M.R.O. 1—77,000—8-6-37.

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MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 537	Press / Mis.
35-36	
Dated 21-11-	1865.

35-36 5/6

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department,
21st November 1865.

Read again letter from the Accountant General, dated 25th, and recorded in Proceedings of the 27th September 1865, No. 461.

No. 35. Read also the following Proceedings of the Board of Revenue, dated 23rd October 1865, No. 6758.

Read the following Government Order, dated 27th September 1865, No. 461, Financial Department :—

ABSTRACT.—Forwarding to the Board, for early report, a letter from the Accountant General, submitting copy of a Memorandum drawn up by Mr. Foster, Commissioner of Accounts, recently deputed by the Government of India to examine and report upon the system of Accounts in this Presidency.

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1. The Board observe that in his Memorandum recorded in the foregoing Order, the Accounts Commissioner states that the principal difference detween the system of Accounts recently brought into operation in Bengal and that now in force in this Presidency consists in the mode of rendering the monthly Treasury Cash Accounts Current to the Accountant General ; but in making this statement, Mr. Foster has overlooked the very material difference of system as regards the Accounts of the subordinate District Treasuries—the Cash Accounts of these Offices being daily transmitted to the Head-quarter Treasury under the Bengal system ; whereas in this Presidency the complete Accounts of each Sub-Treasury are submitted in a classified form at the close of each month.

2. In the proceedings recorded after their interview with Mr. Foster, the Board have already pointed out that for the due administration of the Department, it is necessary that the Accounts of each Sub-Treasury should be *kept*

Dated 7th September 1865, No. 5538.

in the present classfied form, in order that the Officer in charge of the Sub-Treasury may exercise an efficient check over the transactions of his own Department, and though Mr. Foster explains that his proposed system admits of classification, it is evident that the complete classification at present required could not be obtained under it. Such being the case, the adoption of the Bengal system, as regards the Accounts of Sub-Treasuries, would throw on the Head-quarter Treasury an amount of labor with which it would be quite unable to cope with the existing Establishment, and on the other hand would not in any way relieve the Establishment of the Sub-Treasury. The Board can quite understand that where the Sub-Treasuries are few in number, and the payments and receipts at such Treasuries comparatively insignificant, the system proposed by the Accounts Commissioner might be adopted without throwing very much additional labor on the establishment of the Head-quarter Treasury ; but where, as in this Presidency, the bulk of the receipts, and a large portion of the payments, take place at the Sub-Treasuries, the number of which varies in each District from five to fifteen, and the sums received consist of small amounts from numerous sources, the labor of preparing from Vernacular Accounts, to be forwarded daily from the numerous Sub-Treasuries, an English Account, whether in the classified form at present in force, or in the partially classified form proposed by Mr. Foster, would be very great, and a large increase of present Establishment would be required for the purpose.

3. It would seem, however, from paragraph 6 of Mr. Foster's Memorandum, that he does not contemplate the introduction of the Bengal system of Sub-Treasury Accounts into this Presidency, as the proposals there made have reference to the transmission of the complete Accounts of a Sub-Treasury once a month, and the amalgamation of these Accounts with the District Accounts every day is evidently not intended. But whether it is desired that these monthly Sub-Treasury Accounts should be submitted to the Head-quarter Treasury in their present form, or whether an unclassified Account Current, bringing together the totals of classified Schedules should be submitted, is not clear. The Board observe that if the latter plan were adopted, an increase of the Sub-Treasury Establishment would be necessary, as the existing Accounts would still have to be prepared for purposes of Departmental check, and the new form of Account Current, with its Schedules, would be so much additional work.

4. As regards the Accounts of the Head-quarter Treasury, the Board, in their Proceedings above referred to, explained that they also must be *kept* in their present form for Departmental

purposes; but the Board expressed their willingness to have these Accounts submitted to the Accountant General in the form desired by Mr. Foster—though the preparation of them in that form would be so much *additional* labor. Mr. Foster, in his Memorandum, states that the advantages of this proposed form would be: (1) that the entries can be kept up day by day; (2) that the Cash Account Current is reduced to a sheet of foolscap, in place of being a voluminous document; and (3) that by its adoption the Accounts can be despatched within a few hours of the close of the month. The Board are, however, unable to admit that in these respects the proposed form has any advantage over that in which the Accounts are now submitted to the Accountant General. Under the existing system, the several Heads of Accounts are made up and closed daily in the Head-quarter Office, and the same is done in every Sub-Treasury, though they are not actually entered in the Accounts to be forwarded to the Accountant General until the end of the month; and the present form of classified Treasury Accounts consists of but five and a half sheets of foolscap; whereas, though the proposed form of unclassified Accounts might be recorded on one sheet, the Schedules to accompany it would occupy at least ten or fifteen sheets, so that nothing would be really gained in this respect. Nor, in the Board's opinion, would any time be saved in despatching the Accounts to the Accountant General; for it is not the actual preparation of the *present form* of Treasury Accounts from the classified Abstract which occupies time and causes delay, but the having to wait for, and then incorporate the Sub-Treasury Accounts with those of the Head-quarter Treasury—and these reasons would operate equally, no matter in which form the Accounts were finally submitted.

5. The Board, therefore, can only arrive at the conclusion that nothing whatever would be gained by the adoption of the proposed form of Accounts, unless it be that the Accountant General's audit would be facilitated; and Mr. Lushington has already expressed his opinion that a very slight change in the present system of submitting vouchers will afford him equal facilities. It further would seem, from Mr. Lushington's letter, that the proposed change would throw a great deal of extra work on the Accountant General's Office; so that the adoption of this form of Accounts would be as disadvantageous to that office, as to the offices of the Revenue Department, causing everywhere considerable additional labor.

6. The sole advantage then which would be gained by the change would be that the Accounts of the Central Office in the Madras Presidency would be kept on precisely the same system as the Accounts of the Central Office in the Bengal Presidency—the variation in the circumstances of the two Provinces rendering it impossible that the District Treasury Accounts should be *kept* on the same system, though the Account Current, as finally made up each month, would be submitted to the Central Office of each Government in the same form.

7. The Board fully concur with Mr. Lushington in the remarks which he makes in paragraph 7 of his letter, recorded in the Order of Government noted at the head of these Proceedings, and they trust that the Government will be pleased to record their protest against a change which, as shown in the preceding paragraphs, is likely to cause a great deal of additional labor to all Departments without any corresponding advantages. For many years, the system of Accounts in this Presidency has received special attention; the system has been improved, wherever it admitted of improvement, and the Officers whose special duty it is to superintend the Accounts (Treasury Deputy Collectors) are only now becoming thoroughly acquainted with the correct working of the system. The most unfortunate results are, therefore, likely to occur if any general change should be hurriedly introduced, and at any rate any alteration is much to be deprecated, until experience has proved that, owing to the existing system, the Accounts of the Madras Presidency are forwarded to Calcutta either at a later date, or in a less correct form than the Accounts of the other Administrations of the Empire.

8. The Board have already recorded that, in their opinion, Mr. Foster's proposal to close the Accounts of the Sub-Treasuries (Taluqs) on the 25th of each month would only be objectionable in so far as the documents purporting to be the Accounts of a particular month would in reality be the Accounts of a portion only of that month and a portion of the previous month. The Accountant General has since shown that there would be another very serious objection to such a course, viz., that all means of comparison and check between the Accounts kept in the Accountant General's Office, and the Returns received by other Departments, would be destroyed, and the Board concur with Mr. Lushington that for this reason the adoption of such a plan would not be expedient.

9. Mr. Lushington proposes a scheme which would obviate the inconvenience above referred to, and would, at the same time, secure some of the advantages obtainable under Mr. Foster's proposal. Mr. Lushington proposes that the Taluq Accounts should be closed on the 28th of each month, and that no receipts should be permitted, or payments be made, between that date and the close of the month. The Board observe on this point that the closing of all Sub-Offices of receipt and payment* for the last three days of all months of thirty-one days, and for the last two days of other months, might occasionally cause serious inconvenience. They think it would be sufficient, if, as a rule, no transactions were permitted at any Sub-Office of receipt or payment on the last day of each month, the Accounts being closed and made up at noon on the previous day, and despatched in the evening. Where such offices are situated at a great distance from the Head-quarter Treasury, the Board would not object to their being closed for two days; but it rarely happens that an office of this description is more distant than twenty-four hours' post from the Head-quarter Treasury; and possibly in some such cases, the Postal arrangements might be improved. The Board believe that were this arrangement carried out, and if the work of the several Account Departments were performed in a systematic and business-like manner, it would be feasible for all Collectors to despatch their Monthly Treasury Accounts to the Accountant General on the 4th of each month.

* Taluq Treasuries.
Stamp Offices.
Register do.
Salt Treasuries.
Sea Customs Treasuries.
Land do. do.

(A true Extract).

(Signed) R. A. DALYELL,
Acting Secretary.

To W. Hudleston, Esq., Acting Secretary to Government, R. D.

Transferred to the Financial Department.

(Signed) W. HUDLESTON,
Acting Secretary to Government.

No. 36. ORDER THEREON, 21st November 1865, No. 537.

The Government have given their best consideration to the question, and they fully concur with the Accountant General and Revenue Board in maintaining the opinion already expressed that the retention of the existing system of classified Taluq and District accounts is preferable to the introduction of the unclassified system proposed in lieu of it; and as they feel confident that the superior advantages of the present system cannot fail to be admitted on further trial, they trust that no change in this respect may be required by the Supreme Government, at least until experience has proved that owing to the existing system the accounts from Madras are forwarded to Calcutta either at a later date, or in a less correct form than those of the other administrations of the Empire.

2. The Government approve of the Board's proposal that the month's account of receipts and payments at all Sub-Offices be closed at noon of the last day but one of each month.

3. Any later transactions that may be absolutely necessary within the month could be brought to account on the 1st of the following month.

(True Extract).

Chief Secretary.

To the Accountant General.
,, Board of Revenue.
,, Revenue Department.

Exd, J. H. Burns.

No. 6,758.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 23rd October 1865.

Read the following Government Order, dated 27th September 1865, No. 461, Financial Department :—

ABSTRACT.—Forwarding to the Board, for early report, a letter from the Accountant General submitting copy of a Memorandum drawn up by Mr. Foster, Commissioner of Accounts, recently deputed by the Government of India to examine and report upon the System of Accounts in this Presidency.

---

1. The Board observe that in his Memorandum recorded in the foregoing Order, the Accounts Commissioner states that the principal difference between the System of Accounts recently brought into operation in Bengal, and that now in force in this Presidency, consists in the mode of rendering the Monthly Treasury Cash Accounts Current to the Accountant General; but in making this statement Mr. Foster has overlooked the very material difference of system as regards the Accounts of the subordinate District Treasuries—the Cash Accounts of these Offices being daily transmitted to the Head-quarter Treasury under the Bengal system; whereas in this Presidency the complete Accounts of each Sub-Treasury are submitted in a classified form at the close of each month.

2. In the Proceedings recorded after their interview with Mr. Foster, the Board have already pointed out that for the due administration of the Department it is necessary that the Accounts of each Sub-Treasury should be *kept* in the present classified form, in order that the Officer in charge of the Sub-Treasury may exercise an efficient check over the transactions of his own Department, and though Mr. Foster explains that his proposed system admits of classification, it is evident that the complete classification at present required could not be obtained under it. Such being the case, the adoption of the Bengal system, as regards the Accounts of Sub-Treasuries, would throw on the Head-quarter Treasury an amount of labor with which it would be quite unable to cope with the existing Establishment, and on the other hand would not in any way relieve the Establishment of the Sub-Treasury. The Board can quite understand that where the Sub-Treasuries are few in number, and the payments and receipts at such Treasuries comparatively insignificant, the system proposed by the Accounts Commissioner might be adopted without throwing very much additional labor on the Establishment of the Head-quarter Treasury; but where, as in this Presidency, the bulk of the receipts, and a large portion of the payments, take place at the Sub-Treasuries, the number of which varies in each District from five to fifteen, and the sums received consist of small amounts from numerous sources, the labor of preparing from Vernacular Accounts, to be forwarded daily, from the numerous Sub-Treasuries an English Account, whether in the classified form at present in force, or in the partially classified form proposed by Mr. Foster, would be very great, and a large increase of the present Establishment would be required for the purpose.

Dated 7th September 1865, No. 5,538.

3. It would seem, however, from paragraph 6 of Mr. Foster's Memorandum, that he does not contemplate the introduction of the Bengal system of Sub-Treasury Accounts into this Presidency, as the proposals there made have reference to the transmission of the complete Accounts of a Sub-Treasury once a month, and the amalgamation of these Accounts with the District Accounts every day is evidently not intended. But whether it is desired that these Monthly Sub-Treasury Accounts should be submitted to the Head-quarter Treasury in their present form, or whether an unclassified Account Current, bringing together the totals of classified Schedules should be submitted, is not clear. The Board observe that if the latter plan were adopted, an increase of the Sub-Treasury Establishment would be necessary, as the existing Accounts would still have to be prepared for purposes of Departmental check, and the new form of Account Current, with its Schedules, would be so much additional work.

4. As regards the Accounts of the Head-quarter Treasury, the Board, in their Proceedings above referred to, explained that they also must be *kept* in their present form for Departmental purposes; but the Board expressed their willingness to have these Accounts submitted to the Accountant General in the form desired by Mr. Foster—though the preparation of them in that form would be so much *additional* labor. Mr. Foster, in his Memorandum, states that the advantages of this proposed form would be; (1) that the entries can be kept up day by day; (2) that the Cash Account Current is reduced to a sheet of foolscap, in place of being a voluminous document; and (3) that by its adoption the Accounts can be despatched within a few hours of the close of the month. The Board are, however, unable to admit that in these respects the proposed form has any advantage over that in which the Accounts are now submitted to the Accountant General. Under the existing system, the several Heads of Accounts are made up and closed daily in the Head-quarter Office, and the same is done in every Sub-Treasury, though they are not actually entered in the Accounts to be forwarded to the Accountant General until the end of the month; and the present form of classified Treasury Accounts consists of but five and a half sheets of foolscap; whereas, though the proposed form of unclassified Accounts might be recorded on one sheet, the Schedules to accompany it would occupy at least ten or fifteen sheets, so that nothing would be really gained in this respect. Nor, in the Board's opinion, would any time be saved in despatching the Accounts to the Accountant General; for it is not the actual preparation of the *present form* of Treasury Accounts from the classified Abstract which occupies time and causes delay, but the having to wait for, and then incorporate the Sub-Treasury Accounts with those of the Head-quarter Treasury—and these reasons would operate equally, no matter in which form the Accounts were finally submitted.

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6. The sole advantage then which would be gained by the change would be that the Accounts of the Central Office in the Madras Presidency would be kept on precisely the same system as the Accounts of the Central Office in the Bengal Presidency—the variation in the circumstances of the two Provinces rendering it impossible that the District Treasury Accounts should be *kept* on the same system, though the Account Current, as finally made up each month, would be submitted to the Central Office of each Government in the same form.

7. The Board fully concur with Mr. Lushington in the remarks which he makes in paragraph 7 of his letter, recorded in the Order of Government noted at the head of these Proceedings, and they trust that the Government will be pleased to record their protest against a change which, as shown in the preceding paragraphs, is likely to cause a great deal of additional labor to all Departments without any corresponding advantages. For many years, the system of Accounts in this Presidency has received special attention: the system has been improved, wherever it admitted of improvement, and the Officers whose special duty it is to superintend the Accounts (Treasury Deputy Collectors) are only now becoming thoroughly acquainted with the correct working of the system. The most unfortunate results are, therefore, likely to occur if any general change should be hurriedly introduced, and at any rate any alteration is much to be deprecated, until experience has proved that owing to the existing system, the Accounts of the Madras Presidency are forwarded to Calcutta either at a later date, or in a less correct form than the Accounts of the other Administrations of the Empire.

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* Taluk Treasuries.
Stamp Offices.
Register do.
Salt Treasuries.
Sea Customs Treasuries.
Land do. do.

(A true Extract.)

Acting Secretary.

To W. Hudleston, Esq., Acting Secretary to Government, R. D.
Copy to F. Lushington, Esq., Accountant General.

Exd. R. H. Lee.

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read letter from the Accountant General dated 25th and recorded in Proceedings of the 27th September 1865. No. 461.

Read the following Proceedings of the Board of Revenue dated 23rd October 1865. No. 6758.

Order thereon 21st November 1865. No. 537.

The Government have given their best consideration to the question and they fully concur with the Accountant General and Revenue Board in maintaining the opinion already expressed that the retention of the existing system of classified Taluq and District accounts is preferable to the introduction of the unclassified system proposed in lieu of it - and as they feel confident that the superior advantages of the present system

cannot

Financial Department.

Read 1865.

No. 3032

PROCEEDINGS OF THE BOARD OF REVENUE.

No. 537

Dated 23rd October 1865.

No. 6,758.

Submitting report on the proposals of the Commissioner of Accounts to modify the present form of the monthly Treasury Cash Accounts Current sent to the Accountant General and of the accounts of the several heads quarter Treasuries.

cannot fail to be admitted on further trial - they trust that no change in this respect may be required by the Supreme Government at least until ~~after the close of the current official year and then only on ascertained results.~~

2 The Government approve of the Board's proposal that the months account of receipts and payments at all Sub Offices be closed at noon of the last day but one of each month.

3 Any later transactions that may be absolutely necessary within the month could be brought to account on the 1st of the following month.

experience has proved that owing to the existing system the accounts from Madras are forwarded to Calcutta either at a later date or in a less correct form than those of the other administrations of the Empire.

This would do much to secure if an order to carry out as now until they must commence a new year on the 1st of April - but my opinion is that the Board do.

Experience has proved that owing to the existing system the accounts from Madras are forwarded to Calcutta either at a later date or in a less correct form than those of the other administrations of the Empire.

I approve the draft because such a system would be attended with great inconvenience & is unsuited to the circumstances of the country. I think that the Board should be authorized to introduce & the improvements proposed by them as soon as practicable.

Edward Hay

To the Acctt Genl
— Board of Revenue
— Rev Dept

adopted 24/11.

25-1-29 Rev-√

Financial 1865. Department.

No. 537

PROCEEDINGS OF GOVERNMENT.

Dated 21st November 1865

The opinion expressed by the Accountant Genl & Revenue Board in favor of retaining the existing System of classified Salary and District Accounts concurred in -

35480