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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Revenue DEPARTMENT

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GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

11th February 1879, No. 234.

Treasuries.

Read the following paper:—

No. 67. *Proceedings of the Government of India in the Financial Department, dated Fort William, 25th January 1879, No. 384.*

Accounts and Finance.

I.—Read again Accounts and Finance Proceedings for 1877, as follows:—

March (No. 40,) instituting inquiries as to the minimum working balance required at the beginning of each calendar month in the treasuries in the interior of the country in account, respectively, with the Comptroller-General and with each Accountant-General and Deputy Accountant-General in independent charge—

March 44—46 and 51—56;
April 1—3 and 4—7;
July 122—132;
August 12—15 and 51—62;
October 37—41;
November 47—53;

containing the replies to the foregoing inquiries, and orders thereon.

II.—Read the following correspondence with the Accountant-General, Madras, regarding the balances in the treasuries in account with that officer on the 31st March 1878:—

Telegram to	Accountant-General,	dated 25th April.
Telegram to	ditto,	dated 26th April and 7th and 18th May.
Telegram from	ditto,	dated 18th and 20th May.
Letter to	ditto,	No. 641, dated 22nd May 1878.
From	ditto,	No. 1532, dated 20th May.
Telegram to	ditto,	dated 4th June.
Letter from	ditto,	No. 1908, dated 24th May 1878.
Letter from	ditto,	No. 2373, dated 23rd May 1878.

From this correspondence it appears that the provincial returns of money in the Public Treasuries and at credit of Government in the Presidency Banks include the balances of Public Works Officers at the Presidency Banks and their Branches and cash in the hands of Public Works disbursers. It has been ascertained otherwise that advances in the hands of other disbursing officers, for instance, in Military chests, and with the Postal, Telegraph, Forest, and Opium Departments, are likewise returned as money in hand.

RESOLUTION.—The Governor-General in Council is pleased to direct that in future—

I.—The returns of money in the Public Treasuries, or at credit of the Government in the Presidency Banks and their Branches, shall not include sums in the hands of disbursing officers or standing at their credit in separate drawing accounts.

II.—But no money belonging to the Government in a Public Treasury, or at its credit in a Presidency Bank, or Branch of a Presidency Bank, shall be excluded from those returns by reason of any pending or forthcoming claim upon it, as for example, of credits issued to the Public Works Department not yet exhausted or acted on.

2. The Resource Estimates must be prepared upon the basis thus defined, and the Comptroller-General must make arrangements to insure that the Public Accounts shall work up to the balances so ascertained.

3. The Minimum Monthly Balances ascertained for each province by the Proceedings recited in the first section of the preamble have not been found practically trustworthy: circumstances so vary from time to time that it seems often impossible to enforce any permanent standing minima.

4. In future, therefore, each Accountant-General and Deputy Accountant-General in independent charge must prepare a fresh estimate in each successive month of February of the minimum working balances which will be required in the treasuries in account with him at the beginning of each month of the ensuing financial year.

5. His Excellency in Council desires once more to remind those officers that it is one of their most important duties to reduce the working balances of the treasuries in account with them to the lowest possible amount. This cannot readily be done if these treasuries usually contain a margin in excess of current requirements. So far, therefore, as is consistent with economy, surplus money should never be left in any treasury which is not a Central Treasury where money is accumulated ready for remittance elsewhere on the demand of the Comptroller-General.

6. Each Accountant-General must carefully consider how far the situation of each treasury compels him, at certain seasons of the year, to keep it supplied in advance to prevent costly arrangements for its recruitment later on. On no other consideration should surplus assets be left long in any treasury except a Central Treasury.

7. The Local Government should devise means for reducing to the lowest possible amount the money left in Sub-divisional, Tahsil, Taluka, and other outlying and subsidiary treasuries. The number of such subsidiary treasuries is already great, and is likely to increase; and any procedure involving the retention of money in these treasuries must tend to increase the amount lying idle, which it is so important to restrict. The sums thus absorbed in the Madras and Bombay Presidencies is much in excess of the demands of the other Provinces, and the attention of the Governments of Madras and Bombay and of the Accountants-General of those Presidencies, is again especially invited to this subject.

8. Further, it is the duty of every disbursing officer to reduce to the utmost his demands upon the Public Treasury and not to draw money in advance of his immediate requirements. This applies as much to an officer who has a drawing account with a Presidency Bank as to one who has a treasure-chest: the balances at credit of drawing accounts and deposited in treasure-chests should alike be kept down to the lowest possible amounts. It is the duty of Accountants-General to watch these accounts with a view to securing this object and to bring to immediate notice any apparent transgression of these instructions, and they and District Officers are entitled to ask any question which they think necessary in order to enable them to ascertain that these instructions are obeyed.

9. No separate drawing account should be allowed to any public officer without the permission of the Governor-General in Council; and the Comptroller-General and each Accountant-General should now report the particulars of every existing account of this nature, and state whether it may not be closed, an assignment or a letter of credit being substituted therefor. Such letters of credit should be at once substituted for credit orders to the disbursing officers in the Public Works Department wherever it is practicable.

10. With the yearly estimates prescribed in paragraph 3 each Accountant-General and Deputy Accountant-General will make a brief report of his management, during the preceding year, of the movement of funds to and from the treasuries in account with him. A copy of this report should be furnished to the Local Government for their information, and to assist them in carrying out the duties referred to in paragraph 7 of this Resolution. These estimates and reports should be submitted by the Account Officers to the Comptroller-General, who should, as soon as possible,

compile a statement of the Minimum Working Balances demanded for each Province, month by month, during the coming year, adding figures for the treasuries in direct account with himself, and submit the same to the Government of India with his criticisms and with a brief report upon the supply and movement of funds throughout India since his last report.

11. The Governor-General in Council hopes that the effect of these measures will be, that experience will be systematically accumulated upon the important question of how most effectually to reduce and most economically to administer the working balances of India. The Comptroller-General's report, which should criticise provincial proceedings, pointing out mistakes and commending successful management, will be communicated to the several Accountants-General and Deputy Accountants-General in independent charge with any orders which the Government of India may think expedient.

12. One result of more systematic attention to these subjects will, it is hoped, be greater accuracy in the monthly Resource Estimates which are now habitually so wide of the mark as to be almost worthless.

13. In giving effect to these orders, the Accountant-General, Bengal, in particular should act in close personal communication with the Comptroller-General, and all Accountants-General should be ready to co-operate loyally with that officer in his administration of the public balances to the best common advantage.

Ordered that this Resolution be communicated for information and guidance to every Local Government, to the Comptroller-General, and to each Accountant-General and Deputy Accountant-General in independent charge.

(Signed) R. H. HOLLINGBERY,
Asst. Secretary to Government of India.

No. 68. ORDER THEREON, 11th February 1879, No. 234

Communicated to the Revenue and Public Works Departments.

2. The Board of Revenue will submit their views to Government on the subject of paragraph 7 of the Resolution after discussion with the Accountant-General.

(True Extract.)

G. Hunter
Acting Chief Secretary.

To the Revenue Department.

" Public Works Department.
" Board of Revenue.
" Accountant-General.

Exd. J. W. Fischer.

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(True Extract.)

C. G. MASTER,
Acting Chief Secretary.

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

Exd. J. W. Fischer.

Russell O. Stephens
his *22/12/22*
CHIEF OF BUREAU

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THE PRESENTMENT

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