

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

29th October 1881, No. 2083.

Banks.

Read the following paper :—

*Proceedings of the Government of India, Department of Finance and Commerce, dated Simla, 21st October 1881, No. 3727 [Current No. 2969].*

Accounts and Finance.

Read again—

Financial Resolution, No. 384, dated the 25th January 1879.

Read—

Letter from the Comptroller-General, No. 713, dated the 11th July 1881.

RESOLUTION.—In the Resolution of January 1879, read in the preamble, it was said (paragraph 8)—

“It is the duty of every disbursing officer to reduce to the utmost his demands upon the public treasury, and not to draw money in advance of his requirements. This applies as much to an officer who has a drawing account with a Presidency Bank, as to one who has a treasure chest; the balances at credit of drawing accounts and deposited in treasure chests should alike be kept down to the lowest possible amounts. It is the duty of Accountants-General to watch these accounts with a view to securing this object.”

2. The Comptroller-General has now furnished a report of his examination of some of the *ex-officio* accounts of public officers kept in Presidency Banks. It appears from this report that, notwithstanding the orders quoted in the first paragraph, public money is in several cases unnecessarily kept out of the public treasury, by the contrivance of private accounts opened with the Banks. Thus, for instance, officers who have letters of credit draw from the Government treasury larger sums than they require and forthwith place them to their credit in the Bank; the Controller of Military Accounts states that he finds it a regular practice in some places to draw the whole monthly allotment in the beginning of the month and then to leave it in private account to be drawn against as required; and large sums sufficient for a half-year's requirements are sometimes drawn as permanent advances for the contingent expenditure of an office, and then deposited in a Bank.

3. Such arrangements are irregular and are not required in the interests of the public business. The Governor-General in Council is therefore pleased to rule that no public officer who is supplied with funds from the public treasury, or who in the exercise of his duty receives money on the part of Government, either in deposit or as revenue, shall open an account with a Bank in respect of such funds or money without the previous consent of the officer to whose audit he is subject.

4. The Comptroller-General will issue needful instructions (which should first be submitted for the approval of Government) for the guidance of Account Officers in the Civil, Public Works, and Military Departments, in determining the cases in which private banking accounts may be allowed in respect of public money. In preparing

these instructions he will bear in mind that in certain cases, *e.g.*, those of Private and Military Secretaries, Officers in the Political Department and Officers having the management of purely private moneys, the objections to the system of separate banking accounts are of less consideration than the convenience of using banking procedure.

ORDERED that this Resolution be communicated to the several Departments of the Government of India, the Comptroller-General, the Local Governments and Accountants-General and the Chiefs of Departments under the Government of India in this Department.

(Signed) STEPHEN JACOB,  
*Offg. Under Secy. to the Govt. of India.*

ORDER THEREON, 29th October 1881, No. 2083.

Communicated to all Departments and Heads of Departments.

(True Extract.)

*J. Hudson*  
Chief Secretary.

To all Departments. (*Public Works*)  
„ Heads of Departments.

B. No 2825 W of 14<sup>th</sup> Nov 1881.

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Recorded.

Note

No action need be  
taken pending in-  
structions from the  
Secy of India in the  
Govt. Dept.?

S.S.

P. W. G. No 6601  
Govt. of (1881) Madras.  
FINANCIAL.

To  
ALL DEPARTMENTS,  
&c., &c., &c.

Dated October, 29th.

Issued

Recd. 11 Nov 81 Encl.

G.O., 29th October 1881, No. 2083.

30.1.0  
No 2825 W of 14-11-81  
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OCTOBER.

Banks.—Communicating Resolution of Gov-  
ernment of India directing that no private ex-  
office banking-accounts be opened by an officer  
without the previous consent of the Account  
Officer to whose audit he is subject.

Enter a Receipt Receipt  
with order