

Educational (1900) Department.

ORDINARY MS.

G.O., No. 557

DATED 3 — 11 — 00

INDEXED.

[Despatch Abstract.]

Recording progs. Financial dept
issuing instructions regarding the
simplification of the present Contingent
expenses.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

28 CURRENT NO. 1473
 Government {1900} of Madras.
 FINANCIAL.

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order
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Recd.

Regd.

29. 10. } 1900.

Enclosures *4*

Spare copies *6*
24/10

Recorded. *27/10*
21. 11. 1900

G.O., No. 1048, 16th October 1900.

OCTOBER.

Audit of Contingent Expenditure in Collectors' Offices.

Approving the entertainment of certain additional establishment for the proper scrutiny and —, requesting the Board of Revenue to submit the necessary proposition statement and issuing instructions regarding the simplification of the form of the present contingent register.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—again the following papers :—

G.O., Nos. 309, 310, Financial, dated 2nd May 1896.

ABSTRACT.—Issuing instructions for improving the existing arrangements for the control of contingent expenditure and forwarding copy of the Proceedings to the Government of India.

G.O., No. 991, Financial, dated 30th November 1897.

ABSTRACT.—Approving of the Accountant-General's proposal for revising the system of audit and record of contingent expenditure, and calling upon him to frame a consolidated circular embracing all rules and regulations connected therewith.

G.O., No. 550, Financial, dated 24th April 1899.

ABSTRACT.—Approving, with remarks, the Accountant-General's consolidated circular in regard to the better checking and auditing of contingent expenditure in public offices, and defining the position and responsibility of Collectors in the matter.

G.O., No. 708, Financial, dated 19th June 1899.

ABSTRACT.—Defining the exact position of a Collector in regard to the contingent expenditure of officers subordinate to him, and requesting the Accountant-General to remodel the form of contingent registers.

G.O., No. 838, Financial, dated 22nd July 1899.

ABSTRACT.—Recording letter from the Accountant-General on the question of the relative positions of the Collector and his Treasury Deputy Collector in regard to the control of contingent expenditure pending the receipt of a report from the Board of Revenue, and requesting that body to furnish its opinion on the subject of an alteration in the present form of contingent registers.

READ—also the following paper :—

Proceedings of the Board of Revenue (Land Revenue), Mis. No. 424, dated 16th February 1900.

Read—the following papers :—

Board's Proceedings, No. 131, dated 18th May 1899, communicating to all Collectors Government Order (Financial) approving, with remarks, the Accountant-General's consolidated circular in regard to the better checking and auditing of contingent expenditure in public offices, and requesting them to report the establishment required to deal adequately with the scrutiny and audit of items of contingent expenditure below Rs. 100.

Board's Proceedings, Mis. No. 2652, dated 22nd August 1899, communicating to certain Collectors G.O., No. 838, Financial, dated 22nd July 1899, for opinion on the question whether the present forms of contingent registers might not be advantageously replaced by a system of ledger and cashbook.

Files of Collectors' replies thereto.

Resolution—Mis. No. 424, dated 16th February 1900.

In reply to paragraph 4 of G.O., No. 550, Financial, dated 24th April 1899, regarding the establishment required in Collectors' offices in connection with the scrutiny and audit of contingent expenditure, the Board begs leave to recommend the appointment of an accountant on Rs. 35 * *per mensem* in each Collector's office (except Madras) to take effect from the beginning of the next official year and a further appointment of an accountant on Rs. 20 in those heavy districts where the Board may be satisfied that such additional help is absolutely necessary. For the present the number of such districts may be assumed to be six. The increase in the salary of the English head accountant, deputy accountant and vernacular head accountant which are recommended by the Collectors of Tinnevely, South Canara and Malabar do not appear to be called for at present. The Accountant-General may be authorized to make a provision of Rs. 9,515 † in the budget estimate for 1900-1901 to meet the pay of the additional accountants for eleven months. The necessary proposition statement will be submitted on receipt of the orders of Government.

	rs.
+ Twenty-one accountants on Rs. 35 each	8,085
Local allowance of Rs. 10 per mensem to the accountant at the Nilgiris	110
Six accountants on Rs. 20 each	1,320
Total	9,515

2. In paragraph 6 of the order referred to above, Government observed that the contingent registers at present in use are cumbrous in size and exceedingly inconvenient to deal with and requested the Accountant-General to consider the advisability of simplifying the form and introducing, if possible, a system of accounting for contingent expenditure by means of a ledger and cashbook. In reply to this reference that officer stated that, according to the plan suggested by Government, it would be necessary to maintain three books, viz. :—

- (1) The cashbook,
- (2) the ledger, and
- (3) an abstract of the ledger,

in which the figures under each ledger head for the month could be shown in one sheet and compared with the budget grant under each head. As the contingent register prescribed by the Civil Account Code, however, is a combination of all the three books just mentioned, with certain other necessary information, he doubted whether there would be any real saving either in the cost of stationery or in the labour of posting the books. The Board was thereupon asked in G.O., No. 838, Financial, dated 22nd July 1899, to furnish its opinion on the subject after consulting such officers as it might deem proper. The Government at the same time observed that the necessity for a third book containing an abstract of the ledger was not

apparent as it could easily be arranged that the ledger itself should contain columns for the entry of the budget grant and of the monthly totals. In its Proceedings, Mis. No. 2652, dated 22nd August 1899, the Board referred these proposals to the marginally-noted nine officers for remarks. The replies received from these officers are submitted in original for the information of Government.

3. Most of the officers consulted point out that a cashbook in some form, showing the receipts and charges of the permanent advance, is necessary and is already being maintained in nearly all offices, and they suggest that this practice may now be formally approved. The suggestion meets with the Board's approval, and if Government is pleased to accept it, the Accountant-General may be requested to prescribe a form of cashbook for general adoption. The Board would observe that in the case of entries finally charged in the contingent register it will only be necessary to carry the daily totals into the cashbook. This will keep the cashbook within reasonable dimensions and avoid duplication of entries.

4. The ledger proposed by Government has been mentioned with approval by only two of the officers consulted, viz., Messrs. Twigg and Wynch, while a third, Mr. Dance, looks upon it as practicable only under an entirely new system of accounting for contingent expenditure. All the other officers consulted, including Mr. Morris, an ex-Accountant-General, and Mr. Bedford, an ex-Deputy Accountant-General, are decidedly in favour of the principle of the existing contingent register. They point out that the form of register may be made less cumbersome than it now is by reducing the number of columns as well as the size of the page (the details have been carefully worked out by Mr. Morris), but that it is essential that heads of offices should be able to tell at a glance and without turning over a number of pages how much has been spent since the commencement of the year under each group of contingent expenditure and at what rate the general expenditure is progressing. This check they are enabled to exercise at present, but it would not be possible to survey with equal ease the numerous pages of a ledger. An abstract of the ledger would no doubt obviate this difficulty, but then there would arise the necessity in many cases of taking on trust the totals in the abstract and the chance of exposing the ledger itself to the risk of fraudulent manipulation. In order to minimize this risk it would be necessary to require that the head of an office should initial every day the different pages of a ledger in which entries have been made, but, as has been pointed out by several Collectors, a great deal of their time would be wasted in this process. In order to secure for the contingent register all the advantages which are claimed for a ledger without its drawbacks, Mr. Bedford suggests that a small number of pages should be attached to the contingent register and that items of a recurring nature (such as hot weather charges, sweepers' pay, etc.) should be posted in them a second time, month by month, as they occur, so that any variation in rates may be checked. He adds that he believes such a register is in use in the Accountant-General's office. The Board approves of this plan and would observe that it would be of advantage to enter in the appendix to the register suggested by Mr. Bedford any charges (such as those for oil, candles, etc.) which may not occur every month but the frequency of cost of which the head of the office may desire to watch.

5. In conclusion the Board considers that it is unnecessary to effect any changes other than those above adverted to in the form of the existing contingent register.

(True Extract.)

(Signed) LIONEL DAVIDSON,
Secretary.

To the Secretary to Government, Revenue Department,
with two files of Collectors' reports to be returned and with a statement,

ENCLOSURES.

ABSTRACT of Collectors' replies to Board's Proceedings, No. 131, dated 18th May 1899.

Name of district.	Pay of the Accountant.	Pay of the Assistant Accountant.	Increase of pay to the English Head Accountant on Rs. 85.	Increase of pay to the Vernacular Head Accountant and Deputy Accountant on Rs. 45.	Remarks.
Ganjām	30	..	..	..	
Vizagapatam (a)	20	..	..	..	(a) The Collector of Vizagapatam requires another Accountant on Rs. 15 if the audit of charges below Rs. 10 is to be conducted in the Collector's office.
Gōdāvari	25	20	..	..	
Kistna	35	15	..	..	
Nellore	60	..	..	..	
Cuddapah	35	20	..	..	
Anantapur	25	..	..	..	
Bellary	30	..	..	..	
Kurnool	35	..	..	..	
Madras	..	..	..	..	
Chingleput	85	..	..	..	
North Arcot	35	..	..	..	
South Arcot (b)	..	..	..	..	(b) The Collector of South Arcot does not require any additional Accountant, as his office is already doing the work, the only change being the additional responsibility thrown on the Treasury Deputy Collector.
Tanjore	40	..	..	..	
Trichinopoly	20	..	..	..	
Madura	25	..	..	..	
Tinnevely	20	15	15	Deputy Accountant 10	
Coimbatore	30	15	..	..	
Nilgiris (c)	35+10 (L.A.)	..	..	..	(c) The Collector would prefer to have an Accountant on Rs. 70 + Rs. 15 (local allowance) and another on Rs. 20 or Rs. 25, if Government could see its way to sanction it.
Salem	60	25	..	..	
South Canara	25	15	15	Vernacular Head Accountant 5	
Malabar	40 or 35	..	15	..	

From L. M. WYNCH, Esq., Acting Collector of South Arcot, to the Secretary to the Commissioners of Land Revenue, dated Cuddalore, 7th September 1899.

In reply to Board's Proceedings, Mis. No. 2652, dated 22nd ultimo, I have the honour to report as follows:—

(1) Every officer that has a permanent advance fund must keep a daybook (cashbook) and the contingent register, because the contingent register includes only items to be finally charged off and some items of expenditure incurred from permanent advance fund are recoverable in cash, such as advance of railway fare to peons, advance for circuit office, etc. The former alone appear in the contingent register, which cannot, therefore, show what the daily balance of permanent advance fund is, while the daybook includes all items and shows daily cash balance which has to be checked by examining officers with reference to question 108 in the memorandum of principal points to be noted on inspection of treasuries—vide appendix to Board's Standing Order, No. 226, paragraph 1.

(2) In some offices contingent expenditure is entered in detail in the daybook. In others the daily totals only of the contingent registers are entered, and recoverable items are shown in detail and adjusted as recoveries are made, which cannot be done if the daybook is not maintained. In the proposal now made by Government, the contingent register is only replaced by a ledger, the daybook referred to being already maintained.

(3) If the ledger system be adopted,—and I see no valid objection to it, while it will tend to economy in stationery, the use of the present contingent register forms printed on valuable paper being exceedingly wasteful,—the totals should be entered in a separate register in the form of the contingent register, to facilitate preparation of the bills.

From R. MORRIS, Esq., Collector of Kistna, to the Secretary to the Commissioners of Land Revenue, dated Masulipatam, 15th September 1899.

I have the honour to submit the following report with reference to Board's Proceedings, Mis. No. 2652, dated 22nd August 1899, on the question of modifying the present form of contingent register.

2. I do not hold the existing form of contingent register unsusceptible of improvement, but I do not consider that the improvement should take the form of abolishing it and substituting a cashbook and a ledger. Such a step would greatly increase the clerical work connected with contingent expenditure.

3. Under the existing rules as expenditure is incurred the payee's name and the number given to the sub-voucher are entered in columns 2 and 3 of the register, the amount is shown in the appropriate column under the detailed head concerned, and the head of the office initials the book and passes the sub-voucher for payment. The sub-vouchers are available for reference if at a later stage information as to the nature of the expenditure is required beyond what is entered in the register. At the end of the month, or when the permanent advance is running short, a line is drawn across the book and the previous entries totalled. The totals are copied into a contingent bill form and the bill is signed and presented at the treasury. In addition to this monthly total, the keeper of the register is bound to make a progressive total of the entries from the commencement of the official year (Article 82, Civil Account Code). The register thus is, as the Accountant-General describes it in his letter of the 3rd July 1899, a combination of cashbook and ledger and shows at a glance the expenditure up to the end of the preceding month, which expenditure up to date in the middle of a month can as readily be calculated as in any other form of register where daily progressive totals are not made. The clerical work involved, too, is very small.

4. The Government proposes instead that instead of the present form a cashbook and a ledger should be maintained. Such a proposal involves a great increase of clerical work. In a cashbook there must be entered the date, the name of the payee, the number of the sub-voucher, the sub-head or the page in the ledger devoted to that sub-head in which the entry is to be posted and the amount. This cashbook in itself requires all the entries that have to be made in the present form of register where a payment is made, and one additional entry, the name of the sub-head or the reference to the ledger page. Then over and above this work there is necessarily the work of posting the ledger, in which I suppose there must be columns showing the date, sub-voucher and amount. Moreover, as the sub-heads will be on different ledger pages, it will be necessary to make an office copy of the contingent bill that has to be presented, to make sure that everything is included, whereas the present register serves as the office copy of the bill.

5. I have thus shown that the proposed change will greatly increase clerical work. An advantage, which from paragraph 4 of G.O., Mis. No. 708, Financial, dated 19th June 1899, it would appear the Government expects in its proposed forms, is that from the ledger an officer can readily compute the expenditure up to date under any given head. But this advantage exists in the present form if the instructions in Article 82, Civil Account Code, are attended to. The one advantage which can be predicted in the proposed system is a saving of stationery and the having of less cumbrous books to deal with.

6. Much of this advantage will disappear if the Government of India will sanction a comparatively small alternative. The existing forms are printed on open royal, so that the register when open is 26 inches wide and 17 inches high. A register of this size is undoubtedly cumbrous. But if the number of columns be reduced, so that the register may be printed on open foolscap ($13" \times 8\frac{1}{2}"$), it ceases to be so. I think it can be shown that a width of 13 inches is sufficient.

7. I take as an illustration of my point the headings as now printed in the Land Revenue contingent register. The portion of the register allotted to "Detailed Heads of Budget" (see form 10 at p. lxxiv of Vol. 1, Part I of the Civil Account Code, 6th Edition) is divided into 49 columns—

- | | |
|--|--|
| (1) Elephant charges. | (19) Purchase of periodicals. |
| (2) Petty works of construction. | (20) Subscription to newspapers. |
| (3) Remittance of treasure within the district. | (21) Petty repairs to buildings. |
| (4) Law charges. | (22) Repairs to furniture. |
| (5) Fees for searches in the Registration offices. | (23) Liveries and clothing of servants. |
| (6) Registration charges. | (24) Carriage of stationery and records. |
| (7) Cost of treasure bags. | (25) Tolls. |
| (8) Medical contingencies. | (26) Packing charges. |
| (9) Remuneration to copyists and examiners. | (27) Petty carriage and coolie charges. |
| (10) Purchase of European articles each costing less than Rs. 5. | (28) Hot and cold weather charges. |
| (11) Purchase of European articles each costing not less than Rs. 5. | (29) Sweepers' allowances. |
| (12) Purchase of country articles each costing less than Rs. 50. | (30) Scavenging expenses. |
| (13) Purchase of country articles each costing not less than Rs. 50. | (31) Postage charges. |
| (14) Record-racks and boards. | (32) Telegraph charges. |
| (15) Rattan mats and blinds. | (33) Peons' belts and badges. |
| (16) Table cloth. | (34) Lighting charges. |
| (17) Office scales and weights. | (35) Cloth for records. |
| (18) Purchase of books. | (36) Binding charges. |
| | (37) Advertisement charges. |
| | (38) Office expenses. |
| | (39) Miscellaneous. |
| | (40—49) Ten blank headings for items not provided for above. |

Under recent orders Nos. 10 to 17 are clubbed in contingent bills under the head "Purchase of furniture", Nos. 24 to 27 under the head "Tour charges" Nos. 29 and 30 under "Cleaning charges" and Nos. 33 to 38 under "Office expenses." Consequently the number of printed headings in a contingent bill, excluding "Unusual charges," which are to be entered in another section of the register has been reduced from 39 to 23. Of the 39 (No. 1, "Elephant charges" occurs, I believe, only in Vizagapatam and Ganjím. Nos. 8, 19, 20 and 23 are never or only extremely rarely used in mofussal offices, and Nos. 5, 6, 7, 10 to 17 (now grouped as purchase of furniture), 18 and 29 and 30 (cleaning charges) are not common. Only the remaining 19, or as now reduced by the recently ordered grouping, 11 headings are in common use. If, therefore, instead of 49 columns the register were printed divided into eleven columns with printed headings for the eleven headings in every day use and six or even fewer with blank headings into which as occasion required the other twelve of the twenty-three headings might be entered in writing, the number of columns would be reduced from 49 to 17. It is not too much to say that the effect of this reduction would be to make possible the use of open foolscap instead of open royal. It may be objected that under some departments the number of columns is too great to go into 13 inches. I reply that in these same departments they are too great to go into 26 inches, and the difficulty is got over by interleaving, as in the case of the "Criminal Courts" contingent register. So where necessary a similar narrow slip may be inserted to admit of the necessary breadth in a foolscap register.

8. I have taken "Land Revenue" as an example. But I may say that the customs register might be reduced in the same way from 43 columns to 12 or 15, the "Criminal Courts" register from 50 to about 20 and corresponding reductions made in smaller registers. I would therefore respectfully submit that a proposal to reduce the width of the registers be pressed on the Government of India.

9. I have not touched on the registers which a countersigning officer must keep, as I understand the present reference to be confined to the registers of disbursing officers.

From J. P. BEDFORD, Esq., Acting Collector of Tinnevely, to the Secretary to the Commissioners of Land Revenue, dated 21st September 1899.

I have the honour to reply to Board's Proceedings, Mis. No. 2652, dated 22nd August 1899, as follows:—

In G.O., No. 838, Financial, dated 22nd July 1899, read in the Board's Proceedings under reply, Government desires to be informed whether a cashbook and ledger with an abstract of the ledger should be substituted for the contingent registers now

in use. It is observed that the register, as it stands, appears to possess all the advantages claimed for the proposed ledger, having a place for noting dates of transactions and an appropriate cage for entering the daily expenditure and a place for noting the budget grants by means of which the progress of expenditure can be watched. It is a most convenient register in my opinion for purposes of checking expenditure both under each head and, as a whole, with reference to the amount at the disposal of the disbursing officer for the whole year and also with reference to the actuals of preceding months. I would suggest that a few pages ruled off in the establishment register form be bound up with the contingent register in which items of a recurring nature (rent, hot-weather charges, sweepers' pay, etc.) can be posted a second time month by month as they occur, reference being made to the pages concerned in the remarks column of the page in which the bill is originally posted. This would be an useful additional check against any variation in the rates in the case of such charges and is now, I believe, in use in the Accountant-General's office.

2. The place of a cashbook, as far as one is necessary, is now taken by the petty cashbook or permanent advance register which contains in a compact form all transactions, whether of final expenditure, advances or recoupments. The form in use in this district is, in my opinion, not as suitable as that in use in my late district (Chingleput), and I would take this opportunity of submitting that it would be a decided improvement if an uniform form of permanent advance register were adopted for all districts, in order that heads of offices might not be obliged, when transferred to a new district, to learn a new system of keeping their account. But I am not in favour of the introduction of the cashbook and ledger system. The main point in the contingent register is to be able to see at a glance whether the expenditure under each head is progressing too rapidly with reference to the allotment and the main point in the permanent advance register is to keep a check on recoverable advances, and for neither of these purposes does the cashbook and ledger forms appear to me to be appropriate.

From G. W. DANCE, Esq., I.C.S., Collector of Malabar, to the Secretary to the Commissioners of Land Revenue, dated Calicut, 7th October 1899, D. No. 1856 Pub.

In reply to Board's Proceedings, Land Revenue No. 2652, dated the 22nd August last, I have the honour to state that I have consulted my Treasury Deputy Collector who is more competent to offer an opinion on this subject than I am. After giving the matter my best consideration, I beg to express my concurrence in the following remarks which I extract from my Treasury Deputy Collector's office note:—

1. "I am inclined to consider that the present system is simpler and more convenient. The particulars to be entered in a cashbook are the date of incurring the charge, the person to whom it is paid, its description and the amount. These four particulars can be seen from the entries in columns 1 and 2 of the contingent register, coupled with the amount entered under the respective column. The balance of permanent advance fund which ought to remain with each officer can be checked at any moment by deducting from the amount assigned to him the total expenditure up to date in the contingent register. Thus, as stated by the Accountant-General, the contingent register contains in itself both the cashbook and the ledger suggested by Government without much labour.

2. "The only possible objection that might be raised to the existing system is that the details furnished are not sufficiently clear in all cases. In column 2 is simply entered the name of the person to whom money is paid and the amount is entered in a particular column according to the nature of the charge. Taking, for instance, the column headed 'Purchase of European articles each costing less than Rs. 5,' and supposing that Rs. 3 should be entered in this column, this will not show on account of what article this amount was spent. A reference will have to be made to the voucher themselves. This difficulty might be avoided by giving the required particulars either in column 2 or in the column of remarks. Further, as a matter of fact, a book showing the receipts and disbursements of the permanent advance fund is maintained in all sub-offices. There the full particulars are entered and the balance of cash at the close of each day is shown. This, at present, is an unauthorized book. This book, if necessary, may be formally sanctioned. If this is done, this book will take the place of the cashbook suggested by Government. The contingent register now kept will take the place of the ledger, with this difference, that, instead of a separate page being assigned for each class of charges, all those kinds of charges will appear in one page and in one view.

3. "If a cashbook is maintained in the Huzur office for all the charges incurred in the district, the entries in the book will not appear in the order of dates. The expenditure incurred by subordinate officers can find place in the cashbook only after the receipt of the abstract bill. Further, unless all the vouchers are to be sent with the bills instead of, as at present, only vouchers in excess of Rs. 10, it may not be possible to get the required particulars. If, however, the system recommended by the Accountant-General in his letter, No. T. Genl. 171—3414, dated 3rd July 1899, of drawing all contingent bills in the Huzur office and of sending cheques to the subordinate officers should come into force, the system of having a cashbook for the whole district may then work well enough and it may perhaps even be found to be better than merely recording the cheques in the contingent registers only. This will, however, of necessity considerably increase the work of this office, as the whole of the work that is now done in the fifty offices subordinate to the Collector will have to be done in this single office.

4. "The objection of Government to the present form of the contingent register is that it is cumbersome. In the printed form of contingent register provision is made for every description of charges. All these charges are not likely to occur in one office. If necessary the heading of the several columns may be left blank, so that the description of charges which are likely to occur in each office may be entered in manuscript. If this be done, so many columns will not be necessary and all the entries may be made to appear in one opening.

5. "With reference to the remark of Government in paragraph 2 of its order, No. 838, dated 22nd July 1899, though it is possible to manage without a third book containing an abstract of the ledger, yet the maintaining of such a book will be of great use. In the first place it will have to be seen that all the items which appear in the cashbook have been posted in the ledger. Again it will have to be seen that the figures from all the pages of the ledger are included in the abstract bill. To secure these two objects, a posting register will be of use.

"To sum up—

(a) "So long as the existing system of the subordinate officers drawing bills is not interfered with, the present method of recording the charges as described in paragraph 2 is the simplest and most convenient.

(b) "The system of recording the charges in a cashbook and ledger will be found to be better only if there should be a change in the existing system of drawing bills, but such an innovation will throw much labour on the Huzur office.

(c) "When a cashbook and ledger are maintained though a third book is not absolutely necessary as suggested by the Accountant-General, yet it will be convenient to have one.

(d) "The present contingent register form may be rendered less cumbersome by leaving the headings of the various columns blank and also the register may be made to contain all the required information by entering further particulars in column 2 or in the column of remarks."

From J. TWIGG, Esq., Acting Collector, Tanjore, to the Secretary to the Commissioners of Land Revenue, dated 27th October 1899, D. Dis. No. 3912 Rev.

With reference to Board's Proceedings, Mis. No. 2652 L.R., dated 22nd August 1899, requesting to report on the advisability of replacing the present form of contingent register by a system of ledger and cashbook, I have the honour to state as follows:—

2. A cashbook, in some form or other, is already being maintained in almost every office having a permanent advance, otherwise called the office of the disbursing officer, though without authority, apparently following the practice previous to the introduction of the present form of contingent register. The maintenance of this book is indispensable, as it serves for the entry of all transactions including advances and shows the balance on hand every day.

3. The question now is whether the ledger may be introduced with advantage in the place of the present contingent register. The latter is maintained in the office of the disbursing officer and in that of the countersigner. In the register in the office of the disbursing officer, each item of charge is entered daily under the appropriate heads, while in the office of the countersigner the particulars of each contingent bill drawn in the whole district are posted after the close of the month, in a line under the appropriate heads.

In the disbursing officer's register, a line passing through two pages has almost always to be utilized for a single entry and several headings therein do not apply to most

offices; so far, therefore, as the disburser's office is concerned, I recommend the introduction of the ledger. In the ledger every available space will be used, pages will be opened for such heads only under which charges are incurred and waste of stationery, etc., will be avoided.

The case is different with the countersigner. The contingent register that he maintains is a consolidated register for the whole district. Each bill embracing charges under several sub-heads of each office is posted up in a line, while, if the ledger is introduced, a page will have to be opened for each sub-head. This would give much extra clerical work and impose additional labour on the countersigner, who will have to turn up each page for each sub-head and set his initials. The ledger is not an advantage to the countersigner, but rather the reverse, and I therefore do not recommend its introduction to his office.

4. My opinion, therefore, is (1) that the contingent register in the countersigner's office may be left as it is, and (2) that the register in the disburser's office may with advantage be replaced by the system of cashbook and ledger proposed by Government.

From E. A. ELWIN, Esq., Acting Collector of Bellary, to the Secretary to the Commissioners of Land Revenue, dated 28th October 1899.

With reference to Board's Proceedings, Mis. No. 2652 (Land Revenue), dated 22nd August 1899, I have the honour to state that I am of opinion that the maintenance of a cash book will be very convenient as it will contain full information of the expenditure incurred every day and enable the head of the department to scrutinize at a glance the charges under contingencies. I do not consider that any separate ledger is necessary, as the form in which the present contingent register is maintained will serve the purpose of a ledger if it is posted weekly or as soon as the necessity of replenishing the permanent advance arises, instead of daily as at present. A ledger in any other form will involve additional labour in turning over its pages for the different ledger heads in the course of posting it. This course will effect a saving of stationery as only 4 or 5 lines of the contingent registers will be used in the month instead of 60 or 70 as at present. With a view to ascertain the amount incurred under each head a column in the cashbook to show the sub-head of contingencies to which each item of expenditure appertains may be added.

No. 408 R.

Transferred to the Financial Department.

(By Order.)

FORT ST. GEORGE,
21st February 1900.

(Signed) N. E. MARJORIBANKS,
Ag. Under Secretary to Government.

To the Financial Department.

ORDER—No. 1048, Financial, dated 16th October 1900.

The correspondence read above deals with the following subjects:—

(i) the additional establishments required for the proper scrutiny and audit of contingent expenditure in Collectors' offices, and
(ii) the general improvement of the contingent register now in use and the substitution of a system of ledger and cash book for the present form of contingent register.

2. As regards the first point, the Government approves of the entertainment of the additional establishment recommended by the Board of Revenue in paragraph 1 of its resolution, No. 424, dated the 16th February 1900. The Board will be

requested to submit the necessary proposition statement and to report whether it can point to any savings from which the cost can be met in the current financial year. In the event of reappropriation by the Board being impracticable, the entertainment of the establishment must be deferred until 1901–1902. The Board should in any case make the necessary provision in its budget estimate for the latter year.

3. With reference to the second point, it is the opinion of the majority of the officers consulted by the Board of Revenue that the proposed system of a ledger and cash book would be impracticable. As regards the simplification of the form of the present contingent register, the Government is advised that the register has already undergone considerable alteration and that any further reduction in the number of heads is not desirable. The opening of heads in manuscript would make the registers untidy and by this means uniformity in the form would also eventually disappear. It is also considered inadvisable to reduce the size of the register by interleaving it. This method would throw considerable difficulty in the way of posting and striking cross totals and should not be adopted except in departments such as the Jail department, where the heads are too many to be compressed even into the present form.

4. The only modification that appears to be necessary consists in the addition of a new column after the "Total" column to record the payment of advances and such items as are referred to by the Collector of South Arcot in paragraph (1) of his letter of the 7th September 1899. These advances should be marked as "adjusted" in the "Remarks" column as soon as they are recovered. This additional column might, however, be avoided by the maintenance of a separate register for the purpose. The Accountant-General will be requested to embody the necessary instructions in the Madras Treasury Manual.

5. The only item of receipt which requires to be taken into consideration is, as a rule, the permanent advance, which is a fixed amount and any deficiency in which can be accounted for readily by the expenditure recorded in the contingent register since the date of last recoupment. No difficulty should therefore be experienced if each transaction is posted into the contingent register at the time it takes place. Occasionally, however, there may be other receipts, e.g., money remitted by petitioners irregularly in lieu of court-fee labels or copy-stamped papers, establishment salary not claimed on the day of disbursement, and receipts from the sale of waste paper, &c. Money which should be remitted to the treasury may also sometimes have to be detained for a day owing to its receipt after banking hours. It would not be safe to let these sums remain without being brought to account somehow and there is no objection to the maintenance of a cash book for such transactions. The form of this book will be left to the discretion of heads of departments; but care should be taken to keep the permanent advance and the contingent expenditure of an office entirely apart from the transactions recorded in this book.

(True Extract.)

for Chief Secretary.

To the Accountant-General.

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„ the Revenue Department.
„ other Departments of the Secretariat (excluding Public

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Branch, and Pension Department), with a spare copy of

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Exd. S. J. Pereira.

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