

## MADRAS RECORD OFFICE.

Government of Madras.

*Financial* DEPARTMENT.

|          |       |                         |
|----------|-------|-------------------------|
| G.O. No. | 153   | Press<br><del>Mis</del> |
| Dated    | 6. 3. | 1858                    |

B.No- 9-10

Not to be folded or roughly handled*25/7-58*

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*Fort Saint George, Financial Consultation, 12th March 1858.*

No. 9. From C. HUGH LUSHINGTON, Esq., Secretary to the Government of India; to the Chief Secretary to the Government of Fort Saint George, dated 29th January 1858, No. 783.

SIR,

In continuation of my letter, No. 5022, dated the 30th November 1857, on the subject of the systems of Account in the Presidencies of Bengal and Madras, and the introduction of the Bengal system in Madras, I am directed to transmit, for the information of the Right Honorable the Governor of Fort Saint George in Council, the accompanying copy of a letter, No. 1369, dated the 7th Instant, from the Commissioner for the revision of Civil Salaries and Establishments throughout India, from which it will be seen that that Officer recommends that the plan of sending an Officer or Officers from Calcutta to Madras for the purpose of explaining the Bengal system and superintending its introduction in two or three districts in the neighbourhood of Madras should not be abandoned.

2. In accordance with this recommendation, the Right Honorable the Governor General in Council has been pleased to select Mr. E. F. Harrison, 1st Assistant Accountant General to the Government of India, for the duty, and a copy of the instructions issued to him is annexed.

3. The Governor General in Council requests that you will move the Right Honorable the Governor in Council to appoint one or more Officers at Madras to be associated with Mr. Harrison on his arrival and to carry out the suggestions contained in Mr. Ricketts' letter.

From H. RICKETTS, Esq., Commissioner for the Revision of Civil Salaries and Establishments throughout India; to the Secretary to the Government of India in the Financial Department, dated Fort William, 7th January 1858, No. 1369.

SIR,

I have the honor to acknowledge the receipt of the orders, dated the 30th November 1857, No. 5023, in which I am directed to enquire what decrease in the establishments of Collectors at Madras could be effected when the Bengal system of Accounts shall have been introduced.

2. Under the Bengal system, transactions as they occur are entered by the Treasurer in his "Rokur" record of debits, credits, and balance, and by the Accountant in his waste book, from which they are daily posted in the ledger under the headings to which each charge respectively belongs. At the end of each month, the entries found in the ledger for the month are abstracted into a monthly treasury Account, in which all the headings correspond with the headings in the ledger.

3. At Madras, the Cash keeper of every Office keeps his Accounts in the form of Accounts Current, or waste book (which in the first instance is abstracted daily; and a journal on the system of double entry is prepared monthly by the English Accountant, and forwarded to the Accountant General's Office. The journals are posted monthly into the ledger, which is closed annually and likewise sent to the Accountant General with closing entries.

4. It has lately been ruled at Madras, that the Accountant, as well as the Treasurer, is to keep a daily Cash Account; from this, under the existing system, the transactions would be posted monthly in the journal, which differs little from the daily ledger of Bengal except that credits and debits are entered consecutively instead of opposite each other on the two sides of the paper and that it is prepared monthly instead of daily.

5. From communication with the Accountant General of Madras, I learned that he had on the 27th February 1857, addressed a Circular to all functionaries rendering Accounts to his Office, desiring them to report whether any and what reduction would be feasible in the establishments if the Bengal system were to be introduced, and to furnish a Statement of the present establishment and of the extent of the proposed reduction.

6. Of all the Officers consulted, two only say that on the change being introduced a reduction would be feasible. The Collector of Rajamundry could save Rupees 23 per mensem, the Paymaster of Bangalore, Rupees 50 per mensem. It appears to me that there would be no decrease of labor consequent on the change, at present the only waste book is kept by the Treasurer, under the reformed system a duplicate waste book is to be kept by the Accountant, every debit and every credit is to be entered twice instead of once. By this labor will be much increased. The journal is to be dispensed with, but all transactions are to be daily posted in the ledger, which is but another form of journal under the existing system, as I have said, the items are posted in the ledger once a month only.

7. I conclude that the change of system has been resolved on after careful consideration and that no doubt whatever exists as to the superiority of the Bengal system; but I remark that the Madras Officers among whom are men of recognized ability, such as Colonel F. Cotton, the

Officiating Mint Master, unanimously condemn the change meditated, and affirm that it would be a step backwards. It appears to me that misapprehension exists as to the peculiar properties of the two systems, and from the remark of the Accountant General of Madras, that "an annual Treasury Account is received from each district, and is employed to check the monthly Treasury Account" it would appear that the Accountant General himself does not entirely understand the Bengal system. I have always understood that the only use of the annual treasury Accounts furnished by Collectors was to save the trouble of compiling annual accounts from the monthly accounts in the Accountant's Office, which would be necessary, if annual accounts were not received from the mofussil Treasuries.

8. I strongly recommend that the plan of sending an Officer or Officers to Madras, to explain the Bengal system, and to superintend its introduction in two or three Districts in the neighbourhood of Madras, should not be abandoned. It is only by this course that uniformity will be secured and misunderstanding and much correspondence be avoided; and it is only by enquiring District by District that the possibility of reducing the establishment in the Department of Accounts when the new system shall have been introduced can be ascertained.

9. I recommend that the Officer or Officers sent from Bengal should be associated with a Madras Officer and that the two or three together should visit the Office of the Collector of Madras, and two other Collectorships in the neighbourhood of Madras, and that the Madras Officer should then visit alone the remaining Collectorships and other Offices of Account and when reporting that the system had been introduced into each Office, report also whether any reduction in the expense of the Account Department was practicable.

10. I have all the replies received by the Accountant of Madras to his Circular mentioned above, and if so directed will send them to your Office.

From C. HUGH LUSHINGTON, Esq., Secretary to the Government of India; to E. F. HARRISON, Esq., 1st Assistant Accountant General to the Government of India, dated 29th January 1858, No. 781.

SIR,

The Right Honorable the Governor General in Council having resolved that an Officer shall be deputed from this Presidency to Madras for the purpose of explaining the Bengal system of Accounts and superintending its introduction in two or three districts in the neighbourhood of Madras, I am directed to inform you that His Lordship in Council has been pleased to select you for the duty, and forward for your information a copy of the correspondence noted in the margin,\* which explains the nature of your duty.

2. His Lordship in Council desires that you will proceed to Madras as soon as you conveniently can and report your arrival there to the Government of that Presidency, from which you will receive instructions as to the districts you should visit jointly with one or more Officers who will be appointed by the Government of Madras.

3. You will be good enough to submit bills for all expenses actually incurred in carrying out the objects of your deputation, to the Government of Madras while there, and to this Department after your return to this Presidency.

No. 10. ORDER THEREON, No. 153; dated 6th March 1858.

Ordered that the above letter and its enclosure be referred to the Accountant General for any remarks that he may have to offer on it.

(Signed) T. PYCROFT,  
Chief Secretary.

Exd. J. A. Wilson.

N<sup>o</sup> 783  
To The Chief Secretary to the  
Government of Fort St. George.  
Finl. Dep<sup>t</sup>. Sir.

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2 In accordance with this recommendation the Right Honorable the Governor General in Council has been pleased to select Mr. E. F. Harrison, 1<sup>st</sup> Assistant Accountant General to the Government of India, for the duty, and a copy of the instructions issued to him is annexed.

3 The Governor General in Council requests that you will move the Right Honorable the Governor in Council to appoint one or more Officers at Madras to be associated with Mr. Harrison on his arrival and to carry out the suggestions contained in Mr. Ricketts' letter.

Fort William.  
The 29<sup>th</sup> January  
1858

I have the honor to be  
Sir  
Your Most Obedt<sup>t</sup> Serv<sup>t</sup>

Wm. A. Smith

Secretary to the Government of India.

No 781 32

To E. J. Harrison Esq.  
1<sup>st</sup> Assistant Accountant General to the  
Government of India.

Full Dep<sup>n</sup>

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Acting Chief  
of Fort St.  
George 30<sup>th</sup> Novem.  
1857.  
Letter from the  
Commissioner for the  
Revision of Civil Salaries & Establishments  
throughout India N<sup>o</sup> 1369 dated  
7<sup>th</sup> January 1858.  
Letter from this Department to the  
Secretary to the Government of India  
George 1<sup>st</sup> dated 29<sup>th</sup> instant.

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Council Chamber  
The 29<sup>th</sup> January 1858

I have the honor to be  
Y<sup>rs</sup> S<sup>ty</sup> C. F. Lushington  
Secretary to the Gov<sup>t</sup> of India

/ A True Copy /

Wm. A. M.

Secretary to the Government of India

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