M.R.O. 16—18,000—27-6-36

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1480 Press ~~MHS.~~

631-632

Dated 29-6-1865.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 29th June 1865.

No. 631. Read the following Proceedings of the Madras Government in the Public Works Department :—

Communicating to the Superintending Engineers, and to the Controller of Public Works Accounts, letter from the Government of India on the subject of making no distinction in issuing credits between Imperial and Local Funds. } (Here enter 23rd June 1865, No. 1,761.)

No. 632. ORDER THEREON, 29th June 1865, No. 1,480.

Miscellaneous.

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

2. 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 description of works.

(True Extract.)

(Signed) J. GROSE,
Acting Under Secretary to Government.

To the Board of Revenue, with Proceedings Public Works Department, No. 1,761.
,, the Public Works Department.

Exd. S. T. Augustin.

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 Rajpootna.

The following copy of a letter on the above subject is circulated to the Local Governments and Administrations marginally 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 Department.

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 arrangement 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.)

Colonel, R. E.,
Secretary to Government.

To the Superintending Engineers.
,, Controller of Public Works Accounts.
,, Revenue Department.
,, Accountant General.

Exd. S. T. Augustin.

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Rev. 1865 Despatch
Pro. of Govt for 2 June
No. 1713.
Proceedings of the
Madras Govt. in
the Pub. Wks. Dept.

Dated 23rd May
Recd 26th " 1865.

No. 1761.

Communicating
to the Govt of India
Secretary of State's letter from the
Govt of India on the
subject of making no
distinction in issuing
credits between Imperial and Local Funds.

Read 29 June

With Order

No. 631 & 632.

27 June 65 RR

No. 1480.

Communicated to the
Bd of Rev. for the information of
all Collrs.

They will observe
that a general credit will be pro-
vided for the D. P. W. executing
works from Imperial or
Local Funds and that the several
funds will be debited with
their proportionate share of
the charge with refce to the
ascertainment of actual expenditure
on the several descriptions
of works.

Recd Board of Revenue and Board of Trade 1761 dated 29 June

29th June 1865.