

R. Gopal Ramalingam

M.R.O. 1-22,400-28-11-80.

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	<i>556</i>	Press ~~Mis.~~
Dated	<i>12. 11.</i>	<i>1860</i>

B/nes 26-27

3/4

Not to be folded or roughly handled

*Proceedings of the Madras Government, Financial Department,
12th November 1860.*

No. 26. Read the following Proceedings of Government in the Revenue Department, dated 5th November 1860, No. 2,047.

*Communicating for information the Order passed
on a letter from the Officiating Civil Auditor,
stating his inability to audit certain Contingent charges especially in the Salt and Abkari
Departments, which are not countersigned by
some authority.*

(Vide Proceedings Revenue Department, dated 5th November 1860, Nos. 67 and 68.)

No. 27. ORDER THEREON, 12th November 1860, No. 556.

To be recorded.

(Signed) T. PYCROFT,
Chief Secretary.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following letter from W. BALMAIN, Esq., Officiating Civil Auditor, to J. D. BOURDILLON, Esq., Secretary to Government, Revenue Department, dated Fort Saint George 1st September 1860, No. 603:—

SIR,

1. I have the honor to bring to the notice of Government that there has been some correspondence between this Office and the Board of Revenue regarding the audit of certain contingent charges, those on account of Salt and Abkarri more especially. Mr. Lushington was of opinion that these charges should be countersigned by some authority before being submitted for audit. Mr. Harrison expressed himself willing to pass them without any counter-signature, reserving the right of submitting to the Board any special cases which might be brought forward. The Board of Revenue, as will be seen from the copy of their letter No. 3,728, decline to take any responsibility in regard to the charges in question.

2. I am not in a position at present to report fully on the subject; but as very large bills on account of Salt and Abkarri come up constantly for audit, I am anxious to obtain some instructions as to how those charges are to be treated. As an example I would state that the Contingent bill of the Madras Collectorate now awaiting audit in my Office, contains an item of 1,61,204 Rupees on account of Arrack. This is supported by a copy of an invoice of the Commissariat Department showing the number of gallons and the rate at which supplied. Of course my Office is competent to check the calculations as shown on paper, but as to whether so much spirit has been ever accounted for; whether the sale receipts were in proportion, whether the purchase was on the whole correct, is what I have no means of ascertaining. In paragraphs 4, 5, 6 and 7 the Board state that the Audit Office can call for account particulars of sales and other information necessary to check the charges, and that they have no more effective control than can be exercised by the Civil Auditor.

3. I would however remark that the duty of the Audit Office is to see that all charges are supported by sufficient authority; the Auditor is not competent to question the expediency or correctness of a charge sent up under sufficient authority. It has been so ruled by the Government of India "that a Civil Auditor is not required in any case to satisfy himself of "the expediency of a charge, his duty being merely to see that every charge is incurred under "the authority of a competent Officer."

If Government decide that the signature of a Collector or a Deputy Collector, to a bill of Salt or Abkarri charges, without limit as to amount, is sufficient authority for its being audited, the procedure is simple, but if this Office is to be held responsible for the correctness and expediency of the expenditure, it is a duty which I am afraid cannot be efficiently discharged.

ORDER THEREON, 5th November 1860, No. 2,047.

1. In this letter the Civil Auditor brings forward a question of no trifling importance in connection with the Audit of certain Civil charges. He states that his Office is now required to Audit very large sums under the term Contingent charges, especially in the Salt and Ábkári Departments, of which he is quite without the means of testing the correctness; as an example he mentions that a Contingent Bill of the Madras Collectorate awaiting Audit, contains an item of Rupees 1,61,204 for Arrack. He points out that he is quite without the means of ascertaining the justice of such charges; and that the Government of India have declared that it is not the duty of the Audit Department to make such inquiries. The Board of Revenue when applied to repudiated all responsibility in the matter.

2. The facts of the case are as follow. In 1856, on the occasion of the change of system in the Civil Audit Office from a yearly to a monthly Audit, the whole course of proceeding was revised, and the Audit of Contingent and other charges was transferred to that Office, which had previously been conducted by the controlling heads of the various Departments, i. e. the Court of Sudder Adalat, the Board of Revenue and the Marine Board. The subject was carefully considered, especially the part of it relating to Contingent charges, and the result was the orders of November 22nd 1855, and March 20th 1856, in the Financial Department.

1. *Indents, ordinary and usual.*
2. *Contingent charges not exceeding 400 Rupees.*
3. *Batta to Public Servants, Convicts, Prosecutors and Witnesses.*
4. *Wages to additional Jail Peons.*
5. *Salary of Extra Establishment.*
6. *Rewards for apprehending offenders or for killing wild beasts, &c.*
7. *Collector's Extra Tent Allowance.*
8. *Tentage in the Engineer Department.*

Government with the Board's letter of the 11th June 1856, but only for the purpose of enabling the Government to judge as to the extent to which the change of plan would enable the Board to reduce their Office Establishments. The particulars of the list, therefore, did not attract notice, and the order* on the letter did not allude to the subject.

4. It seems to the Governor in Council that the charges in question do not properly come within the order of the 22nd November 1855, and he is decidedly of opinion that they ought not to be so entirely released as they have been from control and check by the Board of Revenue. The Audit Office, as Mr. Balmain truly says, is an Arithmetical Office; it verifies calculations and compares charges with vouchers. But it has not authority, nor has it the means, to "question the expediency or the correctness of a charge sent up under sufficient authority." is not competent, for example, to inquire whether a thousand garces of Salt charged for were really received, or whether the Arrack to which Mr. Balmain refers in his letter of 1st September, was really received, was charged at a proper price, was really wanted, or was duly disposed of. All such inquiries belong to the controlling head of the Department; the Board of Revenue have the means in their own Office of ascertaining all these particulars, and of tracing the Salt or the Arrack till finally accounted for. This too is their function, while it is not that of the Audit Office.

5. It appears to the Government to be necessary for the security of the public money that the Board of Revenue should be held responsible for the justice and propriety of such charges, so far as respects quantity, price and time. But the Arithmetical Audit, viz., the verification of the amount of the charge will continue to be made by the Civil Auditor.

Batta to Public Servants.
Carriage hire of Collector's Records.
Hire of conveying remittances to Collector's Treasuries.

6. There are a variety of other items in the Board's list of Accounts transferred, which seem to come under the preceding remarks, and to need a Departmental Audit. Some of these items as in the margin are enumerated in Mr. Lushington's letter to the Board of October 23rd 1858, paragraph I. These charges seem all to be of the nature of those formerly recommended by Mr. Lushington himself to be transferred, and the first of them was expressly mentioned by him. The Arithmetical Audit of them is properly made by the Civil Auditor; but the general control formerly exercised by the Board was useful as a check on over-expenditure in various ways. Under the present system there is no check whatever on expenditure. The duty of the Civil Auditor being confined to a mere examination of the figures. It appears to Government that there should be such a check, independently of the expending Officer, and the Board of Revenue only can exercise such a check.

7. The Government resolve to request the Board of Revenue, in communication with the Civil Auditor to arrange the details necessary for giving effect to this order, both as respects the particular classes of charges which should be subjected to the Board's previous approval, and also as to the mode of exercising that control. The plan when completed should be submitted for the approval of Government.

(True Extract.)

W. A. D. Sullivan
 Secretary to Government.

To the Board of Revenue.
 „ Financial Department.
 „ Civil Auditor.

Exd. S. T. Augustin.

Con 27th Nov 3-1855 to 3 44
 " 28th March 1856 - 9 12
 " 8th July - " - 18 2.

Let-16 Nov. 1856

Tril 1856 Sep 5

Pres: J. G. L. in the
 Nov: 8th 2047.

H. 5th 3 Nov 1856.

3 years of peace
 H. 5th 374.

7th 142 of 1867.
 492 of 63

Long for information
 the order passed in a letter from
 the 17th June 1856 - stating
 his inability to visit con-
 ference concerning charges, especi-
 ally in the 18th & 19th June
 Sept. which are not com-
 pleted by some authority.

No 556. 12 November 1856
 To be Recorded.
 J. P.

20 23.