M.R. O. 1—38,000—16-10-23.

MADRAS RECORD OFFICE.

Government of Madras.

Judicial DEPARTMENT.

G.O. No. 1678 Press Mis.

153-154

Dated 20 — 6 — ~~19~~ 1863

4/5

Not to be folded or roughly handled

Proceedings of the Madras Government, Judicial Department, 22nd October 1863.

No. 153. Read the following Proceedings of Government in the Financial Department, dated 10th October 1863, No. 663.

Communicating the Circular issued by the Government of India, regarding the manner in which the Financial Returns should be prepared. (Vide Proceedings Financial Department, dated 10th October 1863, Nos. 31 and 32.)

No. 154. ORDER THEREON, 22nd October 1863, No. 1,678.

To be recorded.

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

Exd. T. O'Connor.

FINANCIAL DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following :—

FORT WILLIAM, FINANCIAL DEPARTMENT, THE 18TH SEPTEMBER 1863, No. 4,551.

CIRCULAR.

In order to remove any doubt as to the mode in which the several Financial Returns required by the Government of India should be prepared and rendered by Officers of the Account Department, the following Note is circulated for the information and guidance of those Officers :—

BUDGET ESTIMATE.

2. This should contain five columns, showing—

1st. The Actuals of the past year.
2nd. The Budget Estimate of the current year.
3rd. The Regular Estimate of the current year.
4th. The Budget Estimate of the ensuing year.
5th. The amendments proposed by the local Government.

The first three columns are for purposes of comparison, and profess to be quotations from the documents described in the headings of the columns, with which documents they should accurately agree.

3. The third column is to appear only in the General and Departmental Abstracts, and will be filled in by the Deputy Auditors and Accountants General, as shown in Appendix A.

4. If it should be in the power of the Deputy Auditors and Accountants General to revise the figures given in the Regular Estimate, this should be done by entering the revised figures, in red ink, over the original figures, without altering the latter, in the manner shown in Appendix A.

5. In framing the Budget Estimate, the following Rules should be strictly observed.

6. The Revenues and Receipts which come under the Budget classification, estimated to be received within the year, should appear as the income of the year, and those only.

7. The Disbursements which come under the Budget classification, estimated to be paid within the year, should, in like manner, appear as the expenditure of the year, and those only.

8. Both Receipts and Disbursements should include arrears of past years, estimated to be received or paid within the ensuing year.

9. The full sanctioned scale for all fixed charges, payable within the year, should be provided, as sufficient for all ordinary payments of current and past years' charges, including acting allowances.

10. The Government of India will receive the Budget Estimates from the several local Governments in the full belief that they contain, in respect of Salaries, Establishments and Allowances of a fixed character, provision only for charges fully and formally sanctioned in the Financial Department of the Government of India.

11. It is, therefore, incumbent upon the Treasury Officers, Heads of Departments, and Officers of Account, to guard carefully against the inclusion of any unauthorized expenditure.

12. The local Governments should obtain the necessary sanction to all administrative changes or reforms involving alterations in the scale of expenditure, some time before the preparation of the Budget Estimate, so as to enable the Deputy Auditors and Accountants General to make provision for them in their respective estimates.

13. In regard to unfixed or contingent charges, the Estimates should, as a general rule, provide for the average actual expenditure of the last three years. If less will be required, the reduction should be made. If more, a full explanation must be furnished in justification. There should be no Reserves irrespective of the necessary provision for contingent charges.

14. In no case should *net* Receipts or *net* Charges appear in the Budget Estimate, but the whole of the Receipts should be exhibited to credit, and the whole of the Charges to debit.

15. The expected cost of Stores from England should not be included in the body of the Estimate, but should be shown in a separate note at the foot of each Departmental Abstract.

16. For Stores in stock, the cost of which has already been charged against the Revenues of former years, no fresh charge should be made against Departments.

17. Stores to be purchased in India within the year should be estimated for by the Departments requiring them.

18. The total cost of all Public Establishments should be exhibited as charges of the Departments for which they are primarily employed, except in cases in which a contrary course, *i. e.*, a division of the cost between Departments, has been specifically directed.

19. The Budget Estimate should be submitted on paper of printing demy folio size, and, if not printed, should be clearly and legibly written, more especially the figures, which should *range* and be properly pointed.

20. Any amendments proposed by the local Government should be exhibited in the separate column provided for the purpose, leaving the figures of the Deputy Auditor and Accountant General intact.

21. No erasures should, on any account, be made, but when alterations are necessary, they should be effected by drawing a single line through the cancelled matter; the new matter being inscribed above.

22. If the Budget Estimate is carefully prepared according to the preceding instructions, it may be at once accepted by the Financial Department, and become the rule for the expenditure of the ensuing year, *from the first*, without the long delays which have hitherto arisen from the irregular construction of the local Estimates, the insertion of unsanctioned items, and the consequent necessity for subsequent revision.

23. Under this system, the observance of which will be insisted on, there will be no impediment to the immediate publication of the grants in what have heretofore been called the X Y Z statements.

THE CASH REQUIREMENT ESTIMATE.

24. This should be rendered in three columns, showing—

1st. The Budget Estimate of the ensuing year.

2nd. Adjusted Receipts and Charges in the Accounts of other Governments.

3rd. The difference between the two preceding columns.

25. The Receipts and Disbursements of the Budget Estimate will be given in one line for each major head of the classification, as shown in Appendix B.

26. The headings for the columns for comparison under the other divisions of this Estimate will be as follows:—

1st. The Actuals of the past year.

2nd. The Regular Estimate of the current year.

3rd. The Cash Requirement Estimate of the ensuing year.

27. As above stated, the estimated transactions under each head in the Budget classification should be given in one line, but the entries under Debt, Adjusted Receipts and Charges, and Remittances from and to other Governments, must be shown in the customary full detail. In cases of large differences, explanations must be given; and, as has been enjoined in reference to the Budget Estimate, the figures in the columns for comparison must truly represent the documents from which they are quoted.

28. The general instructions under the head "Budget Estimate" apply, with equal force, to the Cash Requirement Estimate.

THE REVISED BUDGET ESTIMATE.

29. This Estimate will be prepared in the Financial Department of the Government of India, from data in that Department, corrected by the actual transactions of four months, and by a report of material changes in Revenue and Charge which the Deputy Auditors and Accountants General should furnish, in sufficient time to reach the Financial Secretary's Office by the 15th October at latest.

THE REGULAR ESTIMATE.

30. The Regular Estimate should be prepared by the Deputy Auditors and Accountants General, according to the form in Appendix C, and should be based on the Actuals of as many months as are available, which should in no case be less than six. Any material variations from the Budget Estimate should be explained against each item.

31. As full information of any changes affecting the figures of the Budget Estimate will be given by the Deputy Auditors and Accountants General, in connection with the Revised and Regular Estimates, the transmission of the monthly statements of material alterations may be discontinued, with the understanding that if there should, at any time, be reason to expect that the Receipts or Expenditure under any head of the Budget Estimate will differ considerably from the statements contained in that Estimate, a special report will be made of the circumstance.

THE ACTUAL RECEIPTS AND DISBURSEMENTS.

32. These accounts will, like the Regular Estimate, be continuous statements, but the form in which they are at present rendered will be preserved. One copy is to be sent to the Financial Secretary, and another to the Auditor General of India. If printed, four more copies may be sent to the Financial Department.

DATES OF SUBMISSION OF THE FINANCIAL ESTIMATES AND ACCOUNTS.

33. As the latest practicable dates have been assigned for the arrival of these several Estimates and Accounts, the observance of the strictest punctuality is indispensably necessary. The Budget Estimate must be sent, as usual, through the local Governments. The following dates have been fixed by which the several Returns must reach this Office, *without fail*:—

The Budget Estimate, and Cash Requirement Estimate,	by the 31st January.
The Report of Material Changes for the guidance of the Financial Department in framing the Revised Budget Estimate,	„ 15th October.
The Regular Estimate,	„ 15th January.
The Actual Receipts and Disbursements,	„ 31st October.

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

ORDER THEREON, 10th October 1863, No. 663.

Resolved that the foregoing Circular be communicated to the several Departments, and that copies of the same be forwarded, through the Deputy Auditor and Accountant General, to all Heads of Departments and Officers who have to furnish Budget Estimates, for their information and guidance. Mr. Lodwick will, in sending the Circular to the several Officers, issue such subsidiary instructions as he may consider necessary.

(True Extract.)

H. J. Curtis

Chief Secretary.

To the Financial Department.
„ Deputy Auditor and Accountant General,
(~~with forty-five copies.~~)

Exd. T. McMootry.

Lieut Colonel

Ind. 1863 Sept.
Pro. Oct.
1678

Pros. of Lost in the
Field Sept. 663

Dated 10th } Oct. 63
Rec. 19th }

No. 2309

Communicating the
Circular issued by the
Govt. of India, regarding
the manner in which
the Financial Returns
should be prepared
No. 1678 — 22nd Octr. 1863
To be recorded.

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