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MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.

G.O. No.	1679	Press
		Mis.
602-603		
Dated	2-6-6	1863.

Not to be folded or roughly handled

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*Proceedings of the Madras Government, Public Works Department,
26th June 1863.*

No. 602. Read the following Proceedings of the Right Honorable the Governor-General of India, Public Works Department, dated Simla, 12th May 1863, Circular No. 14 :—

Mode of accounting for Public Works Stores obtained from England.

Read the following papers :—

Public Works Department Proceedings (General—Accounts), dated 17th April 1862, Nos. 16—18.

Financial Department No. 1967, dated 24th March 1862.

Public Works Department No. 2,600, dated 9th July 1862.

Bengal Government No. 4,440, dated 17th September 1862.

Financial Department No. 395A, dated 24th September 1862.

 " " 766A, " 23rd October 1862.

 " " 926A, " 22nd November 1862.

OBSERVATIONS.—In April 1862, the question as to the mode of accounting for Public Works stores obtained from England was referred to the Financial Department by a Memo. No. 1,428 for consideration and orders. This reference has been replied to by the Financial Department Resolution No. 926A of 22nd November 1862, which forwards the proposals of the Board of Audit* on the subject, with the orders of the Government of India thereon, and requests that the general rules thereby

No. 111 of 15th August 1862. established may be adopted in dealing with Public Works stores, with such modifications as may be called for by the special circumstances of this Department.

2. The proposals of the Board of Audit, which are specially designed to meet the circumstances of the stores obtained through the Military Department, may be summarised thus :—

Paragraph 1.—Remarks that the necessary check on these charges as regards the Budget may be obtained by requiring a transfer of credit of the amount of all Indents to a Suspense Account, while the actual disbursements in England by the Secretary of State should be limited by the same amount. This agrees in substance with paragraph 5 of this Office Memo. No. 1,428.

Paragraph 2.—Proposes that the credits equivalent to the amount of the indents of a Department should be held in the Suspense Account till the Invoices are received, and that this account shall then be cleared by a transfer of the Invoice values of the stores to credit of "Account Current with London."

Paragraph 3.—States that Indents for Military stores should be submitted *periodically*. This would not be applicable to the Public Works Department.

Paragraphs 4 and 5.—Regards the procedure in regard to disposal of Military Indents.

Paragraphs 6 and 7.—All such Indents to go to the Secretary of State through the Financial Department according to previous orders of Financial Department, No. 4,819 of 20th April 1861.

Paragraph 8.—On receipt of advice of the dispatch of the Indent, the account of (Military) charges of the year would be debited with the amount, and a corresponding credit opened under head "Indent Account of Stores from London." (See paragraph 2.)

Paragraph 9.—On receipt of the Invoices, adjustment to be made if necessary between *Indent values and Invoice values*. Further, the Indent (or Suspense) Account would be cleared by a credit to the "Account Current London."

Paragraphs 10 and 11.—Unimportant.

Paragraph 12.—The Departments to which the stores are eventually distributed will be debited with their values, and the head "Military charges" will be credited, so that the stores may be properly accounted for in detail as expended.

Paragraph 13.—Indents to be complied with only to the extent of the estimated amount. This agrees with paragraph 5 of this Office Memo, above referred to.

2 *Proceedings of the Madras Government, Public Works Department,*
26th June 1863.

Paragraph 14.—The Department indenting to be kept informed of progress made towards compliance by periodical reports from London.

Paragraphs 15 to 17.—Unimportant.

3. His Excellency the Governor General observes that the Financial Department has approved of these rules, except in regard to some details connected especially with Military stores; the procedure to be adopted in this Department will therefore be substantially the same.

4. But it will be well first to explain what appears at present not to be well understood, that in order to provide for payment of stores obtained from England, the cash expenditure of the year as estimated in the Budget should be reduced by the value of the stores which may be expected to be invoiced as dispatched during the year, and not by the amount of the Indents submitted during the year. The propriety of this is obvious, as the transfer of credit to the Home Accounts to pay for the stores is to take place on receipt of the Invoices. The note required at the foot of the Public Works Budget (paragraph 33 of the Budget Rules) must therefore be understood as intended to be separate from and Supplemental to the items contained in the body of the Budget, and should include all stores, whether those provided in the estimates of works, or those intended to be added to the stock of the Department.

5. Further, it is necessary to point out that these stores may be required either for special works, or for the general purposes of the Department. In the former case their cost should invariably form part of the estimate of the work for which they are intended, and the Budget allotment proposed for the year for such a work should include whatever sum is required to meet the payment for the stores, as well as the direct cash expenditure in India. In the latter case, the cost of the stores must form a separate item in Part I of the Budget. The detailed mode of dealing with these two cases will be further explained hereafter.

6. In order that these entries may be duly checked, and the indenting for stores from England subjected to proper scrutiny, His Excellency the Governor General has therefore directed that the following rules shall henceforth come into operation in this Department:—

I. INDENTS.

1st. All Indents for stores from England will be dealt with in regard to powers of sanction precisely like original works. If the Indent is virtually in part of an estimate for any works, it must be dealt with as though it formed a component part of that estimate, and the amount of the estimate must be dealt with as a whole, including the cost of the stores. If the Indent be for other general purposes, it will be treated as a separate work to be sanctioned by the requisite authority with reference to its amount.

2nd. Indents from Madras and Bombay when duly authorized will be sent direct to the Secretary of State, but they will require the sanction of the Government of India if the amount exceeds two lakhs, or if they form part of an estimate amounting to two lakhs or more. In the latter case the necessary Indents should accompany the estimate submitted to the Government of India, or specific authority should be asked to forward Indents to the Secretary of State for stores of the required value in part of the estimate, and the amount should be named. From all other provinces, Indents will be submitted to the Government of India in this Department for submission to England.

3rd. The Secretary of State will be solicited, as a rule, to comply with Indents to the extent only of their estimated amount, but to exercise his discretion, under special circumstances, in allowing an increased charge to be incurred.

4th. The Secretary of State will be requested to cause periodical reports to be furnished of the progress made in supplying Indents.

5th. A statement will be submitted with the Public Works Budget, showing in detail the Indents which it is expected will be invoiced during the year, and the amount that will consequently have to be reserved from the cash assignment to pay for the same. A form accompanies. In the case given, the amount of the Indent for stores required for general purposes, and which will appear as a separate item in the body of the Budget Part I, is Rupees 8,000, though the whole amount which has to be deducted from the amount available for cash expenditure during the year, is Rupees 2,47,000.

3 *Proceedings of the Madras Government, Public Works Department,* 3
26th June 1863.

6th. A statement, combining the Indents included in all the Budgets of this Department, will be sent Home annually after the passing of the Budget orders as a guide to the probable demands for stores during the year. The Secretary of State will be requested to notify, as early as practicable, if any of the Indents contained in the list are not likely to be fulfilled during the year as expected.

II. MODE OF ACCOUNTING FOR STORES.

7th. The amount of the estimate of all Indents expected to be invoiced during the year will be set apart in a Suspense Account, and be held to be not available for expenditure in India.

8th. But if, from information received in the course of the year, it shall appear that a part of the Indents will probably not be supplied during the year, then the amount of such Indents may be withdrawn from the Suspense Account, and made available for expenditure in the same way and under the same general rules as any other appropriations which fall in during the course of the Budget year.

9th. On the Budget orders being passed, the Public Works Controller of the Province concerned will therefore open a credit to account of "London Indent Suspense Account," subordinate to "Local Government" (i. e., the Deputy Accountant General would be credited), and the Account "Public Works Department" will be debited, under the same head.

10th. On the invoice announcing the dispatch of the stores under any Indent being received, the amount of the Indent value in the above two accounts will be adjusted to coincide with the Invoice value; the Suspense Account or Indent Account, subordinate to "Public Works Department," would be credited, and the Stock Account, subordinate to *Public Works Department*, would be debited.

11th. Any saving under an Indent will become applicable for transfer under the regular Budget Rules; and in like manner any excess must be made good by a transfer from the Reserve, or from some other head of service.

12th. If at any time (see Rule 8) it may be determined to reappropriate the amount of an Indent not likely to be fulfilled, the credit referred to in Rule 9 will be written back to that extent.

13th. Similarly the amounts of all unfulfilled Indents will be always written back at the end of the year, and thus the Suspense Account, which only has reference to the Budget of the current year, will be periodically cleared.

14th. A statement of all the Indents of Local Governments will be furnished by this Department to the Accountant General after the Budget orders are passed, in order that he may take measures for the corresponding entries to be made in the books of the Deputy Accountant General.

7. His Excellency the Governor General is pleased to direct that these rules, subject to any further orders in the Financial Department, may have effect from the commencement of the year 1863-64. But a return according to the annexed form will be submitted as early as practicable from each Local Government and Administration, embracing the Indents included in the Budget of the current year, or those that are expected to be invoiced during that year.

Governments of Madras, Bombay, Bengal, N. W. Provinces,
and Punjab,
Governor Straits Settlements.
Chief Commissioners Central Provinces, Oudh, and British
Burmah.
Resident at Hyderabad.
Commissioner of Mysore.

ORDERED, that a copy of the above Resolution be forwarded to the Local Governments and Administrations noted in the margin for information and guidance.

Also, that a copy be forwarded to the Inspector General of Accounts.

Also, that a copy be forwarded to the Financial Department for information, and with a request that early intimation may be given if any modification of the proposed rules seems called for in that Department.

(Signed) G. CHESNEY, Major,
Under Secy. to the Govt. of India with the Govr. Genl.

Indents on London which it is expected will be supplied during the year, and for the liquidation of the amount of which provision has been made in the Budget.

NOTE TO PART I.

Registered Number.	Date of despatch to England (or Government of India) and forwarding letter.	Description.	Work in which included if any, and Item of Budget.	Estimated amount of Indent.	Amount provided for in present Budget.	REMARKS.
			<i>I.—Indents in part of sanctioned Estimates.</i>	RS. A. P.	RS. A. P.	Provided for also in last year's Budget, but not yet received.
30	Letter No. 2,860 of 4th Aug. 1862.	Iron Roofing ...	Barracks at Goruckpoor, Item No. 11 of Budget.	25,000 0 0	25,000 0 0	
37	Letter No. 4,010 of 10th November 1862.	Machinery, Steam Engine, and Turbine.	Madhopoor Workshops, Item No. 40 of Budget.	14,000 0 0	14,000 0 0	
38	Letter No. 640 of 20th March 1863.	Iron Roofing ...	Public Offices Lucknow, Item No. 18 of Budget.	3,20,000 0 0	2,00,000 0 0	
			Total ...		2,39,000 0 0	
			<i>II.—Indents for plant, &c., not required for particular sanctioned works.</i>			
36	Letter No. 4,000 of 9th November 1862.	Steam Hammer ...	Executive Engineer, Kurnaul Division, Item No. 60 of Budget.	4,000 0 0	4,000 0 0	
39	Letter No. 700 of 24th March 1863.	Brass ...	Superintendent, Iron Bridge Yard, Item No. 60 of Budget.	3,000 0 0	3,000 0 0	
40	Letter No. 750 of 1st April 1863.	Mathematical Instruments.	Chief Engineer's Office, Item No. 61 of Budget.	1,000 0 0	1,000 0 0	
			Total provided for separately in Budget ...	8,000 0 0	8,000 0 0	
			Total to be deducted from sum available for cash expenditure in India ...	2,47,000 0 0	2,47,000 0 0	

4 *Proceedings of the Madras Government, Public Works Department, 26th June 1863.*

Proceedings of the Madras Government, Public Works Department, 5 26th June 1863.

No. 603.

ORDER THEREON, 26th June 1863, No. 1,679.

1. Ordered to be communicated to the Superintending Engineers of Divisions, Controller and Auditor of Public Works Accounts, Deputy Auditor and Accountant General, and to the Officer in charge of the Store Department, for information and guidance.

2. The Government of India require the observance of these rules during the current year and call for a Statement in the form furnished by them. The Officer in charge of the Store Department will place himself in communication with the Superintending Engineers of Divisions with a view to the preparation of the Statements required in paragraph 7 without delay.

3. The Superintending Engineers of Divisions will be careful to see that a Statement of the kind referred to in clause 5, paragraph 6, is submitted with their future Budgets.

4. On the receipt of the Statement called for in paragraph 2 the Controller will be informed of the amount to be credited to account of "London Indent Suspense Account" referred to in clause 9.

(Signed) W. I. BIRDWOOD, Colonel, R. E.,
Secretary to Government.

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CIRCULAR No. 14 of 1863.

PROCEEDINGS OF THE RIGHT HON'BLE THE GOVERNOR GENERAL
OF INDIA.

PUBLIC WORKS DEPARTMENT,
Simla, 12th May 1863.

General.

Mode of accounting for Public Works Stores obtained from England.

Read the following papers :—

Public Works Department Proceedings (General—Accounts), dated 17th April 1862,
Nos. 16—18.

Financial Department No. 1967, dated 24th March 1862.

Public Works Department No. 2600, dated 9th July 1862.

Bengal Government No. 4440, dated 17th September 1862.

Financial Department No. 395A, dated 24th September 1862.

“ “ 766A, “ 23rd October 1862.

“ “ 926A, “ 22nd November 1862.

OBSERVATIONS.—In April 1862, the question as to the mode of accounting for public works stores obtained from England was referred to the Financial Department by a Memo. No. 1428 for consideration and orders. This reference has been replied to by the Financial Department Resolution No. 926A of 22nd November 1862, which forwards the proposals of the Board of Audit* No. 111 of 15th August 1862. on the subject, with the orders of the Government of India thereon, and requests that the general rules thereby established may be adopted in dealing with Public Works stores, with such modifications as may be called for by the special circumstances of this Department.

2. The proposals of the Board of Audit, which are specially designed to meet the circumstances of the stores obtained through the Military Department, may be summarised thus :—

Paragraph 1—Remarks that the necessary check on these charges as regards the Budget may be obtained by requiring a transfer of credit of the amount of all Indents to a Suspense Account, while the actual disbursements in England by the Secretary of State should be limited by the same amount. This agrees in substance with paragraph 5 of this Office memo. No. 1428.

Paragraph 2—Proposes that the credits equivalent to the amount of the Indents of a department should be held in the Suspense Account till the

invoices are received, and that this account shall then be cleared by a transfer of the Invoice values of the stores to credit of "Account Current with London."

Paragraph 3—States that Indents for military stores should be submitted periodically. This would not be applicable to the Public Works Department.

Paragraphs 4 and 5.—Regards the procedure in regard to disposal of Military Indents.

Paragraphs 6 and 7.—All such Indents to go to the Secretary of State through the Financial Department according to previous orders of Financial Department, No. 4819 of 20th April 1861.

Paragraph 8.—On receipt of advice of the dispatch of the Indent, the account of (Military) charges of the year would be debited with the amount, and a corresponding credit opened under head "Indent Account of Stores from London." (See paragraph 2.)

Paragraph 9.—On receipt of the Invoices, adjustment to be made if necessary between *Indent values and Invoice values*. Further, the Indent (or Suspense) Account would be cleared by a credit to the "Account Current London."

Paragraphs 10 and 11.—Unimportant.

Paragraph 12.—The Departments to which the stores are eventually distributed will be debited with their values, and the head "Military charges" will be credited, so that the stores may be properly accounted for in detail as expended.

Paragraph 13.—Indents to be complied with only to the extent of the estimated amount. This agrees with paragraph 5 of this Office Memo. above referred to.

Paragraph 14.—The Department indenting to be kept informed of progress made towards compliance by periodical reports from London.

Paragraphs 15 to 17.—Unimportant.

3. His Excellency the Governor General observes that the Financial Department has approved of these rules, except in regard to some details connected especially with military stores; the procedure to be adopted in this Department will therefore be substantially the same.

4. But it will be well first to explain what appears at present not to be well understood, that in order provide for payment of stores obtained from England, the cash expenditure of the year as estimated in the Budget should be reduced by the value of the stores which may be expected to be invoiced as dispatched during the year, and not by the amount of the Indents submitted during the year. The propriety of this is obvious, as the transfer of credit to the Home Accounts to pay for the stores is to take place on receipt of the

Invoices. The note required at the foot of the Public Works Budget (paragraph 33 of the Budget Rules) must therefore be understood as intended to be separate from and Supplemental to the items contained in the body of the Budget, and should include all stores, whether those provided in the estimates of works, or those intended to be added to the stock of the Department.

5. Further, it is necessary to point out that these stores may be required either for special works, or for the general purposes of the Department. In the former case their cost should invariably form part of the estimate of the work for which they are intended, and the Budget allotment proposed for the year for such a work should include whatever sum is required to meet the payment for the stores, as well as the direct cash expenditure in India. In the latter case, the cost of the stores must form a separate item in Part I of the Budgets. The detailed mode of dealing with these two cases will be further explained hereafter.

6. In order that these entries may be duly checked, and the indenting for stores from England subjected to proper scrutiny, His Excellency the Governor General has therefore directed that the following rules shall henceforth come into operation in this Department:—

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2nd. Indents from Madras and Bombay when duly authorized will be sent direct to the Secretary of State, but they will require the sanction of the Government of India if the amount exceeds two lakhs, or if they form part of an estimate amounting to two lakhs or more. In the latter case the necessary Indents should accompany the estimate submitted to the Government of India, or specific authority should be asked to forward Indents to the Secretary of State for stores of the required value in part of the estimate, and the amount should be named. From all other provinces, Indents will be submitted to the Government of India in this Department for submission to England.

3rd. The Secretary of State will be solicited, as a rule, to comply with Indents to the extent only of their estimated amount, but to exercise his discretion, under special circumstances, in allowing an increased charge to be incurred.

4th. The Secretary of State will be requested to cause periodical reports to be furnished of the progress made in supplying Indents.

5th. A statement will be submitted with the Public Works Budget, showing in detail the Indents which it is expected will be invoiced during the year, and the amount that will consequently have to be reserved from the cash assignment to pay for the same. A form accompanies. In the case given, the amount of the Indent for stores required for general purposes, and which will appear as a separate item in the body of the Budget Part I, is Rs. 8,000, though the whole amount which has to be deducted from the amount available for cash expenditure during the year, is Rs. 2,47,000.

6th. A statement, combining the Indents included in all the Budgets of this Department, will be sent Home annually after the passing of the Budget orders as a guide to the probable demands for stores during the year. The Secretary of State will be requested to notify, as early as practicable, if any of the Indents contained in the list are not likely to be fulfilled during the year as expected.

II. MODE OF ACCOUNTING FOR STORES.

7th. The amount of the estimate of all Indents expected to be invoiced during the year will be set apart in a Suspense Account, and be held to be not available for expenditure in India.

8th. But if, from information received in the course of the year, it shall appear that a part of the Indents will probably not be supplied during the year, then the amount of such Indents may be withdrawn from the Suspense Account, and made available for expenditure in the same way and under the same general rules as any other appropriations which fall in during the course of the Budget year.

9th. On the Budget orders being passed, the Public Works Controller of the province concerned will therefore open a credit to account of "London Indent Suspense Account," subordinate to "Local Government" (i. e., the Deputy Accountant General would be credited), and the Account "Public Works Department" will be debited, under the same head.

10th. On the Invoice announcing the dispatch of the stores under any Indent being received, the amount of the *Indent* value in the above two accounts will be adjusted to coincide with the *Invoice* value; the Suspense Account or Indent Account, subordinate to "Public Works Department", will be credited, and the Stock Account, subordinate to *Public Works Department*, would be debited.

11th. Any saving under an Indent will become applicable for transfer under the regular Budget Rules; and in like manner any excess must be made good by a transfer from the Reserve, or from some other head of service.

12th. If at any time (see Rule 8) it may be determined to reappropriate the amount of an Indent not likely to be fulfilled, the credit referred to in Rule 9 will be written back to that extent.

13th. Similarly the amounts of all unfulfilled Indents will be always written back at the end of the year, and thus the Suspense Account, which only has reference to the Budget of the current year, will be periodically cleared.

14th. A statement of all the Indents of Local Governments will be furnished by this Department to the Accountant General after the Budget orders are passed, in order that he may take measures for the corresponding entries to be made in the books of the Deputy Accountant General.

7. His Excellency the Governor General is pleased to direct that these rules, subject to any further orders in the Financial Department, may have effect from the commencement of the year 1863-64. But a return according to the annexed form will be submitted as early as practicable from each Local Government and Administration, embracing the Indents included in the Budget of the current year, or those that are expected to be invoiced during that year.

Governments of Madras, Bombay, Bengal, N. W. Provinces, and Punjab.
Governor Straits Settlements.
Chief Commissioners Central Provinces, Oudh, and British Burmah.
Resident at Hyderabad.
Commissioner of Mysore.

ORDERED, that a copy of the above Resolution be forwarded to the Local Governments and Administrations noted in the margin for information and guidance.

Also, that a copy be forwarded to the Inspector General of Accounts.

Also, that a copy be forwarded to the Financial Department for information, and with a request that early intimation may be given if any modification of the proposed rules seems called for in that Department.

Major,
Under Secy. to the Govt. of India with the Govr. Genl.

To
The Secy to the Govt. of Madras
P. H. Dept.

GOVERNMENT OF _____

PUBLIC WORKS BUDGET

FOR 1863-64.

NOTE TO PART I.

Indents on London which it is expected will be supplied during the year, and for the liquidation of the amount of which provision has been made in the Budget.

Registered Number.	Date of despatch to England (or Government of India) and forwarding letter.	Description.	Work in which included if any, and Item of Budget.	Estimated amount of Indent.	Amount provided for in present Budget.	REMARKS.
			<i>I.—Indents in part of sanctioned Estimates.</i>	Rs. A. P.	Rs. A. P.	(6) Provided for also in last year's Budget, but not yet received.
30	Letter No. 2860 of 4th August 1862.	Iron Roofing	Barracks at Goruckpoor, Item No. 11 of Budget.	25,000 0 0	25,000 0 0	
37	Letter No. 4010 of 10th November 1862.	Machinery, Steam Engine, and Turbine.	Madhopoor Workshops, Item No. 40 of Budget.	14,000 0 0	14,000 0 0	
38	Letter No. 640 of 20th March 1863.	Iron Roofing	Public Offices, Lucknow, Item No. 18 of Budget.	3,20,000 0 0	2,00,000 0 0	
			Total		2,39,000 0 0	
			<i>II.—Indents for plant, &c., not required for particular sanctioned works.</i>			
36	Letter No. 4000 of 9th November 1862.	Steam Hammer	Executive Engineer, Kurnaul Division, Item No. 60 of Budget.	4,000 0 0	4,000 0 0	
39	Letter No. 700 of 24th March 1863.	Brass	Superintendent, Iron Bridge Yard, Item No. 69 of Budget.	3,000 0 0	3,000 0 0	
40	Letter No. 750 of 1st April 1863.	Mathematical Instruments	Chief Engineer's Office, Item No. 61 of Budget.	1,000 0 0	1,000 0 0	
			Total provided for separately in Budget	...	8,000 0 0	
			Total to be deducted from sum available for cash expenditure in India	...	2,47,000 0 0	

informed of the amount to be credited to the account of London Indent Suspense Account" referred to in clause 9.

[Signature]

... 26th June 64

5 Copies each
To the Superintendents of Divisions, Sept 29
4. " Cash & Audit, for record
3. " Accountant General
1. " Off. in charge of the Store Department

27th Aug 1861 w: 397-
13th Aug. 1863-184-135

27th Aug 1861 w: 397-
13th Aug. 1863-184-135

Secretary
to the Society of Friends
at the year meeting
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