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(2) Date of repair _____

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MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.

G.O. No. 1877

Press
Mis.

99-100

Dated

5. 7.

1865.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
5th July 1865.*

No. 99. Read the following Proceedings of the Madras Government in the
Revenue Department:—

Communicating to the Board of Revenue
Proceedings Public Works Department
on Circular from the Government of
India, forwarding copy of a letter
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.

(Here enter 29th June 1865, No. 1,480.)

No. 100. ORDER THEREON, 5th July 1865, No. 1,877.

ACCOUNT, No. 16.

Ordered to be recorded.

(True Extract.)

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

Exd. S. T. Augustin.

Revenue Department.
Proceedings of the Madras Government.
Read the following

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

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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 Raj-
pootna.

The following copy of a letter on the
above subject is circulated to the Local
Governments and Administrations mar-
ginally 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 Depart-
ment.

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 arrange-
ment 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.

Order thereon of 23rd June 1865.

*Communicated to the Board of Revenue
for the information of all Collectors.*

*They will observe that a general credit
will be provided for the Department Public Works
executing works from Imperial or Local Funds
and that the several funds will be debited with their
proportionate share of the charge with reference
to the account of actual expenditure on the several
descriptions of works.*

(True Extract)

J. R. Cole.

Under Secy. to Govt.

Exd. S. T. Augustin.

*To
The Public Works Department.*

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 Super-Engineers and the Controller Works Accounts for information and guidance.

(True Extract.)

To W. B. & D. & Co.
Pro. of Govt. for July
1865.

To Secy. of Govt. in the
Revenue Dept.
D. 29 June 1865
Recd. 1 July 1865

- 1865

Comments
to the B. & D. & Co.
Dept. in circular from
the Govt. of India forward-
ing copy of a letter ex-
plaining the principles
on which it has been
determined that separate
credits should not be
opened to P. W. Officers
for Imperial and
Local Funds.

Account 1865
Recorded
exp. 1877-5 July 1865

Exd. S. T. Augustin.

To The Public Works Dept.

Frank & Co.
5th July 1865

1877

Recorder

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