

B. No 11,04 W. dated 4th June 84

P.W.D.

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.

ACCOUNT.
General.

To

Recorded, in continuation
of L.O. No. 1404 W
dated 4th June 1884.

(Signed) Jff

No. 151A.G.

Dated Simla, May 27, 1884.

Received

No. 1489 W. 16th June 84

Appointment of Comptroller and Auditor Gen-
eral, and the nature of his duties.

Examt. P.W. Accts.

With order

B. No 11,041 W. dated 1-6-84.

No. 151A.G.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

ACCOUNT.

General.

Dated Simla May 27, 1884.

Read the following—

Department of Finance and Commerce Resolution No. 792, dated 6th May 1884.

Read—

Financial Despatch from the Secretary of State, No. 46, dated 27th January 1881, directing that the Comptroller General be requested to prepare annually a report comparing the accounts of the last year with the Budget of that year and with the accounts of the preceding year, with explanations of any important variations, and requesting an expression of the views of the Government of India regarding the expediency of delegating the duty of making an appropriation audit to the Comptroller General or to another officer free from all administrative functions.

Resolution by the Government of India in the Financial Department, No. 1900, dated 22nd July 1881, declaring that the offices and accounts of the Controllers of Military Accounts, of the Examiners of Public Works Accounts, and of the Comptroller to the Post Office will be open to the inspection of the Comptroller General and his inspecting officers.

Despatch from the Government of India to the Secretary of State, No. 249 (Financial), dated 1st October 1881, replying to that portion of the Secretary of State's Despatch of 27th January 1881, which dealt with the question of establishing in India an independent appropriation audit to supplement the departmental audit.

Despatch from the Secretary of State, No. 103, dated 23rd March 1882, replying to the Despatch from the Government of India, dated 1st October 1881.

Despatch from the Government of India, No. 278, dated 8th September 1882, containing the final proposals of the Government of India on the subject of an annual appropriation audit.

Despatch from the Secretary of State, No. 401, dated 21st December 1882, conveying his approval of the recommendations made by the Government of India in the Despatch No. 278, dated 8th September 1882, above quoted.

RESOLUTION.—The question of the expediency of establishing in India an independent appropriation audit to supplement the existing departmental audit was raised by the Committee appointed in 1880 by the Secretary of State for India to inquire into the system of military account and estimate in India. This question was connected rather with the general system of accounts in India than with that of the military accounts; but as the matter had come to the notice of the Committee, they submitted recommendations on the subject to the Secretary of State. The Committee were not unanimous in opinion, but the recommendation made in the body of their report was to the effect that the appropriation audit should be made by the Comptroller General.

As a complete audit in detail of every charge against the vouchers was effected by the local and departmental account officers, and as abstract statements of the results of this departmental audit were submitted month by month to the Comptroller General, the Committee were of opinion that the Comptroller General should carry out the appropriation audit from the materials thus supplied to him, and that he should be required to submit an annual comparison and report to the Governor General in Council.

In reply to the objection that by reason of this being entrusted with certain executive and administrative functions the Comptroller General could not be regarded as an altogether independent auditor, it was observed that, owing to the circumstances of the country, the Comptroller General did not, like the Auditor General in England, audit the accounts with vouchers, but could only exercise the functions of appropriation auditor by reviewing the results after examination of the materials received from his Sub-Accountants, and for this purpose it was considered that the office of Comptroller General, as at that time established, was sufficiently independent.

2. In forwarding the report of the Committee to the Government of India, the Secretary of State requested that the Comptroller General should be instructed to prepare annually a report comparing the accounts of each year with the estimates for that year and with the accounts of the preceding year, with explanations of any important variations; the report

to be considered by the Government of India and forwarded with such remarks as might seem necessary to the Secretary of State for India. At the same time the Secretary of State requested an expression of the opinion of the Government of India regarding the expediency of delegating the duty of conducting the appropriation Audit to the Comptroller General, or to another officer free from all administrative functions.

The recommendations which were made in the first instance by the Government of India involved the appointment of a separate and independent Auditor General with a staff of subordinate auditors at a total cost of rather more than one and a half lakhs of rupees per annum. On further consideration, however, doubts were felt regarding the applicability to India of the principle which regulates the appointment of an Auditor General in England. In the United Kingdom the supplies are annually voted by Parliament, which exercises a very jealous control over the Executive Government in the disposal of those supplies, and requires that an officer, independent of the Executive Government, shall report to it whether the law has been in all cases observed, and the moneys distributed according to the intention of the House of Commons. In India the case is different, as the allotment of supplies is made by the Governor General in Council, and it is, primarily, for his satisfaction that an appropriation audit is needed, in order that he may have brought before him in a clear and precise manner any deviations which have occurred in the expenditure of the year from the original intentions of the budget. It was evident that this object could be attained without the appointment of an officer independent of the Government of India, and without incurring the considerable expenditure involved in the appointment of a separate officer; as the report was to be made to, and for the information of, the Governor General in Council, there was no object to be gained by the appointment of an officer who would be wholly independent of the Government of India.

3. On reconsideration of the whole subject, and with reference to the wishes of Her Majesty's Secretary of State for India, the Government of India finally recommended, and the Secretary of State sanctioned, the following arrangements:—

I.—The appropriation audit should be made by the Comptroller General, who, in order to give due prominence to his special duties of audit, should be designated Comptroller and Auditor General.

II.—The Comptroller General should be relieved of the executive work which he performed in his capacity of Accountant General in respect of the treasuries classed under "India."

III.—The Comptroller General should be authorized to undertake a test audit in any of the offices of Account and Audit under the Government of India whenever he deemed it desirable to do so.

IV.—An addition should be made to the staff of the Comptroller General to enable him to carry out the above duties.

V.—The various Accountants General (including those of Military and Public Works Departments) or heads of Departments of audit and account should be required to submit annually an appropriation audit report to the Auditor General, who would compile his report from the materials supplied to him and forward it to the Government of India.

4. In pursuance of these arrangements the Governor General in Council is now pleased to formally appoint the Comptroller General to be Comptroller and Auditor General, and to direct that each Accountant General, including in the term the Military and Public Works Accountants General and each head of a separate Audit Department, shall prepare and forward to the Comptroller and Auditor General each year an appropriation audit report of the Province or Department of which he compiles the accounts.

Two officers have already been appointed to class I of the enrolled list of the Financial Department, of whom one, under the title of Comptroller of Indian Treasuries, will have charge of the duties connected with the treasuries immediately under the Government of India, the examination and audit of the daily cash transactions of the Government with the Bank of Bengal at Calcutta, the accounts and expenditure by offices and establishments serving directly under the Government of India, and the accounts of interest of the public debt.

The second of these officers, under the title of Deputy Auditor General, and the former Inspector of Local Accounts who will now receive the same title of Deputy Auditor General, will be employed on the duties of test audit and inspection.

5. The offices and accounts of the Controllers of Military Accounts (including their Examiners), of the Examiners of Public Works Accounts (including Telegraph), and of the Comptroller to the Post Office, have already been declared to be open to the inspection of the Comptroller General and his inspecting officers, and similar authority is now delegated to the Auditor General and his staff. The Comptroller and Auditor General, in person or by his Deputies, is not merely entitled to inspect the offices and accounts in question, but also to make a test audit of so much of the accounts of any office as he may consider necessary; and the auditing or inspecting officer is entitled to enter any branch of the office, to call for any documents, and to ask for any information he may require for the purposes of his audit or inspection, and it will be the duty of the heads of all departments to supply such information and to afford every reasonable facility for making a test audit.

The arrangements indicated in these last paragraphs have in fact already been brought into operation, and the offices of the Controller of Military Accounts, Bengal, and of the Accountant General, Madras, have already been audited.

6. The following duties will remain with the Comptroller and Auditor General, in addition to his general duty of supervising and directing the work of the Civil Accountants General and Comptrollers:—

- (1) Compilation of the Central Accounts, both monthly and yearly.
- (2) Compilation of estimates and comparison of current facts therewith.
- (3) Appropriation audit.
- (4) Audit and inspection of all offices of Account.
- (5) Management of the Paper Currency Department.
- (6) Control of *personnel* of Civil Department of Account.
- (7) Resource—that is, the providing of money both by increasing the balances as a whole and by transferring them to the points whence they are required.
- (8) Management of the Public Debt, now including Stock Notes.
- (9) Accounts of the District Savings Banks.
- (10) Adjustment of accounts of Guaranteed Railways.
- (11) Account with London and with the Colonies.
- (12) Management of Reserve Treasuries and of the Bank balances.
- (13) Central accounts and custody of securities held in trust by Government officers.
- (14) General direction of coinage and mint operations.
- (15) Verification of deposit, advance, and other debt balances.
- (16) Collection of mutual accounts of accounting officers.
- (17) Audit of such account as Administrator General's and other Law Officers', and Emigration Agencies of Colonies.
- (18) The Accounts of the Forest Department.
- (19) Examination of accounts of Service Funds.

ORDERED, that this Resolution be communicated to the several Local Governments and Administrations, the Comptroller General, the several Accountants General and Comptrollers, the Military Department, and the Public Works Department.

Ordered also, that the Resolution be published in the *Gazette of India* for general information.

The Governments of Madras, Bombay, Bengal, the North-Western Provinces and Oudh, and the Punjab, in the Public Works Department.
The Chief Commissioners, Central Provinces, British Burma, Assam, and Coorg.
The Resident at Hyderabad.
The Resident at Mysore (through Foreign Department).
The Agents to the Governor General for Central India, Rajputana, and Biluchistan.
The Superintendent of Port Blair and Chief Commissioner, Andaman and Nicobar Islands.
The Director General of Telegraphs.
The Inspector General of Military Works.
The Superintendent of Works, Simla Imperial Circle.
The Accountant General, Public Works Department.
The Director General of Railways.
The Director-in-Chief, Indo-European Telegraph.
The Director, Persian Telegraph.
The Director, Persian Gulf Telegraph.
The Consulting Engineers to the Government of India for Guaranteed Railways, Calcutta, Lahore, and Lucknow.

ORDER.—Ordered, that a copy be forwarded to the Local Governments and Administrations and Officers mentioned in the margin for information.

A. J. FILGATE, R.E., Lt.-Col.,
Deputy Secretary to the Govt. of India.

B. No 1104 W. dated 4-6-84

N. 1489 W. of 16th June 1884

Recorded in
Continuation of G.O.
No 1104 W. of 4th June
1884

Cit.
10-6-84

11.6.84

P.W.C. No 4820

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.

ACCOUNT.
General.

To

No. 151A.G.

Dated Simla, May 27, 1884.

Received

N. 1489 W. of 16th June 1884

Appointment of Comptroller and Auditor General, and the nature of his duties.

2 copies sent to Mr. J. J. J.

G. C. B. Press, Simla.—No. 19 P. W. D., A. B.—30-5-84—470.

Execd. P. W. Accto
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The Superintendent of Port Blair and Chief Commissioner, Andaman and Nicobar Islands.
The Director General of Telegraphs.
The Inspector General of Military Works.
The Superintendent of Works, Simla Imperial Circle.
The Accountant General, Public Works Department.
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A. J. J. J.

Lt.-Col., R.E.,

Deputy Secretary to the Govt. of India.

The Secretary to the Govt. of Madras.

Public Works Department.

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