M.S.O. 1—41196—28-12-31

MADRAS RECORD OFFICE.

Government of Madras.

Y
Financial DEPARTMENT.

G.O. No. 409-10 Press
~~Mis.~~

Dated 10 - 7 . 1857

B.No. 13-15 9-10

Not to be folded or roughly handled

No. 13. From the Accountant General; to the Acting Chief Secretary to Government, dated 19th June 1857, No. 56.

Sir,

The Orders of Government, dated the 7th February last, No. 75, passed on a letter from the Secretary to the Government of India of the 26th of the preceding month, directed me to report, after communication with the local Officers, the extent to which a saving to Government in their Establishments can be effected, by the introduction into this Presidency of the Bengal system of Account. I have the honor to report, that, a Circular letter was accordingly addressed by me to all Officers rendering accounts to this Office, in which they were requested to state, firstly, what reduction would be feasible, if the Account Current system were to be reverted to, and to furnish me, at the same time, with Statements of their present Account Establishment, and of the extent of the proposed reduction, and, secondly, what was the strength of their Establishments prior to the introduction of the Journal system, in 1852-53, and whether any, and what, augmentation, was granted in consequence of the then change in the system.

2nd. With the view of obtaining opinions well digested, and formed after mature consideration of the subject, I subjoined to my Circular, Extracts of paras 28 to 31 of my * No. 1740. Report to Government, dated the 29th November last, No. 295, on the Madras system of Accounts, and of paras 4 to 6 of the letter, dated the 12th November 1855,* from the Accountant to the Government of Bengal, referred to in the 9th para of my above Report, as well as Copies of the orders of the Government of India, and this Government now under reply.

3rd. I have received the replies of all the functionaries, except the Collector of Ganjam and Marine* State-Keeper. They all, with the two exceptions noted in the margin,† state that no reduction can be effected in their several Account Establishments by reason of the proposed change of system. They add that no saving was * *I have repeated my request to them for an early reply.*

† *The Collector of Rajahmundry and Pay Master Mysore, whose proposals are herein noticed after.*

‡ *Some Officers, among them the Commissioner of Mysore, state that after a careful enquiry, there will be only a saving of paper by the introduction of the Account Current Form.*

‖ *And even then it will not be in accord with the principle of the Account Current system.*

granted when the journal system was introduced in supersession of the Account Current Form. Hence the proposition of retrograde to the old system will be unproductive of any diminution‡ in the expense. On the contrary several Officers are of opinion that it will eventuate in augmentation of Establishment, as no relief can be expected to result from such a system as the proposed one. Some Officers opine that labour will be increased; for should a transfer‖ transaction occur the item must appear *with all particulars*, in both the Dr. and Cr. sides of the Account Current, whereas an item of this nature is now exhibited only in one entry, which is called transfer entry in the Journal.

4th. Moreover several of the Collectors and Paymasters complain of their Establishments being overtaxed with business, notwithstanding the present easy * method of preparing accounts, owing as stated by them to the introduction of the pay audit system, the Establishment of the Electric Telegraph, the extension of the Public Works, &c., &c. Most of the Paymasters state that their Establishments were weakened in 1836 at the time of the general reduction. * *Easy because well practised.*

The Paymaster at Secunderabad states that he has been obliged to resort to printing (the expense of which he defrays from his private purse) to relieve his Office Establishment.

5th. I should not however here omit to advert to the Collector of Rajahmundry and the Paymaster at Bangalore, who are the only exceptions to the general opinion entertained by the other Officers as regards the reduction of Establishment in the event of the Account Current system

being introducted here. The Collector of Rajahmundry states that a reduction of 21 Rupees per mensem might be made in his Establishment "if the *Journal* is considered unnecessary, and no "other additional work is imposed in lieu, or on other Accounts." But then it must be borne in mind that his Establishment has been increased since the introduction of the *Journal* system from 6 persons costing Rupees 228 to 9 persons costing 345 Rupees, or an increase of 45 Rupees per mensem. The Paymaster at Bangalore also, whose establishment has been increased since the introduction of the *Journal* system, intimates that he will be able to make a reduction to the extent of 30 Rupees a month, if the change be ordered; but observes that the proposed reduction will entail more Work on some of the remaining writers, he also recommends that some be discontinued, but that the situations be shorthed as vacancies occur.

6th. Several of the Paymasters and Collectors suppose that by the introduction of the Account Current Form they will be relieved of the duty of furnishing this Office, for the use of the Honorable Court of Directors, with the usual duplicate *Journals* and Ledger, but this is an error. When the Account Current Form prevailed, it was the practice to transmit to the Honorable Court of Directors Annual Abstracts* of the Receipts and Disbursements, and if the Government of India think fit to enforce the same system again at this Presidency, it will be necessary to send to the Honorable Court, Abstracts as of old, in lieu of the duplicate *Journals* and Ledger.

* *Which the Honorable Court then thought were defective in information and ordered substitution of the present Form of Journal and Ledger, vide paras* 12 *to* 14 *of my Report, dated the* 23*rd November* 1836, *No.* 295.

7th. Having briefly given the substance of the opinion of the different public functionaries as regards the impracticability of effecting a reduction in their Account Establishments, by the introduction of the Account Current system, it remains for me to notice some of their observations as to the disadvantages which they apprehend will result, if the existing Form be changed.

8th. Lieutenant General W. Cullen, Resident at Travancore, states that his "long experience "of varied descriptions and the accounts likewise voluminous, and his further supervision of Accounts of the Residency for the last 16 years, enables him to affirm that the Madras system is "far preferable to that of the Bengal system, and should therefore remain undisturbed."

9th. Lieutenant Colonel F. C. Cotton, the Acting Mint Master, is of opinion that the system of preparing accounts in the form of a "monthly Journal and annual Ledger with closing Entries "has been greatly appreciated of, and is admitted here to be, so far believe it is allowed to be "every where, the best form of account in use" and that "the introduction of a less secure mode "of keeping the accounts, with a view to economy by omission in such an Establishment as the "Mint" would not "compensate for a risk of inaccuracy."

10th. The Medical Board observe "that it is preferable not to disturb the present system "of keeping the accounts." "The proposal of substituting the old Form of Accounts Current for "the present modernized system of double entry does not appear desirable," and that full ten years' experience, of their Secretary, of the working of the Journal system enables him to state that, the "system of double entry, is the better of the two, where every Debtor and Creditor becomes "distinguished in the most concise and simple manner, while, at the same time, perspicuity and "precision in the framing of the work on hand are thus secured."

11th. Lieutenant Colonel Budd, the Auditor of Commissariat Accounts, remarks that, in his opinion, if the "system previously in operation be now resumed, there will remain so much "labor in the Audit and compilation of the Commissariat General Accounts as exists at present; "and even more labor and time may probably be required for the exhibition of two separate "single entries of Debit and Credit in the Account Current, while they are now comprised "in one double entry in the *Journal*" and that he considers "the present system of Accounts "to be in all respects preferable to the former one and as convenient as any that could be "devised."

12th. The Principal Commissary of Ordnance and Superintendent of Stationery, Colonel Hammond, observes "that the Accountants of his Office are now perfectly conversant with the "*Journal* and Ledger system, and if any alterations in the closing of the Annual Accounts become "necessary, they are easily made under transfer entries; and as the Accounts of his Office have "now been carried on under this system for so long a period as 24 years, and they are found to "be perfectly clear and accurate, it would not be desirable that there should be any change."

13th. Mr. Hall, the Collector of South Arcot, states that "a system of Book keeping in the "Account Current Form instead of the *Journal* and Ledger as at present, would not, *he appre-*"*hends*, relieve the servants of much, if any, of their labor, and it would be, a retrograde step "to revert to a mode of Account keeping which does not possess the same advantages as that "which is already pursued."

14th. The Acting Collector of Masulipatam, Mr. Knox, is also much of the same opinion, he observes that although "the preparation of duplicate copies of the *Journal* and Ledger annually sent to this Office, would be dispensed with" "yet" this decrease of the labour of the "copyist would be outweighed by the greater care required in the entries, as the proposed system does not give such facility for checking items as are now afforded by the *Journal* and Ledger system."

15th. Mr. Silver, the Collector of Tinnevelly, is of opinion that "if the present contemplated system of Account Current Form is to be introduced by disturbing the existing systems, it "will be productive of inconvenience and confusion in the preparation of other periodical Accounts hitherto made out from the Monthly *Journals*."

16th. The opinion of Lieutenant Colonel Macdonald, the Paymaster at the Presidency, is that "the present system is a perfect one, the labor, now that it is understood by the clerks, not greater than the former." He farther states that he has tested the advantages of the present system, and thinks that "any change will not be to the advantage of the State."

17th. I think it needless to trouble Government with any further extracts from letters of other Officers, as those already given sufficiently show the disadvantages which will arise, and the inutility of the proposed change. I beg however to forward fourteen original* letters, on the subject as per annexed list, for their perusal. In my Report to Government dated the 29th November last, No. 295, I have fully given my opinion and arguments against the introduction, at this Presidency, of the Bengal system of Accounts—this opinion is now confirmed by several Officers of high position and long standing in the service,† and who have had ample experience to judge for themselves. Government will also see that the proposed introduction here of the Bengal system of Accounts will not be a relief to the Establishments of the Collectors, &c., nor productive of a saving to Government as contemplated by the Government of India.‡ Under these circumstances, I am led to the belief that the Supreme Government will hardly take upon themselves to disturb the present system, (which for a series of years has worked satisfactorily and was introduced under the express orders of the Honorable Court of Directors), at least without a previous reference to the Home Authorities. If, however, the Government of India are determined to enforce the change, this Office will have to be materially strengthened, to enable it to adjust the transactions and to throw into forms of Abstract, something like the *Journal* and Ledger, all the subordinate Accounts Current of the several Officers of Treasuries and Accounts as per annexed list, for incorporation in the General Territorial Books. Under the present system no such business falls on this Office, the subordinate Accounts being

* *To be returned when no longer required.*

† *Though they were not called upon to afford an opinion in respect to the advantage or disadvantage of the proposed change.*

‡ *Vide para* 2 *of the letter from the Secretary to the Government of India, dated* 26*th January* 1857, *order of Government, dated* 7*th February, No.* 75.

§ *The Government of India admit the necessity of strengthening this Office, if the Bengal Form be introduced here, see para* 2 *of their Secretary's letter, dated* 26*th January* 1857, *No.* 337, *order of Government* 7*th February No.* 75.

rendered to it in the form of Journals and Ledgers, the transactions contained in which, after due audit and examination, are incorporated in the General Territorial Books, from the Closing Entries of the several Officers of Treasuries and Account.

18th. Adverting to the observation of the Government* of India that the Checks in Bengal appear to be more efficient and the mode of preparing and submitting the Bengal accounts more simple and expeditious, I beg to state I have already, I think, satisfactorily set it in my report above referred to, dated the 29th November 1856, No. 295, and I will only now add that considerable additional exertions have been lately made to secure the important object of the early transmission of the Provincial Accounts. In proof of which, I beg to refer Government to the Notification alluded to in the margin,† and to the Memo: of the proceedings of late visit to the Southern Districts, forwarded to Government with my letter, dated the 27th May last.

* *Vide para: 2 of the letter of the Secretary to Government of India, dated 4th February 1856, No. 408, Extract Minutes of Consultation, 20th of the same month, No. 81.*

† *Vide Notification, dated 1st February 1856, published periodically in the Fort Saint George Gazette.*

19th. I may also remark with satisfaction, that this Office has not failed to furnish the various Financial Statements and Estimates in due time, and of late earlier than hitherto, agreeably to the dates recently fixed by the Government of India; and it must be remembered that the Financial Returns, Reports, and the General Territorial Books are now printed for the sake of the several advantages too obvious to be mentioned here, and not transcribed as before. Printing them, it must be confessed, takes up more time and entails additional labour on the subordinate Officers of this Office, and yet this Office has not been behind the other Presidencies. A system of account which can bring about such favorable results, cannot, I submit, be looked upon as defective, unless any material disadvantages can be shewn to arise from such a system. The Accountants on the Establishments of the several Officers of Treasuries and Account, and also on this Establishment, who have had ample experience in, and are accustomed to, compile the various accounts under the system now in force, will find it difficult and require more time to prepare the accounts, &c., under a new system, not to mention the inconveniences and delay which will be occasioned by the necessity for an adjustment in this Office of the transactions of the several Officers rendering Accounts to it.

The Actual Accounts of the Receipts and Disbursements for 1854-55 was in England long before the accounts of the sister Presidencies.

The Comparative statement of Receipts and Disbursements for 1855-56 was despatched nearly 2 months earlier than before. See para: 2 of the Report, dated 20th May 1857, No. 21.

20th. Under all the circumstances above noticed, I am really apprehensive that the change now contemplated, if enforced on this Presidency, notwithstanding all the exertions of myself and the principal Officers of my Establishment, will result in disappointment to all concerned and prove a bar to the punctual transmission of the several Financial Returns and Reports, and the closing of the General Territorial Books. I venture to go one step further and to represent the change as really objectionable, no beneficial consequences being inherent in it—not even in a Financial point of view. An immediate increase of expense is inevitable: for an augmentation of the Establishment of this Office will be indispensable, as already mentioned in para: 17, and anticipated by the Government of India. I can bring to mind nothing either present or prospective that will commensurate for this increase: assimilation is then only good when it involves a change from inferiority to superiority; and in the proposed measure, I declare, I do not see any change whatever for the better.

(Signed) G. L. PRENDERGAST,
Accountant General.

No. 14. ORDER THEREON, No. 469; dated 10th July 1857.

It is observed that in their Proceedings in the Financial Department, dated the 8th May last, No. 2130, communicated to the Accountant General in Extract Minutes of Consultation of the 12th Instant, No. 536, the Government of India had, after a full consideration of the proposition to introduce a uniform system of Account in all the Presidencies and of the reports submitted by the several Governments on the subject, resolved on the introduction of the Bengal system of Account from the 1st May 1858-59, and directed that revised Establishments of the Offices of the Collectors and the Accountant General necessary under this system be forwarded for their consideration and orders.

2. The Right Honorable the Governor in Council will however lay the present letter of the Accountant General before the Government of India, but as he has no authority to permit delay in carrying out the orders for establishing a uniform system of Account, he desires that the Accountant General will, as already directed, proceed to give effect to the orders of the Supreme Government, and report as early as possible the arrangements that may be necessary for the purpose, whether attended with increased expense or otherwise.

No. 15. Ordered that the following letter be despatched

TO THE SECRETARY TO THE GOVERNMENT OF INDIA, dated 10th July 1857, No. 470.

SIR,

I am directed to acknowledge the receipt of the orders of the Government of India mentioned in the margin and to state that instructions have been issued to carry them into execution. But at the same time the Right Honorable the Governor in Council thinks it due to the Accountant General of this Presidency to forward for the information of the Supreme Government a letter received from that functionary in which he again strongly objects to the proposed change in the system of Accounts.

Extract from Proceedings of Right Honorable the Governor General of India in Council, in the Financial Department, dated 8th May 1857, No. 2130.

Dated 19th June 1857 No. 90.

(Signed) E. MALTBY,
Acting Chief Secretary.

Encl. 1, A. Wilson.

indispensable, as already mentioned in para 17, and anticipated by the Government of India. I can bring to mind nothing either present or prospective that will compensate for this increase assimilation is then only good when it involves a change from inferiority to superiority and in the proposed measure I declare, I do not see any change whatever for the better.

I have the honor to be,
Sir
Your most obedient servant
J. Rumley Mc
Surveyor General

Comp. Hodgkinson

Memorandum of the 18 Original Letters forwarded herewith to Government Audit from 17

No	Dates	From whom
2422	1857 April 3	The Accountant of Insurance and Orders
234	May 25	The Ast. Asst Master
2656	April 22	The Secretary Medical Board
2345	March 20	The Auditor of Civil Accounts
2386	20	The Superintendent of Malacca
2259	7	The Collector of Moulmein
2420	26	The Asst Comr of Maulmein
226	May 18	The Collector of Tenasserim
2448	March 31	The Paymaster Penang
2479	27	The Collector of Cocos
2582	April 7	The Commissioner of Amherst
2225	Feb 6	The Comr of Tavoy
2361	10	The Paymaster Naval Force
2379	25	The Comr of Tenasserim

for
Asst Genl

List of Officers of Treasuries and Account who render Monthly Accounts and Annual Ledger and Closing returns with Accounts General Vide para 17

Civil Department	General Department	Military Department
1 Collector of Tenasserim	1 Resident at Tenasserim	1 Pay & at the Presidency
2 Assistant do	2 Comr for the Govt of Pegu	2 Do for Tenasserim & Pegu
3 Do Moulmein	3 Deputy Superintendent Military	3 Pay Master Penang
4 Assistant do	4 Officer in charge of the Govt Treasury Maulmein	4 Do for Moulmein Sappy & Tavoy
5 Do Tavoy		5 Pay Master
6 Do Amherst	6 Asst Director for Naval Stores	6 Do Pegu
7 Do Sandoway	7 Do Cash	7 Pay & Adjutant H.M. Forces
8 Do Akyab	8 Dept of Military for Do	8 Do Maulmein
9 Do Assistant	Military do	9 Pay Ramree
10 Do Assistant	9 Cash	10 Do Bassein
11 Do Bassein	10 Master attendant and Master Attendant Steam Service	11 Pay & Dispatch
12 Do Sandoway	11 Asst Treasurer	12 Do Akyab
13 Do Akyab	12 Chief Engineer in the Dept of Public works	13 Pay & Dispatch
14 Do Assistant		14 Do Tavoy Sappy & Ye
15 Do Tavoy		15 Do Mergui
16 Do Tenasserim		16 Do Tenasserim Sappy & Ye
17 Do Ramree		17 Do Bassein
18 Do Assistant		18 Dept Agent for Army Clothing
19 Do Penang		19 Assistant Commissariat
20 Do Malacca		20 Dept of Public Works
21 Do Assistant		
22 Commissioner Arakan		Annually
		1 Dept Director General for Military and Naval Stores
		2 Medical Board for Andaman Stores

for
Asst Genl

Bank

Treasury Department

No 1004

Extract from the Minutes of Consultation

Dated 10th July 1807

Read the following letter from

the Accountant General

Sir

I have the

Honor to

Inclose

Extract from the Minutes of Consultation of the 26th Instant No 336, the Governor and Board of Revenue have directed a full consideration of the proposition to increase the allowance of Commission upon sales of Account on all the Revenue now collected by the respective Collectors

by

by the Accountant General
, parents on the subject,
, received on the 20th June
, last of the Bengal Regulation
of 1828 and from the
1st May 1858/59, and
directed that receipt
establishments of the
Offices of the Collectors
and the Accountant
General may be pared down
this system be found
ed, for this considera
ation and orders

2. The Right Honour
-able the Governor in
Council [illegible]
[illegible]
to keep the present Establ
of the Accountant Gen
eral, before the
Government of India
but as he has no authority to interpret
[illegible] having
the duty in carrying out the
orders for establishing a
uniform system of
Accounts [illegible]
[illegible]
[illegible]
[illegible] the Accounts that

the Accountant General
will, as already directed,
proceed to give effect to
the orders of the Supreme
Government, and report
as early as possible
the arrangements that
may be necessary for the purpose
whether attended with
increased Expense or
otherwise; [illegible]
[illegible]
duty.

2. The Accountant General } Dispd. 21st
with 12 orig Letters (pertaining)

Sept 24th

No 160

To the Secret Govt of India

Sir

I am directed to acknowledge the receipt of the 18th of the Govt of India reviewing the charges & estimate in the margin & to state that instructions have been issued to carry them into effect to the extent of Rs 2,00,000 - But at the same time the Ld H. to Govt thinks it desirable that the Govt of the Pres. & the Govt of the Pres. should be prepared for the introduction of the Supreme Govt & Legislature assumed for that purpose, in which he again strongly objects to the proposed change in the system of account

I have &c

Fd C McGregor Esq
Secy to Govt of India

Rec'd 19 Nov 1857 Dk

Financial Dispatch
from Govt of Ld H. to Govt of India in Council in the Financial Dept dated 24 Sept 1857 No 2134

Rec'd Nov 12 1857

Financial Dispatch

Read

Ahmedabad Mirror of Commerce

Surat Sept 1857

Read and acknowledged
with a letter forwarding
ordered to be filed

No 434

To The Secretary to the Govt of Bengal

Fort William 31st August 1837

Sir

I have the honor to forward herewith for the information of the Right Honble the Governor General of India in Council a Copy of a Letter from the Secretary to the Government of Bengal, dated the 21st instant, No 434, with its enclosure, on the subject of the Petition of Ramchunder Mitter, praying for the release of his son Gopaul Chunder Mitter, who is now under confinement in the Alipore Jail, on a charge of Forgery.

I have the honor to be
Sir
Your most obedient Servant
(Signed) H. T. Prinsep
Secy to the Govt of India
Secret Dept

Fort William
The 31st August 1837