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Financial (1898) Department.

ORDINARY PRINTED.

G.O., No. 544

DATED 15-6-98

INDEXED.

48

[Despatch Abstract.]

Contingent Expenditure

Approving the introduction
of certain system of budget check on the
— of an office proposed by the H.G.
on the understanding that it will not
involve any change in the existing pro-
cedure in regard to audit.

I
17/6/98

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Government {1898} of Madras. FINANCIAL.

Recd.

Regd.

} 1898.

Enclosures

Spare copies

G.O., No. 544, 15th June 1898.

JUNE.

Contingent Expenditure.

Approving the introduction of certain system of budget check on the — of an office proposed by the Accountant-General on the understanding that it will not involve any change in the existing procedure in regard to audit.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—the following paper :—

From T. H. BIGGS, Esq., Accountant-General, to the Chief Secretary to Government, dated Fort St. George, 23rd May 1898, No. 2027.

I have the honour to report that in connection with the system of auditing contingent expenditure in this office, I proposed to the Comptroller-General that the check of the expenditure of an office with reference to the provision under each detailed head serves no useful purpose, and that it would be sufficient if ordinary contingent expenditure, that is, contingencies excluding supplies and services, which the disbursing officer himself controls, be watched with reference to the total allotments to the officer.

2. The Comptroller-General, in reply to the reference, has informed me that the proposed system of budget check can be introduced, if the Local Government has no objection to it.

3. I beg therefore to inquire whether Government sees any objection to the change being introduced.

ORDER—No. 544, Financial, dated 15th June 1898.

His Excellency the Governor in Council approves of the introduction of the proposed system of budget check on the understanding that it will not involve any change in the existing procedure in regard to audit.

(True Extract.)

G. STOKES,
Chief Secretary.

To the Accountant-General.
„ the departments of the Secretariat.
„ all heads of departments under the Chief Secretary.

NOTES CONNECTED WITH G.O., No. 544, FINANCIAL, DATED
15TH JUNE 1898.

[SUBJECT.—*Audit of Contract contingencies.*]

Previous papers.

G.O., 309, 310, Financial, 2nd May 1896.
991 „ 30th November 1897.

From the Accountant-General, dated 23rd May 1898, No. 2027.

The system of assigning lump grants for I (b) *Contingencies admissible without detailed audit* was abolished with effect from 1st April 1897 (paragraph 2 of G.O., No. 399, Financial, dated 21st May 1896) and the Accountant-General

was authorized to introduce his new * scheme of audit as early as possible. In paragraphs 16 and 28 of his letter recorded in G.O., No. 991, and 28 of his letter recorded in G.O., No. 991, Financial, dated 30th November 1897, he suggested the introduction of the system of *Contract contingencies*, which by doing away with all details would, it was feared, minimise check and control over this class of expenditure and in paragraph 1 of the order he was instructed to retain full details in the Civil estimates.

2. He now reports that he suggested to the Comptroller-General that the check of the expenditure of an office with reference to the provision under each detailed head served *no useful purpose* and that it would be sufficient if ordinary contingent expenditure were watched with reference to the total allotments assigned to each office. The Comptroller-General has informed him that the proposed system of budget check can be introduced if the local Government has no objection to it.

3. Submitted that as heads of departments are competent to transfer allotments from one minor head to another and as greater powers are being delegated to them every year, the simplification in audit proposed by the Accountant-General may be approved.

A. M. CHINNASWAMI MUDALIAR—28-5-98.

Does the Accountant General refer to *budget check* only and not to *audit*? If officers are to be allowed to spend up to their budget allotments for contingencies where do all the recent orders endeavouring to control unauthorized expenditure come in? I understand the Accountant-General to mean that as regards budget check he will not concern himself with details, but that in auditing expenditure (and the contingent bills will apparently still be shown in detail) he will check unauthorized expenditure.

C. M. SCHMIDT—1-6-98.

Chief Assistant—

There will be *regular audit* of actual expenditure with special reference to *unauthorized expenditure*. As regards *budget check* the Accountant-General will hereafter only see that the total allotment for each office is not exceeded, instead of seeing that the allotment for each and every particular head is not exceeded as he was doing hitherto. That is to say, the Accountant-General will only see to the general admissibility of the charges—full details being given in the bills as in the estimates—but he will not compare the actuals under each detailed head with the sanctioned grants. As a matter of fact, such a check will be useless, as every head of a department is now competent to make transfers within the *minor head*, which generally comprises an *office*. It will be enough if he sees that the totals for each office are not exceeded.

A.M.C.—6-6-98.

Chief Secretary—

In the foregoing circumstances there can be no objection to the proposal. On the other hand the change will be productive of a large saving of labour in the Accountant-General's office which is at present expended for no useful purpose. Draft order is submitted.

C.M.S.—10-6-98.

Issue.

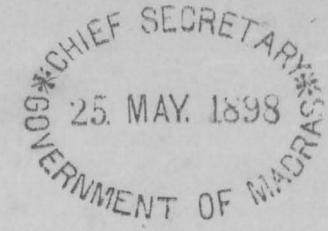
A. T. ARUNDEL—11-6-98.

[G.O., No. 544, Financial, dated 15th June 1898.]

Financial (1898) Department.

Be
25/5/98

CURRENT No. *1497*



From *The Accountant General*
Madras

Order

No. *2027*

Dated *23^d May 1898*

Received *25. " "*

Registered

Enclosures —

Spare copies —

SUBJECT.

Forwarding report in connection
with the system of auditing
contingent expenditure in
this office

Refer. Plan put up
on 11th June 1898
about Contingent
last 2 years
AB

BACK PAPERS.

G.O.	No.	Department.	Date.
309.10.	2.5.96.		
991.	30.11.97		

FURTHER PAPERS.

G.O.	No.	Department.	Date.

C. 13. 6. 98
AN. 11. 6. 98

18th

Financial DEPARTMENT.

C. No 1497

Notes Connected with No 544 Finl 8.11.6.98

SUBJECT.

~~HIS EXCELLENCY THE GOVERNOR.~~

THE HON'BLE SIR HENRY BLISS, K.C.I.E.

Audit of Contract Contingencies.

THE HON'BLE MR. GROSE, C.I.E.

From the Acct General No 2027 dated 23.5.98

FOR ORDERS.

The system of assigning lump grants for I (b) contingencies admiss-
able without detailed audit ^{was abolished} with
effect from 1st April 1897 (Para 2 of
G.O.No.309 d/ 21st May 96) & the Acctt
Genl. was authorized to introduce his
new
view scheme of audit as early as
possible. In paras 16 and 28 of his
letter recorded in G.O.991 Finl,d/ ^D
30th Novr. 97, he suggested the intro-
duction of the system of ~~Contract~~ ^{Contract}
Contingencies, which by doing away
with all details ^{hears} ~~feared~~ would, it was
minimise check and control over
this class of expenditure and in para
1 of the order he was instructed to
retain full details in the Civil esti-
mates.

He now reports that he suggest-
ed to the Comptroller General that the
check of the expenditure of an office
with the reference to the provision
under each detailed head seemed serv

No

* Practically the same as that
prescribed in G.O. 73474
of the C.A.C., which did not
hitherto apply to this class.

B & C

D

no useful purpose & that it would be sufficient if ordinary contingent expenditure were watched with reference to the total allotments assigned to each office. The Comptroller General has informed him that the proposed system of budget check can be introduced if the Local Govt. has no objection to it.

Submitted that as Heads of Departments are competent to transfer allotments from one minor head to another & as ^{greater} powers are being delegated to them every year, the simplification in audit proposed by the Accountant-General may be approved.

B.C.

Does the A.G. refer to budget check only and not to audit? If officers are to be allowed to spend up to their budget allotments for contingencies where do all the recent orders endeavouring to control unauthorized expenditure come in? I understand the A.G. to mean that as regards budget check he will not concern himself with details, but ^{that} in auditing expenditure (and the contingent bills will apparently still be shown in detail) he will check unauthorized expenditure.

(Id.) C.M.S.

1-6-98.

Please ascertain from the T.A.D. the A.G.'s. office, what they mean to

PERS.

Date.

to do exactly as regards audit.

(Id.) A.M.C.

3-6-98.

B.C.

There will be regular audit of actual expenditure with special reference to unauthorized expenditure.

As regards budget check the Accountant-General will hereafter only see that the total allotment for each office is not exceeded, instead of seeing that the allotment for each and every particular head is not exceeded as he was doing hitherto.

(Id.) T.H.R.

6-6-98.

C.A.

That is to say, the A.G. will only see to the general admissibility of the charges - full details being given in the bills as in the estimates - but he will not compare the actuals under each detailed head with the sanctioned grants as in the G.O's. As a matter of fact, such a check will be useless, as every head of a dept. is now competent to make transfer within the minor head, which generally comprises an office. It will be enough if he sees that the totals for each office are not exceeded.

(Id.) A.M.C.
6-6-98.

On the foregoing circumstances
I think there can be no objection
to the proposal, ~~otherwise~~. On the
other hand the change will be
productive of a large saving of labour
in the Axi office which is at
present expended in no useful
purpose. Draft now is submitted

crs
10.698

MS. A. 9. 6. 98

C. No. 1497

Order No. 544, 9th 15th June 1898.

142. The Governor, in Council approves of the introduction of the proposed system of budget checks, on the understanding that it will not involve any change in the ~~present~~ ^{existing} procedure in regard to audit.

Ans.
10.68%

Ms. A. 7. 6. 98

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READ AGAIN G.O., No.
189

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M.

CURRENT No.

1497-a

ENCLOSURES TO G. No.

ORDER OF GOVERNMENT

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

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- A = Print in full.
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