be submitted to the local Government, but copies should be furnished to the Financial Department and the Comptroller General: as it must be prepared on the final account for March, care should be taken to state prominently that the figures are still liable to alteration; but even in case of alteration it will not be necessary to send any supplementary or explanatory statement, though a note in the next year's return will explain why the figures there shown for the year differ from those formerly reported.

I have the honor to be,

SIR,

Your obedient Servant,

E. F. HARRISON,

Comptroller General.

No. 207.

Copy forwarded to the Secretary to the Govt of Madras for information.

Deputy Comptroller General.

PARA. 21: TO BE RULED ON FOOLSCAP LAID LENGTHWAYS.

Annual Account of Revenues and Expenditure compared with the estimates for 187 -7 .

Number of head.	REVENUES.	Budget Estimate.	Revenues and Receipts as per books.	Less than Estimate.	More than Estimate.	REMARKS.
	Major and Minor heads ...					The causes.

Number of head.	HEAD OF SERVICES.	Sanctioned grant.	Expenditure as per Books.	Less than grant.	More than grant.	
	Major and Minor heads ...					Original ... ... 000 New grant No. ... 000 Total as per column 1 ... 000 Add transfer to or from Grant No. 000 TOTAL ... 000

Fin. (1875) Department.
(Accounts)

From
The Comptroller General
Calcutta

No 209.

Dated 5th July 1875
Received 23

I.F.C.

No. 1737

Forwards copy of Circular No. 209 of instructions for preparation of the various returns connected with the Budget.

No 24.

Fin. Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Circular

READ the following ~~letter~~ from the Comptroller Genl. Calcutta, dy 5th July 1875. No. 209.

Order thereon. Dated 6th Augt. 1875. No. 1602

The Governor in Council directs that clause (i) Section 8 of the foregoing Circular be communicated to the Superintendent of the Govt. Press; and that paragraph 17 be communicated to the Departments of the Secretariat and to all Heads of Departments for information and guidance.

To
The Superintendent of the Govt. Press.
— Revd. July & P.W. Depts.

All Heads of Depts. Despd as per list 26-7-75

430 Copies Despd as per marked list 2018

Govt. of {1875} Madras.

Financial

To

Dated 6 August

Recd. 1875, No. 1602

Nos. 24-5

Budget Estimates. Extracts from the Contol: ler General's Circular regarding the preparation of the various returns connected with the Budget communicated to the Officers concerned.