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MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.

G.O. No.	1761	Press
593-594		~~Mis.~~
Dated	23-6-	1865.

Not to be folded or roughly handled

No. 593. Read the following Circular from Lieutenant-Colonel C. H. DICKENS, R. A. Secretary to the Government of India, Public Works Department, (Account,) dated Simla, 25th May 1865, No. 47:—

No distinction made in issuing credits between Imperial and Local Funds.

Governments of Madras, Bombay, Bengal, North Western Provinces, and Punjab.
Chief Commissioners, Oudh, Central Provinces, and British Burmah.
Commissioner of Mysore.
Governor, Straits Settlements.
Resident, Hyderabad.
Agents, Governor General Central India and Rajpootna.

The following copy of a letter on the above subject is circulated to the Local Governments and Administrations marginally noted, for information and guidance, explaining the principles on which it has been determined that separate credits should not be issued to Public Works Officers for Imperial and Local Funds.

(Signed) A. B. SAMPSON,
Assistant Secretary to the Government of India.

To the Secretary to the Government of Madras, Public Works Department.

From Lieutenant-Colonel C. H. DICKENS, R. A., Secretary to Government of India, Public Works Department, to Secretary to Government of Bombay, in the Public Works Department.

No. 464 A, dated 25th May 1865.

1. With reference to item No. 2,511, in the Proceedings of the Government of Bombay, in the Public Works Department, for December 1864, ordering the issue of separate credits for Imperial and Local Funds, I am directed to remark, for the consideration of the Government of Bombay, that it is doubtful whether the use of separate imperial and local credits will conduce at all to simplification of accounts, because such an arrangement does not in the least ensure that the expenditure will follow the course of those credits.

2. The issue of these separate credits may, at first sight, appear a more simple arrangement than that of one credit for each Division. But unless separate cash chests and cash accounts are kept by each officer for his expenditure against the two kinds of credits, it is evident that the two funds must be mixed from the time that they are received by the Executive Engineer, and that the course of the disbursements will necessarily proceed without reference to which funds the credits have been granted from. Thus if an officer receives an imperial credit of Rupees 20,000, and a local credit of Rupees 10,000, there is nothing to prevent his expending, say, Rupees 25,000 on imperial works, thus temporarily diverting from the intended object, Rupees 5,000 of Local Funds. Experience has shown such departure from the limits fixed by the separate credits is not the exception, but the invariable rule wherever it has been attempted; indeed in the absence of separate cash chests and cash accounts, it would be almost impossible to prevent such cases occurring. It is clear that a mistake of this kind made in one month will vitiate the accuracy of the separation of credits made in succeeding months by the officer who supplies the funds.

3. It is from such considerations that in the provinces under the immediate control of the Government of India, all distinctions of this kind have been abolished, as being incompatible with a system of simple banking accounts such as are now in force, and with the principles of public accounts obtaining in England, and in all other Public Departments in India. Under that system an officer is placed in funds by a general credit, the cash supplied on which is regarded as being simply cash without reference to the source from which it is derived. The ways and means from which this credit is supplied are recorded in the Register of Budget grants, while the actual incidence of the expenditure on Imperial and Local Funds and other heads is determined by the accounts of such expenditure.

4. I am to observe that the principles above stated will probably be gathered also from the revised system of account published in Standing Order No. 21 of 1865, and especially from Section 1, Chapter XX., which relates to Budget credits and appropriations; but it appeared to His Excellency in Council desirable to forward these additional remarks for the consideration of the Government of Bombay, as they may serve to illustrate the subject, and render it clearer.

*Proceedings of the Madras Government, Public Works Department,
23rd June 1865.*

No. 594.

ORDER THEREON, 23rd June 1865, No. 1,761.

ACCOUNT, No. 99.

Communicated to the Superintending
Engineers and the Controller of Public
Works Accounts for information and
guidance.

(True Extract.)

(Signed) CHARLES A. ORR, Colonel, R. E.,
Secretary to Government.

To the Superintending Engineers.
„ Controller of Public Works Accounts.
„ Revenue Department.
„ Accountant General.

Exd. S. T. Augustin.

CIRCULAR No. 47 of 1865.

PUBLIC WORKS.

PUBLIC WORKS DEPARTMENT,
SINLA, 25th May, 1865.

Account.

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Governments of Madras, Bombay, Bengal, North
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Chief Commissioners, Oudh, Central Provinces
and British Burmah.
Commissioner of Mysore.
Governor, Straits Settlements.
Resident, Hyderabad.
Agents, Governor General, Central India and Raj-
pootna.

(Signed) C. H. DICKENS, Lieut.-Col., R. A.,
Secy. to the Govt. of India.

W. Sampson
Asstt. Secy. to the Govt. of India.

No. 464 A, dated 25th May, 1865.

From—LIEUT.-COL. C. H. DICKENS, R. A., Secy. to Govt. of India, P. W. Dept.,
To—Secretary to Government of Bombay, in the P. W. Dept.

With reference to item No. 2511 in the Proceedings of the Government of Bombay, in the Public Works Department, for December 1864, ordering the issue of separate credits for Imperial and Local Funds, I am directed to remark, for the consideration of the Government of Bombay, that it is doubtful whether the use of separate imperial and local credits will conduce at all to simplification of accounts, because such an arrangement does not in the least ensure that the expenditure will follow the course of those credits.

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*To the Secretary to the Government of India
Public Works Department*

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Enclosed

Account

17/31

No. 1761

Communicated to

*the Superintending Engineers
& the Controller of Public
Works Accounts for
information & guidance.*

JP

WUN

For Mr. George

23rd June 65

*To the Superintending Engineers
& the Controller of P.W. Accts.
Revenue Department
Accountant General*

1887

Chief Secy. to Govt.

and all the documents of the subject.

*For 1865 Dep't
Pro. of Govt. of India
No. 2159*

Account.
CIRCULAR No. 47.

To

FROM
SECY. TO GOVT. OF INDIA,
IN THE PUBLIC WORKS DEPT.

Dated SIMLA, 25th May, 1865.

Received *17 June*

CA 2541/65

No. 593. 544

No distinction to be made in issuing credits
between Imperial and Local Funds.

*With an order -
no. 1761-22nd June/65*

20th June 1865 No. 2125

*and all other necessary orders
should be sent to the Secy.*