

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 651

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Dated 6 - 5 -

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Not to be folded or roughly handled

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*Proceedings of the Madras Government, Revenue Department,
6th May 1870.*

No. 63. Read the following Proceedings of the Government of India, Financial Department, (Accounts,) dated Fort William, 31st March 1870, No. 1,793 :—

Read—

The following papers on the subject of an inquiry, by the Public Works Department, regarding the procedure, especially on the under-mentioned points, according to which expenditure from Local Funds is audited and accounted for in the Civil Department, viz :—

- 1st.—Whether the local Accountant-General gives a detailed audit of the expenditure, or accepts that of the District Committee, or of the Commissioner of the division.
- 2nd.—Whether, in the case of provincial funds distributed amongst districts, he has ready means of keeping the district's expenditure within the sum at credit of the Local Fund.
- 3rd.—Whether the expenditure of the several funds is regulated by Budget appropriations, and is compared at the end of the year with such appropriations.

From Public Works Department, No. 784A., dated 10th Sept. 1869.	
„ Comptroller-Genl. of Accounts, „ 5,732, „ 17th Feb. 1870.	
„ Accountant-General, Bengal „ 693 L.F., „ 28th Oct. 1869.	
„ „ Madras, „ 4,224, „ 4th „ „	
„ „ „ „ 6,871, „ 10th Feb. 1870.	
„ „ Bombay, „ 532, „ 7th Oct. 1869.	
„ „ N.-W. P. „ 12,508, „ 3rd Dec. „	
„ „ Punjab, „ 103, „ 25th Oct. „	
„ „ British Burmah, No. 3,910L, dated 9th Oct. 1869.	
„ Deputy Acct.-Genl., Central Provinces „ 2,311, „ 6th Oct. „	
„ „ Mysore „ 1,802, „ 30th Sept. „	
„ „ Hyderabad „ 2,468, „	

OBSERVATIONS.—The Governor-General in Council observes that in every Presidency and Province a Local Funds Budget is sanctioned by the local Government as a guide for the expenditure of the new year.

The Budget for each new year is framed against assumed assets consisting of the estimated balance, which will be at credit of the funds at the close of the current year, and the receipts of the new year. It is possible, however, that the actual closing balance may differ materially from that which had been estimated as Budget asset; and, when this variation is ascertained, the Budget allotment, so far as it depended on the larger estimate of the closing balance, should be corrected. This is done in the Bombay Presidency, but apparently not in the other Presidencies, where it is equally necessary that the same course should be followed.

The receipts of the current year, in which the new year's Budget is framed, may also, when ascertained by 31st July of the new year, show that the receipts of the new year were wrongly estimated. In so far as the Budget allotments for expenditure may have been dependent on the over-estimate of receipts, the former should then be cut down.

In short, every year, as soon after 31st July, as the actual receipts and the closing balance of the previous year have been ascertained, there should be a revised estimate of the available assets, in order to the curtailment of any Budget

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6th May 1870.*

allotment which may have been made in excess of those assets; and the Governor-General is pleased to direct that this be done.

As the available assets provide the amount of Budget allotment, and as the year's expenditure is set separately against each district or provincial fund's assets to bring out the balance at the close of the year, this process is, in a great measure, tantamount to an appropriation audit.

It is desirable, however, for Public Works expenditure especially, and for other charges unobjectionably, that there should be a regular appropriation audit, or comparison of the year's expenditure under each head for each fund, with the Budget allotment for that head.

There is a detailed audit of Local Funds expenditure by the officers whom the responsible Local Governments have considered competent for the work, whether Board of Revenue, Commissioners of Divisions, Controller of Public Works Accounts, Heads of Police, and Educational Departments, etc.

In Bengal there is a defect in the system by which the adjustment against the grants from Local Funds of any payments by district officers, which are held under objection, is deferred till the completion of the work, or till the close of the year. The Accountant-General's work, as testified by him, is thus increased by the trouble of identifying the advances recorded in the monthly accounts with the expenditure detailed in the final bill. The remedy for this will doubtless be applied by the Accountant-General under the orders of the local Government.

The head Local Fund might be re-arranged so as to distinguish mere deposit or trust accounts from those of public income, which is locally appropriated. On this being done, the audit of expenditure against the essentially Local Funds and the work of the controlling offices would be materially simplified and rendered more efficient.

ORDERED that the foregoing Observations, with a copy of the papers read above, be sent to the Public Works Department, and that a copy of the Observations be sent to the several local Governments and Administrations, the Comptroller-General of Accounts, and the several Accountants-General and Deputy Accountants-General in independent charge.

(Signed) R. H. HOLLINGBERRY,
Assistant Secretary to the Government of India.

No. 64.

ORDER THEREON, 6th May 1870, No. 651.

Local Funds, No. 4.
Accounts.

COMMUNICATED to the Board of Revenue who will be requested to revise the Budget-Estimate of the available assets and the allotments for

expenditure after the 31st July in each year, as suggested by the Government of India.

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6th May 1870.*

2. They will also be requested to submit, with their report on the administration of Local Funds, a clear Statement showing the comparison of the year's expenditure under each head for each Fund, with the Budget allotment for that head.

(True Extract.)

(Signed) R. A. DALYELL,
Acting Secretary to Government.

To the Board of Revenue.
„ the Public Works Department.
„ the Accountant-General.

Exd. F. R. Dantleman.

Revenue Department.
No. 651.

PROCEEDINGS of the MADRAS GOVERNMENT.

6th May 1870 -
Read the following. Proceedings of the
Government of India, Civil Dept.

Forwarding copy of observations
relative to an enquiry by the P.W.
Dept^{re} regarding the procedure, es-
pecially on the points specified, ac-
cording to which expenditure from
local funds is audited and ac-
counted for in the Civil Department.

(No. C. 31st March 1870 No. 1793)

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and the allotments for expendi-
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year, as suggested by the Govern-
ment of India.

2 They will also be
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report on the administration
of Local Funds, a clear statement
showing

J. D. S.

Govt. of Madras.

REVENUE.

THE BOARD OF REVENUE

Secy. Secy.

Chief Secy. Secy.

Secy.

G. O. No. 1870, No. 61.

MAY.
Nos. 63-64.

Expenditure from Local Funds.—Proceedings of the Government of India regarding the audit in the Civil Department, communicated to Board of Revenue, with orders thereon.

Pro. of the Govt. of India
No. 1870, No. 61.

showing the comparison of
the year's expenditure under each
head for each fund, with
the budget allotment for that
head.

14. Board of Revenue Despt 7.

21 Public Works Department N.

6 Accountant General N

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[Signature]