

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	826	Press
		~~Mis.~~
	151-152	
Dated	14-5-	191864

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
14th May 1864.*

No. 151. Read the following letter from J. L. LUSHINGTON, Esq., Acting Deputy Auditor and Accountant General, to J. D. SIM, Esq., Secretary to Government, Revenue Department, dated Fort Saint George, 28th January 1864, No. 352:—

SIR,

1. In paragraph 2 of the Government Order No. 46, dated the 9th instant, it is observed that the Government have it in contemplation to issue at an early date rules regarding the framing of the Budget Estimates of Local Funds. With reference thereto, I have the honor to bring to the notice of Government certain points for consideration in connexion with the Local Fund Returns.

2. In paragraph 42 of the Rules prescribed by the Supreme Government for the preparation of the Public Works Budget Estimates, it is laid down that a Local Funds Budget should be sent annually by each Government with the General Budget of Imperial Works: the object of such return being to place before the Supreme Government useful information which it affords, as to an important part of the *whole* field of Public Improvement, it should, though, in a distinct return, be arranged as far as possible under parts similar to those in the Budget of Imperial Works.

3. In accordance with the above ruling the Madras Government submits annually through the Public Works Department a Local Funds Budget for the expenditure incurred by the Public Works Officers from the Local Funds; this includes payments from the one per cent. Income Tax Fund in full, those from the Ferry or District Conservancy Fund, Educational Building, and Port Funds only in part.

4. Again, in the rules laid down by the Supreme Government for the administration of Local Funds under the Financial Resolution No. 4,559, dated the 18th September last, the Deputy Auditor and Accountant General of each Presidency is required to send to the Financial Department simultaneously with the General Budget, a Local Funds Estimate, which according to the provision made in rule 3 thereof is to include every fund, for the proper administration of which, the Local Government is responsible.

5. The head Local Fund is a general one; the principal minor heads subordinate to it being "District Conservancy Fund," "Jungle Conservancy Fund," "Pound Fund," "School Fee Fund," "Port Fund," "Stamping Fee Fund," "Police Lodging Fund," "Emigration Fee Fund," "Pier Fund," and "one per cent. Income Tax Fund."

6. Of these the "one per cent. Income Tax Fund" is under the control of the Officers of the Public Works Department; the "District Conservancy" under that of the Collector and the Executive Engineer of the District; the "Port and Pier Funds" under the Master Attendant and Superintendent of Marine, and the "School Fee Fund" under the Officers of the Educational Department; the remaining Funds with the exception of the "Police Lodging Funds," which is just being organized, are under the control of the Collectors. From this it will be seen that while the Public Works Department Officers have not got a control over, or even the means of knowing the expenditure from all the Local Funds, they have entrusted to them the management of the most important of them: on the other hand, the Collectors, though as the disbursing Officers, are aware of the receipt and expenditure of every Fund, cannot be looked upon as responsible for the details under all of them. This opens the question as to which is the proper Department to submit the Estimates when the Funds are under the joint control of two Departments. The Board in their letter to Government, dated 11th December 1863, seem to have considered the question only with reference to the Revenue and Public Works Departments, but it appears to me that there are likewise other Departments involved in the question. For instance in the case of the Estimates of Port Funds is the Marine or the Public Works Department to prepare the Budget, and in the case of the Police Lodging Fund, is the Inspector General of Police or the Public Works Department?

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• Referred in paragraphs 2 and 4.

7. The next point to be considered is whether there ought to be two Local Funds Estimates* as at present, or whether there should be only one. The Estimate of Local Funds sent through the Public Works Department is not complete, as it includes only that portion of the expenditure which passes through the hands of the Engineering Department. The Estimate sent in by this Department, which is based on the returns of the Collectors, does not represent the exact expected expenditure, as in many instances the results are obtained only from the *advances* made by the Treasury Officers, without reference to the necessary details. It is also to be observed that this Office Budget Estimate contains provision for expenditure already provided for in the Public Works Department. I would suggest that on this point a reference be made to the Government of India with a request that a form be prepared in which the complete Estimate of the Local Funds should be exhibited.

8. I take this opportunity of enquiring, with reference to paragraph 4 of the Government Order No. 667, dated 15th October last, what sort of review the Deputy Auditor and Accountant General is expected to make in connexion with the Local Funds, and whether it is intended that he should make a regular monthly audit of all the Local Fund Accounts. In my opinion this is unnecessary, as in the majority of the cases, the Public Works Department and the Board of Revenue perform these duties at present. An annual appropriation audit will, in my opinion, be sufficient for all purposes of check.

No. 152. ORDER THEREON, 14th May 1864, No. 826.

1. The questions raised in this letter by the Acting Accountant General have been disposed of in the Proceedings of Government, dated 4th March 1864, No. 392.

2. Orders will be issued from the Marine and Judicial Departments on that part of paragraph 6 wherein the Acting Accountant General requests instructions as to the preparation of the Budgets for the Port and Police Lodging Funds.

3. The reference to the Government of India, proposed in paragraph 7, is unnecessary.

(True Extract.)

(Signed) C. G. MASTER,
Deputy Secretary to Government.

To the Acting Accountant General.
„ Marine Department.
„ Judicial Department.

Exd. S. T. Augustin.

8. I take this opportunity of enquiring, with reference to para 4 of the Government Order No. 667 dated 15th October last, what sort of review the Deputy Auditor and Accountant General is expected to make in connexion with the Local Funds, and whether it is intended that he should make a Regular Monthly audit of all the Local Fund Accounts. In my opinion this is unnecessary as in the majority of the cases, the Public Works Department and the Board of Revenue perform these duties at present. An annual appropriation audit will in my opinion be sufficient for all purposes of check.

I have the honor to be
Sir

Yours obed^t Servant

J. H. M. S. J. H. M. S.
By Dy. Audr. & Acct. General.

Copied & Handed to.
Comp. L. M. S.

27 Oct 1890 319-320
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No. 1574752.

Ms. A. 9. 2. 6 - 14 May

With an order of

Ms. 826.

The question raised in

this letter by the express of constant guard
have been disposed of in the proceedings

of Government dated 4th March 1864. 4392

2. Orders will be refused from

The House of Lords and the House of Commons

that part of para. 6 wherein the sum^{ing}

Accountant General, Requests and Instructions

as to the preparation of the Quinquat for

the Post-Office Savings Bank.

3. *Disinclination to the Govt of India*

Professor in Transaktionsökonomie

[illegible]