

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	85	Press
		~~Mis.~~
Dated	24. 2.	1860.

B-no. 10-11

5/6

Not to be folded or roughly handled

25/1/67

*Proceedings of the Madras Government, Financial Department,
for the month of February 1860.*

No. 10. Read again Extracts from the Proceedings of the Government of India, in the Financial Department, dated the 17th June and 29th October 1859, Nos. 5050 and 8933, recorded on the Proceedings of this Government, dated 11th July and 26th November 1859.

Read also the following letter from R. P. HARRISON, Esq., Accountant General; to the Chief Secretary to Government, Fort Saint George, dated 26th January 1860, No. 409.

1. I have the honor to acknowledge the receipt of Extract of the Order of Government dated the 26th of November last No. 655, forwarding copy of the Proceedings of the Government of India, in the Financial Department, under date the 29th of October 1859, and directing me to report whether the arrangements for the substitution of Regimental Savings' Banks, in lieu of the Military Branch of the Government Savings' Bank, which have been sanctioned for the Bengal Presidency, might be advantageously adopted for this Presidency, and if so, what steps should be taken for the purpose and what saving would thereby be effected.

2. Before submitting the report called for by the Government, I considered it advisable to consult the Sub Treasurer, who is ex-officio Secretary to the Government Savings' Bank, and I beg now to forward, in original, a letter from that Officer No. 777 dated 19th instant.

3. The Royal Warrant of the 11th October 1843, the introduction of which in the Savings, Banks through India was authorized by the Government of India, in their orders in the Financial Department dated the 17th June 1859, enjoins the regular posting of the books and their audit by a Committee of Regimental Officers at stated periods,—it also directs the submission of the Regimental Ledgers for audit to the Secretary at War, annually, and it is quite clear that, with its introduction, the regular functions of the Officers of the Government Savings' Banks in connection with Regimental Savings' Banks, must cease and determine, as the two systems are incompatible with each other.

4. It appears to me, therefore, that the principal points which require to be determined are, first, the Office in which the Annual Audit of the Regimental Savings' Bank Ledgers shall be conducted, by whom, and at what expense—and secondly, in what way the deposits of men who from any cause have proceeded to Europe, or the Colonies, may be remitted to the Government Authorities there.

5. The present establishment of the Fort Saint George Government Savings' Bank which (as Government are aware) has lately been found quite inadequate to the work,—is as follows:

Actuary.....	Rupees 230
Accountant.....	105
Do.....	50
Do.....	30
Do.....	25
3 Do. at Rupees 20.....	60
Do.....	15
Shroff.....	17½
Moochee.....	10½
2 Gollahs at Rupees 8.....	16
2 Peons at Rupees 7.....	14

Rupees..... 573 per mensem,

or Rupees 6,876 per annum, irrespective of contingent expenses.

6. The Government of India, on the 29th October 1859, resolved upon the abolition of the Military branch of the Government Savings' Bank at Fort William, from 1st May next, and the establishment, in lieu of it, of Regimental Savings' Banks, the accounts of which are to be audited annually and adjusted by their Accountant General, (in lieu of the Secretary at War) allotting to

*Proceedings of the Madras Government, Financial Department,
for the month of February 1860.*

that Officer an additional establishment of Rupees 100 per mensem, and providing that the annual Audit of the Regimental Ledgers shall be conducted by two or more Auditors to be annually appointed by the Government.

7. The constitution, however, of the Savings' Banks at Forts William and Saint George, differs very materially; in Bengal there are already two large and expensive establishments, the one Military, the other Civil,—and the former, large as it already is, has been found to be much too small to conduct the duties under the existing system: but a totally different system has prevailed here, the Establishment is not (nor can it be conveniently) divided, and though, as stated by Mr. Sandeman, sufficient to carry on the Civil branch of the work and the yearly Auditing of the Regimental Savings' Bank Ledgers, it would scarcely be possible to reduce it, if the latter duty was transferred to other hands. The adoption of arrangements, similar to those which have been sanctioned in Bengal, would in fact involve an increase, and not a decrease, of expenditure.

8. In preference, therefore, to the adoption of the plan proposed for Bengal, I would recommend the continuance of the present institution, abandoning the writing-up of the individual accounts of the Military depositors, and substituting an Account Current with each Regiment, Corps, Battalion, &c. leaving the details, in the interim between the close of one year and another, strictly in the hands of the Regimental Officers as contemplated by the Warrant. This duty it would be possible for the present Establishment to perform, whereas the keeping of the individual Ledgers is impossible, and moreover, has not been done since the increase of the number of British Troops.

9. The Sub Treasurer, in his concluding paragraph, proposes that the salary of the Actuary be raised to Rupees 400,—that his designation be changed to that of "Assistant Sub Treasurer and Actuary of the Government Savings' Bank," and that he may be permitted to have the benefit of his services in the General Treasury. I understand from Mr. Sandeman that he has made a separate application to Government regarding the allowances of the Actuary, and it is not therefore necessary that I should notice this part of his communication, further than to express an opinion that the salary of the Office is very small and should, I think, be raised to 300 Rupees, to which extent, I am informed by Mr. Peachey, that it was the intention of the late Commission for the Revision of Public Establishments to recommend that it should be increased.

10. As regards the second point referred to in paragraph 4, I consider that all amounts to the credit of depositors (in the Regimental Ledgers) who may proceed either to Europe, or the Colonies, should be remitted to the authorities there, upon the responsibility, so far as the audit is concerned, of the Regimental Officers, for so much of their deposits and withdrawals as may have been made since the Annual Audit of the Regimental Ledger. This has always been the case more or less, but henceforward it should be the rule, and the Savings' Bank balances of Invalids &c. of both Her Majesty's Armies, be remitted as at present by the Secretary of the Savings' Bank, he debiting the account of the Regiment referred to in paragraph 8.

From HUGH D. SANDEMAN, Esq., Secretary to the Government Savings' Bank; to the Accountant General, Fort Saint George, dated 19th January 1860, No. 777.

I have the honor to acknowledge the receipt of your letter, No. 1693, dated 7th instant, forwarding copy of Extract from the Proceedings* of the Government of India, No. 8933, dated the 29th October last, and calling upon me to report whether the arrangements for the substitution of the Regimental Savings' Banks in lieu of the Military branch of the Government Savings' Bank sanctioned for the Bengal Presidency might not advantageously be adopted for this Presidency, and what amount of saving would thereby be effected.

*Proceedings of the Madras Government, Financial Department,
for the month of February 1860.*

2. I do not think that it will be advisable to carry out arrangements here exactly similar to those sanctioned for the Bengal Presidency, as if carried out, the new plan in its integrity would be productive of an increase

Actuary.....	230	0	0	rather than a reduction of expendi-
Accountant.....	105	0	0	ture. Practically there has never been
Deputy Accountant.....	50	0	0	a separate Military branch of the
1 Writer.....	30	0	0	Savings' Bank in this Presidency, the
Assistant Accountant.....	25	0	0	whole Establishment (Civil and Mili-
3 Writers, each 20.....	60	0	0	tary) as per margin, being indiscrimi-
1 do.....	15	0	0	nately engaged in all the duties of the
Shroff.....	17	8	0	Bank. This Establishment has been
Moochee.....	10	8	0	shewn to be unequal to its work in a
2 Gollahs, each 8.....	16	0	0	letter of the Directors to the Govern-
2 Peons, each 7.....	14	0	0	ment, dated 10th August last, No. 229,
				and a temporary establishment was
				accordingly allowed to bring up ar-
				rears and to assist in general work,
				which has been gradually but stea-

Rupees 573 0 0

dily increasing. The application of the Royal Warrant will so far arrest this growing evil, that the present establishment will be able to carry on the Civil branch of the work, (which has considerably increased) and also the yearly auditing of the Regimental Savings' Bank ledgers as contemplated in your letter, No. 1281, dated 8th November 1859. This modification appears to me the most economical arrangement and is better adapted to the circumstances of this Presidency, as by placing the whole of the present establishment on the periodical work, all accounts may be audited within a month, without any additional expense in the shape of salary of a special ledger keeper and fee* for Auditors which the Bengal plan entails.

3. I have said that practically there has never been a separation of the establishment into Military and Civil branch, but this has more particularly been the case since the appointment of the present Actuary, who at once appreciated the advantage of working unitedly with a small establishment. By separation, each division would have been unequal to its individual work; but, by a union of strength the entire agency was better able to carry on its work. For this reason Mr. Clark considered it undesirable to confine any man to one particular duty and moreover in the event of the absence of any one man on account of sickness or other cause, the particular work that he was engaged on would be delayed, he therefore with the sanction of the then Secretary indiscriminately portioned out the work, as it was received in the office; thus making every one in the Bank familiar with all its duties and at the same time economizing the resources of a limited agency. I need scarcely say that this principle has been found in every way successful.

4. In a financial point of view, the proposed plan of separating the audit of the Regimental Banking accounts will involve an additional expense of 3,700 Rupees, to meet which I am not prepared to make any reduction in the existing establishment of the Government Savings' Bank, while the modification now proposed will be attended with no additional expense, (excepting one item) and the work will be as efficiently performed by the Savings' Bank as by separate and paid Auditors.

5. The special item to which I refer is an increase of salary to the present Actuary of the Savings' Bank, who will take up and be directly responsible for the auditing of the Regimental Ledgers, &c. The claim he had for a better rate of recompense than he now receives was felt and acknowledged even on the existing footing of the Bank. In a letter of the Directors, dated 10th August last, Mr. Clark's salary was recommended to be raised to 400 Rupees a month; and the Commissions on public establishments to whom the proposition was referred considered that

*Proceedings of the Madras Government, Financial Department,
for the month of February 1860.*

the arguments for the increased salary of the Actuary were good and valid, but they deferred any expression of opinion until the arrears should be brought up. In now strongly recommending that Mr. Clark may be allowed a salary of 400 Rupees, I would unite with it a further proposition regarding the General Treasury, but without any extra expense. I feel that the Sub-Treasurer needs the aid of a responsible Uncovenanted Assistant, and such aid will be more especially expedient, now that by the formation of one Department of account for the whole to British India, the General Treasury is likely to have a frequency of change in its Covenanted Head. At present the Treasury establishment is divided into branches with ill paid heads to each; and there does not exist that unity of Uncovenanted control in details, which is so essential in the working of large and important offices. The double office I propose is by no means unprecedented. Indeed it is analagous to my own position. I as Sub-Treasurer am "ex officio" the Secretary of the Savings' Bank, and my proposal is to have one responsible individual as my Principal Assistant in both my offices. The assistance I advocate was enjoyed by former Sub-Treasurers when the Accountant to the Government Bank and the Actuary of the Savings' Bank were one and the same individual; and even afterwards on the abolition of the former establishment, Mr. C. A. Johnston, who drew a salary of 530 Rupees was (under the views of the late Court of Directors, viz., that he should be appointed to some other duties in addition to his own, in order that his salary may be really earned) attached to the General Treasury as a General Superintendent, though this arrangement was one of the office and not formally authorised by Government. But when Mr. Clark was appointed Actuary of the Bank on the reduced allowance of Rupees 230, his services could not be brought to bear in the General Treasury, when such salary was considered insufficient for his substantive appointment; I beg therefore to repeat my recommendation that the Actuary of the Savings' Bank be allowed a salary of 400 Rupees a month, and that I be permitted to have the benefit of his services in the General Treasury; his designation being changed to that of "Assistant Sub-Treasurer" and "Actuary of the Government Savings' Bank."

No. 11.

ORDER THEREON, 24th February 1860, No. 85.

Ordered that the foregoing papers be referred to the Military Department for consideration.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. F. Cartledge.

Col Marshall

My dear Marshall
Would you wish
this letter to be printed
properly signed to the
Military Dept for
any observation there
before final order
is passed.

The order of 17 March 2

26 Nov - 1859 should
I think have been
communicated to
H & D on receipt.

Yours truly
J. H. M.
1. 2. 60.

Sub

Financial Department

Proceedings of the Madras Government.

Read again Extracts
from the Proceedings of the Govt.
of India in the Financial
Department dated the 17th June
& 29th October 1859. Nos 5050 & 5933.
recorded on the Proceedings of
this Govt. dated 11th July & 26th
November, 1859.

Read the following
letter from the Accountant
General.

(Dated 26th January 1860. No 409)

Order thereon. 24 February 1860. No 85.

Ordered that the
foregoing papers be referred
to the Military Department
for consideration.

J. P.

To the Military Department.
with Financial Nos 3774 & 655. } Supd 1/3.

2. 6. 60

