M.R.O. 1—77,008—8-6-37.

(1) Number of pages _____

(2) Date of repair 11.9.08

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Finance DEPARTMENT.

G.O. No. 64 Press / Mis.

7-8.

Dated 8-2-1866.

9/10

7-8

Not to be folded or roughly handled

No. 7. Read the following letter from the Secretary to the Government of India, to the Chief Secretary to Government, Fort Saint George; dated Fort William, 24th January 1866, No. 304.

In reply to your letter, No. 571, dated 12th December 1865, I am directed to forward to you copy of a Memorandum drawn up by Mr. Foster, the Commissioner of Accounts, dated 15th January 1866, and to observe that, in deference to the strongly expressed opinion of the Government of Madras, the Governor General in Council will not now press any modification of the system of classified Taluq and District accounts at present in force in the Madras Presidency. Hereafter, however, the Inspector of Accounts will visit Madras, when, with the aid of the further knowledge which has yet to be obtained on the working of the revised system here, and of the further trial of the system in force at Madras, sound conclusions may be arrived at on the method of procedure that ought to be finally adopted.

MEMORANDUM.

Madras Accounts.

During my interview at Madras with the Members of the Board of Revenue and the Accountant General, I understood that all objections to my proposals regarding the mode of rendering the Treasury Accounts had been removed, and the subsequent note of the Proceedings of the Board of Revenue, dated 7th September 1865, to some extent bears out this view, though in a more reserved manner than my impressions of what passed verbally had let me to expect.

Proceedings, Board of Revenue, 7th September 1865.

2. After this interview, at the request of the Accountant General, I furnished a Memorandum, upon which were to be founded the recommendations to Government for carrying out my proposals. But after my departure from Madras, objections, which I supposed had been satisfactorily met, were again put forward, and a course was adopted, the reverse of what I had had reason to anticipate. Since the opinion of the Madras Officers is so fixed in favor of their own system, it would probably be useless to urge the introduction of the new system, however desirable it may be, unless some Officer practically acquainted with its working could be deputed to assist in carrying it out.

Memorandum, dated 13th September 1865, by Mr. Foster.

3. It is not easy, in writing at a distance, to reply fully to objections which might readily be met on the spot, but there are a few points respecting which I wish to make some remarks.

4. The Accountant General states that the Treasury accounts prepared by District Officers would, under the new system, have to be compiled in his office, in precisely the same form as they now are at the Treasuries.

Accountant General's letter, 25th September 1865, paragraphs 3 and 5.

5. There is, however, the important difference that the present account rendered is in lump sums for each head, whereas the new form details the amounts of the vouchers, and checks the correctness of the totals.

6. It is argued that the proposed account being simply a transfer of compilation from one office to another, there would be no saving of labor. Those who have for years been engaged upon these duties under the old system, and whose prejudices are naturally in its favor, admit, after some months' experience, that they can audit and compile under the new system more rapidly than they could audit, check, and correct the classified Treasury accounts under the old system. This being the case, it follows that the District compilation is extra labor, and must cause delay, when, as stated by the Accountant General, the preparation of the Treasury account cannot in many cases begin at the District Treasury till after the 5th of the month.

Accountant General's letter, 25th September 1865, paragraph 3.

Accountant General's letter, 25th September 1865, paragraph 2.

Accountant General's letter, 25th September 1865, Paras. 3 & 5.

The Treasury Accounts prepared by District Officers would, under the new system, have to be compiled in his

7. The Board of Revenue state that the accounts of each Tahsildar must, for departmental purposes, be kept in a classified form. In Bengal, as well as at Madras, Revenue receipts and important classes of expenditure are kept in Registers in a classified form; but there does not appear to be a valid reason for imposing on Tahsildars and other Treasury Officers the labor and responsibility of correctly classifying a number of miscellaneous receipts and payments under a large variety of heads of account. The Tahsildars are sure to fall into error and confuse the accounts. This duty could much more readily and correctly be performed by the Accountant General. However important it may be to have each class of Revenue kept distinct, the classification of these miscellaneous payments under the Budget Heads, sub-heads, and detail items, cannot be of importance to the Revenue Board. If the classification of the latter were omitted, the large reduction of detail work at Treasuries and Taluqs which would follow could hardly take effect without a relative reduction of subordinate establishments.

Board of Revenue Proceedings, 7th September, paragraph 2.
Board of Revenue Proceedings, 23rd October, paragraph 4.
Accountant General's letter, paragraph 6.

8. The Board of Revenue state that I have overlooked the very material difference of system as regards the accounts of the subordinate District Treasuries in Madras and Bengal. The Board are in error in this supposition. It was a point that I fully considered and fully discussed with Madras Officers. It was only on the ground of the alleged postal and other difficulties that I abstained from urging the daily transmission of vouchers from the Taluq to the Hoozoor Treasuries. I am, however, still of opinion that, if at the present time a daily transmission would be inconvenient, it would, at all events, be desirable that it should be bi-monthly, so that the vouchers paid during the first half of the month could reach the Accountant General, for audit, and be disposed of by him in advance of the monthly account.

Board of Revenue Proceedings, 23rd October, paragraph 1.

9. The statement by the Board of Revenue, that the Schedules accompanying the new form of account would occupy at least 10 or 15 sheets, shows how easy it is to be misled when there is no practical acquaintance with the matter in question. In Bengal, all Schedules of Revenue are dispensed with, and the Officer in charge of the Bengal Treasury Accounts informs me that the average number of Schedules is about six, some of which do not cover a single page of foolscap.

Board of Revenue Proceedings, 23rd October, paragraph 4.

10. With regard to the date for closing the Treasuries, I may remark that my original intention was to propose that the Taluq Accounts should be closed one or two days before the end of the month, but that it was on the representations of the Accountant General himself that I named the 25th. The Accountant General now objects to the 25th, and proposes the 28th; but in place of closing the Accounts, he would close the Treasuries. This seems objectionable, as it is always dangerous to refuse to receive money when tendered by the public, though the arrangement could no doubt be made without difficulty so far as it would affect Government Officers. The objection that, by the blending together of the two months' receipts and payments, the comparison and check between the Accountants' and the Revenue Accounts would be destroyed, would be met by adopting the same date as regards the Taluq Accounts for both Departments. It is as easy to record the Accounts of a month ending the 29th, as of a month ending the 30th or 31st.

Board of Revenue Proceedings, 7th September, paragraph 4.
Accountant General's letter, dated 25th September, paragraphs 10 and 11.
Revenue Board Proceedings, 23rd October, paragraphs 8 & 9.
Accountant General's letter, 25th September, paragraph 11.

Proceedings of the Madras Government, Financial Department, 8th February 1866.

11. Stress is laid upon the anticipated fact that the Madras Accounts will be transmitted to the Central office as correctly, and at as early a date, as those of other Governments. Even should this be the case, the question would still be open as to whether the establishments of the Treasuries and of the Account office in Madras are not kept up at a greater strength than would be necessary if a more simple mode of Account were introduced. My belief is that the Bengal office of Account, as now constituted, and after relieving Treasury Officers of a large amount of compilation, is carrying on its duties efficiently with a smaller strength of establishment, compared with the amount of Treasury work to be performed, than is employed at Madras, where it is relieved from, and the Treasuries are burdened with, the detail classification of receipts and payments.

Board of Revenue Proceedings, 23rd October, paragraph 7.
The Government Order, 21st November, paragraph 1.

12. I may add that in Mysore the system of Taluq Treasuries is much the same as in Madras, and I have reason to believe that, on inquiry, it would appear that the Deputy Accountant General in charge of those Accounts finds no difficulty in adopting, without reserve, the new system of Account.

15th January 1866.

(Signed) M. H. FOSTER,
Chief Secretary.

(A true Copy).

(Signed) J. E. COOKE,
Asst. Secy. to the Govt. of India.

Ordered that a copy of the above be sent to the Accountant General, Madras.

No. 8. ORDER THEREON, 8th February 1866, No. 64.

Ordered that a copy of the foregoing letter, and of its enclosure, be furnished to the Board of Revenue, with reference to the Proceedings of Government of the 21st November last, No. 537.

(True Extract),

To the Board of Revenue.
" Revenue Department.

Exd. J. H. Burns.

Accountt. Genl's Letter, 25th Septr. 66 Paras. 3 & 5.

The Treasury Accounts prepared by Treasurer appears would, under the new system, have to be compiled in this

Madras Accounts.

During my interview at Madras with the Members of the Board of Revenue and the Accountant General, I understood that all objections to my proposals regarding the mode of rendering the Treasury Accounts had been removed, and the subsequent note of the proceedings of the Board of Revenue, dated 7th September 1865, to some extent bear out this view, though in a more reserved manner than my impressions of what passed verbally had led me to expect.

Proceedings, Board of Revenue 7th Septr. 1865.

After this interview at the request of the Accountant General, I furnished a Memorandum on which were to be founded the recommendations to

Memo: dated 13th Septr. 1865 to Mr. Foster.

my proposals. But after my departure from Madras, objections, which I suppose had been [illegible] put forward and a course [illegible] the reverse of what I had had reason to anticipate. Since the opinion of the Madras Officers is so fixed in favor of their own system, it would probably be useless to urge the introduction of the new system, however desirable it may be, unless some officers practically acquainted with its working could be deputed to assist in carrying it out.

It is not easy in writing at a distance to reply fully to objections which might readily be met on the spot, but there are a few points respecting which I wish to make some remarks.

Accountt. Genl's Letter, 25th Septr. 1865 Paras: 3 & 5.

The Accountant General states that the Treasury Accounts prepared by District Officers would, under the new system, have to be compiled in this

his Office in precisely the same form as they now are at the Treasuries.-

There is, however, the important difference that the present Account rendered is in lump sums for each head, whereas the new form details the amounts of the Vouchers and checks the correctness of the totals.-

It is argued that the proposed Account being simply a transfer of compilation from one Office to another, there would be no saving of labor. Those who have for years been engaged upon these duties under the old system, and whose prejudices are naturally in its favor, admit, after some months' experience, that they can audit and compile under the new system more rapidly than they could audit, check, and correct the classified Treasury Accounts under the old system. This being the case, it follows that the district compilation is extra labor, and must cause delay when, as stated by the Accountant General, the preparation of the Treasury Accou cases begin at the District Treasury till after the 3rd of the month.-

Accountt. Genls Letter 25th Septr. 65 Para: 3

Accountt. Genls Letter 25th Septr. 65. Para: 2.-

The Board of Revenue state that the Accounts of each Tehsildar must for departmental purposes be kept in a classified form. In Bengal as well as at Madras Revenue Receipts and important classes of Expenditure are kept in Registers in a classified form, but there does not appear to be a valid reason for imposing on Tehsildars and other Treasury Officers the labor and responsibility of correctly classifying a number of miscellaneous receipts and payments under a large variety of heads of Account. The Tehsildars are sure to fall into error and confuse the Accounts. This duty could much

Board Revenue Progs. 7th Septr., Para 2.-

Board Revt. Progs. 23rd Octr., Para: 4.-

Accountt. Genls Letter Para: 5.

Board of Revt. Progs: 23rd Octr., Para: 1.-

much more readily and correctly be performed by the Accountant General. However important it may be to have each class of Revenue kept distinct, the classification of these miscellaneous payments under the Budget Heads, Subheads, and detail Items, cannot be of importance to the Revenue Board. If the classification of the latter were omitted, the large reduction of detail work at Treasuries and Pkags which would follow could hardly take effect without a relative reduction of subordinate Establishments.-

The Board of Revenue state that I have overlooked the very material difference of system as regards the Accounts of the subordinate District Treasuries in Madras and Bengal. The Board are in error in this supposition. It was a point that I fully considered and fully discussed with Madras Officers. It was only on the ground of the alleged postal and other difficulties that I abstained from urging the daily transmission of Vouchers from the Talug to the Head Treasuries. I am however still of opinion that, if at the present time a daily transmission would be inconvenient, it would at all events be desirable that it should be bi-monthly, so that the vouchers paid during the first half of the month could reach the Accountant General for audit and be disposed of by him in advance of the Monthly Account.-

Board Revt. Progs: 23rd Octr, Para 4.-

The statement by the Board of Revenue, that the Schedules accompanying the new form of account would occupy at least 10 or 15 sheets, shows how easy it is to be misled when there is no practical acquaintance with the matter in question

question. In Bengal all schedules of Revenue are dispenses with and the Officer in charge of the Bengal Treasury Accounts informs me that the average number of schedules is about six, some of which do not cover a single page of foolscap.-

With regard to the date for closing the Treasuries, I may remark, that my original intention was to propose that the Talug Accounts should be closed one or two days before the end of the months, but that it was on the representations of the Accountant General himself that I named the 25th.- The Accountant General now objects to the 25th and proposes the 28th, but in place of closing the Accounts, he would close the Treasuries. This seems objectionable, as it is always dangerous to refuse to receive money when tendered by the Public, though the arrangement could no doubt be made without difficulty so far as it concerns would affect Government officers. The objection that by the blending together of the two months' receipts and payments, the comparison and check between the Accountants' and the Revenue Accounts would be destroyed, would be met by adopting the same date as regards the Talug Accounts for both Departments. It is as easy to record the Accounts of a month ending the 29th as of a month ending the 30th or 31st.-

Board Revr. Progs: 7th Septr. Para 4.- Accts Genl Letter Dated 25th Septr. Paras: 10 & 11.

Revr. Board's Progs: 23rd Octr. Paras: 8 & 9.-

Accountt. Genl's Letter 25th Septr. Para: 11.-

Stress is laid upon the anticipated fact that the Madras Accounts will be transmitted to the Central Office as correctly and at as early a date as those of other Governments. Even should this be the case, the question would still be open as to whether the Establishments of the Treasuries and of the Account Office in Madras are not kept up at a greater strength than would be necessary if a more simple mode

Board Revr. Progs: 23rd Octr. Para: 7. The Government of India 21st Novr., Para: 1.

mode of Account were introduced. My belief is that the Bengal Office of Account as now constituted, and after relieving Treasury Officers of a large amount of compilation, is carrying on its duties efficiently with a smaller strength of Establishment, compared with the amount of Treasury work to be performed, than is employed at Madras where it is relieved from, and the Treasuries are burdened with, the detail classification of receipts and payments.-

I may add that in Mysore the system of Talug Treasuries is much the same as in Madras, and I have reason to believe that on enquiry it would appear that the Deputy Accountant General in charge of those Accounts finds no difficulty in adopting, without reserve, the new system of Account.-

I.O. M. H. F
15th January 66.

(A true Copy)
H Cooke
Asstt. Secy. to the Govt. of India.

Compd/

No. 304.

From E. H. LUSHINGTON, Esquire,

Secretary to the Government of India,

Financial Department;

To the Chief Secretary to the Govt. of Fort Saint George.

Fort William, the 24th January 1866.

Financial Department.

Sir,

In reply to your letter No. 571, dated 12th December 1865, I am directed to forward to you copy of a Memorandum drawn up by Mr. Foster, the Commissioner of Accounts, dated 15th January 1866, and to observe that in deference to the strongly expressed opinion of the Government of Madras, the Governor General in Council will not now press any modification of the system of classified Taluq and District accounts at present in force in the Madras Presidency. Hereafter however, the Inspector of Accounts will visit Madras, when, with the aid of the further knowledge which has yet to be obtained on the working of the revised system here, and of the further trial of the system in force at Madras, sound conclusions may be arrived at on the method of procedure that ought to be finally adopted.

I have the honor to be,

Sir,

Your most obedient servant,

Secretary to the Government of India.

Ordered that a copy of the above be sent to the Accountant General Madras.

[Exd. N. R. Nundy.]

68. 20-1-66.

Rec: 12th Dec 15 – 16
21st Nov 65 35-36
2d Sep 65 77-78

Ansd 20 Feby

Financial 1866 Depth

No 5

From
Secy to Govt of India in
Financial Dept
No 304

No 10 of 24

Dated 24 Jany 1866
Rec'd 5th Feby 1866

Enclosure 1 Copies of the

No 40

Forwards a memorandum
on the subject of the Commrs
of Accounts & states that the
Govt of India will not have
any objection to any modification
in the system of Classified
Taluq & District Accounts
in force in this Presidency.

7.

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read letter from the
Secretary to the Govt. of
India –

(Dated 24 Jany. 66 – No 304)

Order – 8th February 1866 No 84.

Ordered that a copy
of the foregoing letter
& of its enclosure be
furnished to the Board
of Revenue, with reference
to the Proceedings of
Government of the 21st
November last – No 537.

To Board of Revenue
– 1 – Revenue Deptt

Dated 8th Feby.

Financial 1866. Department.

No. 64.

PROCEEDINGS OF GOVERNMENT.

Dated 8th February 1866.

Press No. 2755, G. M.—14-11-65—500.

7-8.