

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.

730

Press
~~Mis.~~

Dated

9. 11.

1858.

B no - 13-14

Not to be folded or roughly handled

No. 13. From F. LUSHINGTON, Esq., Civil Auditor; to T. PYCROFT, Esq., Chief Secretary to Government, Fort Saint George, dated 28th October 1858, No. 376.

SIR,

1. I have the honor to acknowledge receipt of Extract Minutes of Consultation of Government in the Financial Department, dated 1st Instant, referring, for any observations which I may have to offer, a letter of the 20th Ultimo, from the Accountant General of Madras, who in advertence to certain objections, which have been raised in this Office, to the obligation which has hitherto devolved upon it, of passing advances, states his dissent from the opinion I have expressed on that subject, and solicits the instructions of Government in view to the continuance of the former practice.

2. Referring to the observation of the Accountant General in para: 3 of the above communication, in which it is stated that I have endeavoured to override a practice which has been hitherto observed with the cognizance of Government, without their express sanction; I deem it proper to remark that I addressed the Accountant General in the first instance, in lieu of the Government, with the desire of saving the Government the necessity of entering upon a question of mere official practice which appeared to me, quite unimportant to it, and to be one which could be best decided after discussion by the Heads of the respective offices themselves.

3. Looking to the fact that uniformity of practice in the system of Audit and Account, in the several Presidencies, was the chief object which was sought to be attained by the creation of one General Department of Account for the whole of India, I deemed it right to point out to the Accountant General the different practice which obtained in Bengal and Agra, in respect to the payment and recovery of advances, and recommended its adoption here, suggesting at the same time that a reference should be made to Calcutta, in the event of the Accountant General being unable to concur in my views. Mr. Prendergast has seen fit to denounce the course thus adopted by me as wanting in deference to the authority of the Madras Government, but I respectfully submit that there is nothing in my proceedings which will bear out that view, and that if I erred at all, it was simply from the desire to save the Government the trouble of deciding upon a question, in which it appeared to me it could have but little or no interest. The principal grounds on which I advocate the change of practice in respect to passing advances, have been laid before Government in the communication of the Accountant General now under consideration, and I shall therefore proceed to reply to the objection which has been raised by that officer to the advances being passed by his Office, viz., his inability to determine the correctness of the amount to be advanced in every instance.

4. The Chief difficulty which the Accountant General would appear to anticipate is in the case of Travelling Allowances, the calculation of the mileage being a duty to perform which correctly, he states, his office possesses no means or knowledge. In respect to this difficulty I may remark that Bills for advances on account of Travelling Allowances are countersigned by the Head of the Department to which the applicant for the advance belongs, the bills for Travelling Allowances in the Educational Department being countersigned by the Director of Public Instruction, in the Public Works Department by the Chief Engineer, and in the case of Junior Civil Servant by the Secretary to the College Board. If the Accountant General be however unwilling to accept such countersignature as a sufficient guarantee for the general correctness of the Bill, it is open to him to test its accuracy by referring to the Official Gazette of the 30th January 1857, which contains a statement of the distances to all the principal stations in this Presidency. This statement is the guide of this office in Auditing Travelling Allowance Bills, and indeed affords the only information by which it is enabled to check the distances entered in the Bills.

5. In like manner Bills for advances of a months' pay to officers in the Educational and Public Works Departments are submitted through the heads of those Departments whose countersignature to the Bill afford in my opinion ample guarantee, so far as the Office of Account is concerned, of the general correctness of the advance, for it must be remembered that all such Bills come subsequently under the Audit of this Office. The only other Department in which advances of pay are made to Officers newly appointed, is the Ecclesiastical, and as the pay of Assistant Chaplains is fixed at Rupees 500 per mensem, and never varies from that amount, I do not conceive that the Accountant General would experience any difficulty in passing Bills for advances on that account.

6. In respect to advances made on account of Absentee and Furlough Allowances to Chaplains and Military Officers in Civil Employ, greater difficulties might perhaps exist, as the allowances vary according to the rank and situation held by the Officer submitting the Bill; nor would the Audit of such advances by this Office perhaps be objectionable to the same extent, inasmuch as there would not be a double Audit, at least by the same Office, the second Audit in the case of Officers proceeding to England being made by the Authorities at home; at the same time with the large Establishment possessed by the Accountant General, among whom there are doubtless Auditors of considerable experience, I cannot think that much difficulty would be experienced in determining the correctness of Bills for advances even of this nature, and especially as in all doubtful cases reference might be made either to this Office, or to the Civil Auditor's Manual, in which the scale of allowances attached to the different Offices is accurately laid down.

7. With reference to the suggestion made by the Accountant General that instead of the claim for the advance being presented in the shape of a Bill as is now the practice, it may be in that of a Receipt, I regret that I can offer no opinion, as I fail to comprehend the distinction which that Officer appears to draw between the Audit of an advance in the form of a Receipt and in that of a Bill. But if, as would seem, it is the mere appearance of a double Audit which will be saved thereby, while the reality exists, it is not obvious what advantage would be gained by the adoption of the suggestion.

To the correctness of the principle enunciated by the Accountant General that unless an admitted advantage is to be derived by a change, change of itself is not advisable, I give a willing assent. Mr. Prendergast very strenuously opposed the change which has been recently introduced in the system of Account, and entertaining the strong conviction that he did, of the superiority of the system which obtained in this Presidency over that of the other Presidencies, he was undoubtedly justified in his endeavour to impress his own views on the Authorities in Bengal; but when failing in that endeavour the Bengal system of Accounts and Audit had once been ordered to be carried into effect, I maintain that the Accountant General was bound to accept the change in its integrity, and that it is not now open to him to call upon this Office to perform duties which do not legitimately belong to it, simply because those duties were undertaken by it under the displaced system of Account and Audit.

8. The above is not the only instance, I beg to observe, in which the Accountant General has objected to my conforming to the system of Audit which obtains in Bengal. A short time ago I had occasion to point out to that Officer that this Office did not possess the means of checking charges on account of Commission and Discount to Venders of Stamp Paper and Postage Labels, Remittances to Talook and other payments connected with credits entered in the Accounts; and I suggested that, as laid down in para. 343 of the Agra Civil Auditor's Manual, all Bills for such charges should be forwarded to the Accountant General's Office for verification previous to their submission to me for Audit. The Accountant General however declined to adopt my suggestion, stating that as I was obliged to rely in many instances on the information given in the Bills of larger amount by the Officers submitting them, I might do so in the case of the charges in question, and that a simple Certificate attached to the foot of each Bill would be sufficient guarantee on which to pass the amount. To avoid delay in the preparation of the Accounts, I have conformed to the instructions of the Accountant General, but under protest, as I consider the reasons assigned by Mr. Prendergast in support of his view, both unsound and dangerous. I contend that however small the charge, where obvious means of checking it exist, it is the duty of the Audit Office to avail itself of them.

9. Again, in my Circular to the Collectors, under date the 26th May 1856, I requested that only one* Bill might be submitted by them in the course of the month for each description of charge, *i. e.*, one for the Revenue Establishment, one for the Magisterial, one for each different Class of Pension, and one for all Contingent Charges according to the respective heads. The advantages of this course of procedure are obvious, and it has been adopted by all the Collectors, apparently without difficulty, as no remonstrance has been made, and the Bills have been regularly received.

10. The Accountant General has however recently called upon me to rescind this Circular on the ground that my requisition tends to retard the submission of the accounts, and he suggests that in future "separate Bills be admissible for charges under each head of account, and separate Bills for each large item under any of their heads." Thus one Bill for Land Revenue Charges, another for salt, another for Sea Custom's General Charges, Magisterial Charges, Charges on account of Remittances, Stamp commission, Refund of Stamp duty, Batta to Public Servants on circuit, Charges for the conveyance of Talook, &c., Remittances, Reward for killing wild Beasts, Batta to Prisoners, in fact a separate Bill for each item of Contingent Expenditure which has hitherto been included in one General Bill; the same course Mr. Prendergast considers should be adopted in respect to Pensionary Charges, and he proposes therefore that instead of one District Pension Abstract, as at present being submitted for Audit at the close of each month, 2 or 3 Bills, at different periods of the month be sent in as soon as a sufficient number of Pensions have been paid.

11. It can be scarcely necessary for me to point out the very large amount of additional labor, which will be thrown upon my Establishment, if this proposition of the Accountant General be carried out. In lieu of two* Contingent Bills and one Account Particular being submitted from each District in the course of the month, at least 20 Bills and 20 Account Particulars will be received, so that in one Department alone the number of Bills will increase from 44, to upwards of 200. In like manner in regard to the Pension Abstract; in many of the Districts there are 15 or 16 different Classes of Pension for each of which under the present system one Bill is submitted monthly for Audit; under the arrangement suggested by the Accountant General 30 or 40 Bills may be received from each of those Districts. If however I were satisfied that the proposed change in the form of Audit would lighten the labor of the Collector's Establishment, or obviate in any degree the delay in the submission of their accounts, I should not hesitate for a moment to adopt it, applying, if found necessary, for additional assistance to enable me to carry it out. I see however no sufficient ground for believing such would be the case, but on the contrary I am of opinion the labor of the Establishment both of the Collectors and the Audit Office would be materially enhanced thereby.

12. On examining my Audit Registers from May last, I find that in some of the Districts the Contingent and Pension Bills have been submitted with great regularity, while in others great irregularity and delay are observable. For instance, in Canara the Contingent Bills have been regularly received in the course of the month following that in which the charges were incurred, while in Tanjore, Malabar, Ganjam, and Kurnool, the Contingent Bills are submitted three, and sometimes four months in arrears. In the case of Pension Abstracts, even greater irregularity exists. There is no apparent cause for this marked difference, and I am disposed therefore to think that the real cause of the delay complained of by the Accountant General will be found, not in the present system of Audit, but in the faulty organisation of the Account Department in many of the Districts as well as in the changes which have been recently introduced in the form of keeping the accounts, and which would appear to me at present but imperfectly understood.

13. In submitting the foregoing observations for the consideration of Government, I beg to remark that my object has not been merely to elicit the opinion of higher authority on the points now at issue between the Accountant General and myself, but to bring under consideration also the general question, whether or not the rules and practice of Audit which obtain in Bengal are to be adopted in the Audit Offices of the Minor Presidencies. In drawing up the rules of my Office I have endeavoured, so far as the different circumstances of the two Presidencies would admit, to conform to the practice laid down in the Agra Civil Auditor's Manual, which I have always understood to be founded upon, and in most respects similar with, the rules which obtain in Bengal. Considering the constant transfer of Officers from one Presidency to another which will necessarily take place under the present organisation of the Department of Accounts, it appears to me that perfect uniformity in the system of Audit is as essential to the well working of the Department as uniformity in the mode of keeping the accounts. Many points of detail which though of minor consideration in themselves are of much importance to the correct performance of the duties of the Audit Office, are necessarily omitted in the work above quoted, and I think therefore that it would be attended with much advantage if I were permitted to proceed to Calcutta for two or three weeks and learn from personal observation in what respects the working of the two Establishments differed, and

* Vide Agra Civil Auditor's Manual, Article 331.

Fort Saint George, Financial Consultation, 9th November 1858.

whether by adopting the Bengal system of Audit any important changes or reduction might be made in the Establishment of the Audit Office of this Presidency, which would seem to be in the opinion of the Supreme Government at present unnecessarily large.

No. 14. ORDER THEREON, No. 730; dated 9th November 1858.

Resolved, that the Accountant General and Civil Auditor be directed to refer to the Government of India for instructions on the points on which they are at issue. The Civil Auditor may also refer to the same authority his proposal to visit Calcutta for the object stated in the concluding para: of his letter above recorded.

(Signed) W. H. BAYLEY,
Acting Secretary to Government.

Exd. J. A. Wilson.

Financial Department

N^o 730

Extract from the Minutes of Consultation

Under date 9 November 1858

*Read again letter from
the Acct^g General dated 28th
September and recorded in
Consultation of the 5th October
last.*

*Read the following
letter from the Civil Auditor
(Dated 28th October 1858 N^o 376)*

*Resolved, that the
Accountant General and
Civil Auditor be directed
to refer to the Government of
India for instructions on the
points on which they are
at issue. The Civil Auditor
may also refer to the same
Authority his proposal to
visit Calcutta for the
object*

object stated in the concluding
para of his letter above
recorded.

JF

To the Asst General }
Civil Auditor. }
12th }
P40
Sup 22 6/100

From 12 to 15th of March
1859 Jan 13.

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