

MADRAS RECORD OFFICE.

Government of Madras.

Judicial DEPARTMENT.

G.O. No.	1228	Press
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Dated	7-8	19-1866

105-106

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Not to be folded or roughly handled

Proceedings of the Madras Government, Judicial Department,
7th August 1866.

No. 105. Read the following Proceedings of Government in the Financial Department, dated 24th July 1866, No. 276.

Communicating letter from the Government of India, laying down the course to be followed for adjusting expenditure incurred in one Department on account of another. (Vide Proceedings, Financial Department, dated 24th July 1866, Nos. 30 & 31.)

No. 106. ORDER THEREON, 7th August 1866, No. 1228.
To be recorded.

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

Proceedings of the Madras Government, Financial Department,

24th July 1866.

Read the following:—

No. 30. Letter from the Secretary to the Government of India, to the Comptroller General of Accounts; dated Simla, 28th June 1866, No. 1013.

I am directed to acknowledge the receipt of your letter, No. 1379, dated 29th March 1866, reporting that the Resolution of 14th October 1865, No. 2761, that expenditure incurred in one Department on account of another Department shall be charged to the Budget Grant of the former, is opposed to the ruling in your Circular, No. 12, of 4th September 1865, "that all charges incurred in the Civil on account of the Military Department, and *vice versa*, will be adjusted as charges of the Department on account of which they are incurred, and not as charges against the Budget of the incurring or supplying Department."

2. It is not necessary for you, however, to modify your Circular—its opposition to the order of 14th October 1865 being more in appearance than reality. When a payment in the Civil on account of the Military Department, or *vice versa*, is debitable to the other Department, your Circular lays down the procedure for that case; but it properly abstains from stating that all charges entailed upon one Department by another must be debited to the latter.

3. You now recommend, however, that—at least for certain important or special Departments—expenditure on their account, in whatever Department it may be incurred, should be debited against them, or else "that some definite limit be laid down beyond which supplies made by one Department to another should be debited against the Department supplied, and not against its own Budget Grant."

4. It is necessary to distinguish between charges for Establishments and expenditure for Stores.

5. In the inquiry into expenditure in 1859, 1860, 1861, difficulty was experienced in ascertaining, even approximately, the amount of Police charge, owing to the intermixture of a portion of Police with the Establishments of other Departments. This difficulty is now at an end, but it would revive, were the charge for Police, when it is incurred more immediately for the service of another Department, to be debited to that Department, and hence a Police charge should not be shown against any other than the Police Grant, merely because it may happen to be incurred especially for some Public Department.

6. The same remark applies to Marine charges, and to the important item of Army expenditure. For the latter, it is recognized as essential to a proper economy that the Military charges should be estimated for according to the three Armies which are under three Administrations, irrespectively of the territories in which they may be serving; and in like manner it is essential that no part of the Military Establishments should disappear from the Military Estimates, by inclusion in the Civil Accounts, on the mere ground of their rendering services to the Civil Department.

7. Again, with regard to fixed Establishments which work for more than one Department, as, for instance, the Medical Store Department, the entire charge for such Establishments should appear in the estimates of the Department which controls the Establishments—no part of it being debited to any other Department, even when particular individuals may be told off for the work of such other Department.

8. Hired labor (not including extra Police), which may be engaged by one Department expressly for the service of another Department, may be charged to that other, at the option of the supplying Department; but the latter will show a proper discretion (in avoiding much ado about trifles) if it adjusts inconsiderable charges of this kind against its own Grant—as the Public Works Department was authorized to do by the Financial Resolution of 14th October 1865. Where the supplying Department elects to debit the charge for hired labor to the Department benefited, the countersignature of the Departmental Examiner of the former should vouch the correctness of the charge, and the adjustment might proceed in the manner prescribed in your Circular, No. 12, of 4th September 1865.

9. The foregoing remarks apply to ordinary administrative services chargeable to the general Revenues; but where any Establishment paid from those Revenues is employed to any appreciable extent on work connected with Port Funds or Local Funds, a division of charge between them and the General Revenues is indispensable by as exact an apportionment of debits as may be practicable.

*Proceedings of the Madras Government, Financial Department,
24th July 1866.*

10. Again, for the exceptional case of a Field Force, such as the Bhootan Field Force, in which the bulk of the expenditure is Military, while the Postal and (sometimes) the Police Departments also co-operate, a special arrangement for ascertaining the actual cost of the field operations may be necessary. The extra charges of the Police and Postal Departments on such occasions were, under the old system, debited to the Military grant; but under the new system of account, this is not absolutely necessary, for it will suffice to show the War charges of the Postal and Police Departments under a head of the Field Force subordinate to the Postal and Police grants, whereby the total cost of the field operations may be readily ascertained.

11. For stores, the Receiving Department is already required to supply funds, or (which is a preferable arrangement, when practicable) to afford credit to the Supplying Department, in the undermentioned cases, *viz.*,—

1st.—When the Supplying Department has to buy the articles required by the Receiving Department, Financial Resolution, No. 3337, dated 18th August 1863.

2nd.—For supplies by the Cossipore Foundry to the Public Works Department, Financial Resolution, No. 1927, dated 23rd February 1865.

3rd.—For wear and tear of tents which, in special cases, may be supplied by the Financial Resolution, No. 615, dated 7th June 1865. Ordinance to the Civil Department.

4th.—For supplies furnished by workshops of the Public Works Department to other Departments, Financial Resolution, No. 2277 A, dated 18th September 1865.

5th.—For timber supplied by the Forest Department to all branches of the Public service.

And, furthermore, the Public Works Department is placed in funds by the Barrack Department for its supplies to the latter.

12. Apparently, the only considerable supply of Stores by one Department to another which is now excepted from the foregoing modes of adjustment, is that of arms and ammunition furnished from Magazines to the Police. As this and any other like exception can hardly be said to prove the rule which has been practically set aside by the decisions above quoted, I am directed to state that, subject to the remarks conveyed in the 7th and 8th paragraphs, the value of Stores may be debited to the Receiving Department at the option of the Supplying Department.

13. The examples at pages 56 and 57 of the Statement of Saving and Deficiencies upon the grants for Navy Services in 1863-64, which are cited in support of the recommendation in your letter, hardly warrant any relaxation of existing rule beyond that now authorized, for they relate principally to disbursements made by the Navy to Officers or Establishments under the control of other Departments, not to services performed by Naval Establishments for other Departments.

Ordered that the foregoing letter be communicated to the Military and Public Works and Home Departments; to the various Local Governments and Administrations; and to the several Accountants General, and to the Deputy Accountants General in independent charge.

(Signed) R. H. HOLLINGEERY,
Assistant Secretary to the Government of India.

No. 31. ORDER THEREON, 24th July 1866, No. 276.
Communicated to the several Departments, of the Secretariat.
(True Extract).

A. J. ARBUTHNOT,
Chief Secretary.

To the Revenue Department.
" Military "
" Public Works "
" Judicial "
" Public "
" Political "
" Educational "
" Ecclesiastical "
" Marine "

And J. H. Burns.

1866. Department.

No. 276

PROCEEDINGS OF GOVERNMENT.

Dated 24th July 1866.

Coming letter from the
Govt of India laying
down the course to be fol-
lowed for adjusting the
expenditure incurred in
one Dept on account of
another 18th Sept 1865

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PROCEEDINGS of the MADRAS GOVERNMENT.