

Proceedings of the Madras Government
Read the following:

No. 600.

GOVERNMENT OF INDIA.
DEPARTMENT OF FINANCE AND COMMERCE.

ACCOUNTS AND FINANCE.
Administration of Treasuries, &c.

RESOLUTION.

Simla, the 1st May 1885.

READ the following memorandum by J. Westland, Esq., Comptroller General, dated the 18th March 1885, describing the Indian system of account:—

Civil Account.

1. The Civil Accounts of Government contain the receipts and disbursements—
 - (a) of Revenue and Political Treasuries;
 - (b) of Civil and Political Officers and Civil Departments who, by special arrangements, are supplied from the treasuries with funds for expenditure, of which they render account. Organised Revenue Departments are not allowed to be "in account with" the treasuries in respect of their revenues—that is, the revenue can be brought to account only as actually received in an authorised Treasury Account.
2. The Civil Accountant General (or Comptroller) is the original Account Officer in respect of the Civil Accounts, and is responsible for obtaining accounts from the treasuries, officers, and departments which are in account with him, and for compiling a single monthly account covering all their transactions. This account must work from the cash balance in the treasuries in the beginning of the month to that at the end of the month, balances of officers and departmental accounts being provided for by suspense heads.
3. Each Civil Accountant General will exchange accounts with each other in respect of transactions passing between them. Transactions, which it is desirable to bring upon a single account for all India, will be passed through the Exchange Account upon the accounts of the Comptroller, India Treasuries. This Exchange Account must pass upon the "India" Accounts of the month to which it belongs.

Other Departments.

4. Treasury officers receive moneys from, and, upon assignments or credits from the Accountant General, pay moneys to, the non-Civil Departments. The Civil Accountant General takes these credits and debits to the account of the department concerned.
5. The following is a list of the non-Civil Departments with the original Account Officers of each:—

Post Office	...	...	Comptroller, Post Office Accounts.
Telegraph	...	...	Examiner, Telegraph Accounts.
Marine	...	...	Controller of Military Accounts, Bengal.
Military	...	...	Controllers of Military Accounts, Bengal, Madras, and Bombay.
Public Works	...	...	Examiners, Public Works Accounts.

[Direct correspondence between the Comptroller General on the one side and Controllers of Military Accounts or Examiners, Public Works Accounts, is on routine matters only. On all others the Accountant General, Military or Public Works Department, is to be addressed.]

6. Civil Accountants General will exchange accounts with the Marine, Military, and Public Works Account Officers, so as to clear their mutual debits and credits, and will furnish similar accounts to the Account Officers of the Post Office and Telegraph Departments, who will render statements of the debits and credits in those departments on account of each Civil Account Office.

7. Except in a few cases in which permission is specially given, no non-Civil Account Officer may take debits or credits to, or exchange accounts with, any other non-Civil Account Officer. Debits or credits which have to be passed on the accounts of a non-Civil Account Officer, and the responses thereto, are to be adjusted through a central adjusting account under the management of the Comptroller General.

Monthly Accounts.

8. Each original Account Officer is responsible for—

- (1) collecting accounts of all the receipts and disbursements of his department;
- (2) making up a monthly detailed account of all such receipts and disbursements, and of all debits and credits passed on to him by Account Officers with whom he exchanges accounts;
- (3) forwarding such accounts, either in abstract or in detail, to the Comptroller General, Central Office. (Examiners of Public Works Accounts forward their monthly account to the Accountant General, Public Works Department, who compiles them for the Comptroller General in four sets, one for each of the branches of the Department.)

9. The Comptroller General is responsible, as original Account Officer, for the following:—

- (1) Account of transactions of Guaranteed Railways, based on cash transactions, included under a general head in the accounts of Civil Account Officers and reported by them, and on transfer transactions reported by the Accountant General, Public Works Department. This account is rendered to the Central Office as a separate departmental account under the last Rule.
- (2) Account of foreign remittances, *i.e.*, of remittances of money bills, or Bank or Currency transfers, from one Civil Accountant General to another. This account is rendered to the Comptroller, India Treasuries, under Rule 3.
- (3) Accounts of the transactions of the Indian Forest Department. This is compiled for and rendered to each Civil Account Officer (excluding Madras and Bombay) and incorporated in his accounts.

10. The Comptroller General is to print and submit to the Government of India the following monthly compilations of the accounts received by him under Rule:—

- (1) One for Civil Accountants General.
- (2) An appendix to the same, showing the Forest transactions.
- (3) A compilation of the Guaranteed Railways accounts.
- (4) A compilation of the Post Office, Telegraph, and Marine accounts.
- (5) A compilation of the three Military accounts.
- (6) A compilation of the four Public Works accounts.
- (7) A general abstract of the whole.

And he is to see that the Civil Accounts properly work from balance to balance, and that the non-Civil Accounts properly account for all moneys they have received from or paid into the treasuries.

11. The Comptroller General is especially to see that transactions are not left outstanding between Account Officers under the Exchange Accounts, the Central Adjusting Account, or the Account of Foreign Remittances, but that they are speedily brought to account in the monthly accounts received and compiled by him.

Account between India and England.

12. Monthly schedules setting forth the detail of debits and credits to London are to be prepared as follows, and submitted, with vouchers, to the Comptroller General for transmission, after examination, to London:—

Nine schedules from nine Civil Accountants General.

Three schedules from the Controllers of Military Accounts.

One schedule from the Controller of Military Accounts, Bengal, for Marine.

Four schedules from the Accountants General, Public Works, *viz.*,—

- (1) Buildings and Roads.
- (2) Irrigation.
- (3) State Railways.
- (4) Telegraph.

One schedule for each Guaranteed Railway.

After the third schedule of the quarter is sent in, a quarterly account has to be sent, agreeing with and quoting the three schedules. This is duly examined, and the Military Account is sent on to the India Office by the Comptroller General (after check as to thorough mutual agreement), together with a covering abstract account embracing the whole of the transactions.

13. The Inward Account from London is received by the Comptroller General, who sends extracts therefrom to the Account Officers concerned for the necessary action, and all correspondence with the India Office takes place through the Comptroller General.

[The Secretary of State does not communicate responding entries.]

Local Books.

14. Every original Account Officer is to maintain formal books exhibiting the transactions which pass into his accounts under the following classes of heads:—

- (1) *Service heads.*—Receipts and payments on account of Revenue and Expenditure of Government.
- (2) *Debt heads.*—Receipts and payments in respect of which Government becomes liable to repay the moneys received or has claim to recover the amount paid.
- (3) *Exchange Account heads.*—Receipts and payments to be passed on to the accounts of other Account Officers, and debits and credits by which such items from other officers are brought on the accounts.
- (4) *Account between India and England.*

15. No entries may pass into these books which have not first appeared in one of the regular monthly accounts, except—

- (1) The ordinary opening and closing entries.
- (2) Journal entries or corrections previously sanctioned by the Comptroller General.

16. Service heads and account between India and England are closed to or by Government (directly or indirectly).

Debt heads are closed to or by balance.

Exchange Account heads are closed to or by Government.

Appropriation Report.

17. For Service heads each original Account Officer will submit to the Comptroller General (Public Works and Telegraph Examiners, through the Accountant General, Department Public Works) an appropriation report, examining each head by comparison with last year's figures, and with the Budget and Revised Estimates of the current year.

Annual Finance and Revenue Accounts.

18. The Comptroller General (with the aid of the Accountants General, Military and Public Works Departments) is to draw up, on the basis of the yearly accounts of the original accounting officers, the yearly accounts of the Government as required by the Secretary of State and the House of Commons, and is also to draw up a general appropriation report covering the whole area of the accounts.

Central Books.

19. The Comptroller General is to maintain a Central Journal and Ledger, posted from the final accounts of each year received from the original Account Officers, and from such journal entries as may be sanctioned under Rule 15.

20. In the Central Books, the Service heads, Debt heads, and Account between India and England will be opened and closed in the same way as in the Local Books. But the Exchange Accounts will each be posted from the accounts of both the original officers concerned, and will be closed to balance.

21. A copy of the Central Journal and Ledger, when closed, will be sent to each original Account Officer, who will see that his own closing balances agree with those posted in his account in the Central Ledger. For the Public Works Accounts, the Accountant General, Public Works Department, will make this comparison between the Central Books on the one side, and the accounts of his Examiners on the other.

Report on Balances.

22. Each original officer is responsible for the maintenance, either in his own charge or in that of some subordinate, or some officer who is in account with him, of details of the amounts due to or by Government, working up to and agreeing with his Balanced heads. He is each year to make a review of the closing balances upon his books, ascertaining if each of them is thus resolved and agreed with the recorded detail, and is to submit a copy of that review to the Comptroller General (Public Works Examiners, through the Accountant General, Department Public Works).

23. Each original Account Officer will also submit to the Comptroller General a detail of the outstandings upon each of the Exchange Accounts for which he is responsible.

24. The Comptroller General upon the closing of the Central Books will draw up a report—

- (1) agreeing the technical record of the books with the published Finance and Revenue Accounts;
- (2) Reviewing and summarising the reports of the original accounting officers in respect of balances of Debt heads, and completing the examination so far as it relates to subjects (e.g., Public Debt) in his own immediate charge.
- (3) Examining with the aid of the lists of outstandings of the Exchange Accounts the balances recorded in the Central Accounts under Exchange Account heads.

25. This report will be printed, and form part of the annual volume of the Journal and Ledger.

Writes-off.

26. No amounts may be written off from Balanced heads to "Government," either upon the Local or upon the Central Books, without a specific order of the Comptroller General, and then only on the ground that the error is one of book-keeping only, and should not be debited or credited to a Service head as loss or gain of Government. These writes-off will be shown in a separate entry (under the head Government) in the annual reviews of the original Account Officers and of the Comptroller General.

RESOLUTION.—The Governor General in Council directs that the procedure in matters of account as described in Mr. Westland's memorandum be adhered to by all account officers.

ORDER.—Ordered, that a copy of this Resolution be forwarded to the several Departments of the Government of India, to Local Governments and Administrations, to the Comptroller General, the Comptroller of India Treasuries, to Accountants General, and to Comptrollers for information and guidance.

Ordered also, that the same be published in the *Gazette of India*.

D. BARBOUR,

Secy. to the Govt. of India.

Order, 19th May 1885, No 871, (Mis)

*Communicated to the
Military and Public Works Departments.
(True Extract)*

*W. H. Munnick
Asst. Under Secretary*

*To
The Military Deptt
" Public Works Deptt
" Acct General*

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GOVERNMENT OF INDIA.
DEPARTMENT OF FINANCE AND
COMMERCE.

ACCOUNTS AND FINANCE.
Administration of Treasuries, &c.

RESOLUTION.

To

SEVERAL DEPARTMENTS OF THE GOVERNMENT
OF INDIA.
LOCAL GOVERNMENTS AND ADMINISTRATIONS.
ALL ACCOUNTANTS GENERAL AND COMP-
TROLLERS.

No. 600.

Dated Simla, the 1st May 1885.

Indian system of account.

Gobt. of 1881 Madras.

(1)

To

The M. Dept

Recd 29. 5. 85

Requisition sent for
650 d/s 4/6/85

Proceedings, dated 19 May 1885.
No. 871/85

Subject.

Copy letter from the
Govt of India regarding
Indian System of
Account

No. 1401 May 16-6-85

With disposal

No. 1401 May 16 June 85

Board for the
Board for the
information and
guidance of the
Examiner of P.W. Accts

Cd.
29. 5. 85

LL
1. 6. 85

B 1/10/86

Ex. P.W. Accts
16/6/85

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