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(1) Number of pages 42

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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Final DEPARTMENT

G.O. No. / B.P. No.	651	Press. / Mis.
Dated	19-4-1881	19 .

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Not to be folded or roughly handled

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B.S.

651/1

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

19th April 1881, No. 651.

Municipal—Accounts.

Read the following paper :—

From Major D. H. TRAIL, R.E., and E. J. FIRTH, Esq., Auditors of the Municipal Accounts, Madras, to the President of the Municipal Commission, Madras, dated 25th March 1881 [*Current No.* 851].

We have the honor to state, for the information of the Municipal Commissioners, that we have carefully examined the Municipal accounts for the year ended 31st December 1880, and that having compared the expenditure shown in the cash-book with the vouchers filed in support of the charges and traced a percentage of those charges to their appropriate headings in the ledgers, we are in a position to verify the entries in Statements I and II of Receipts and Expenditure regarding which and Statements A, B, and C annexed we have a few remarks to offer.

RECEIPTS.

2. The aggregate receipts of the Municipality during 1880, including the balance at the beginning of the year, are as follow :—

	RS.	A.	P.
Revenue and Receipts	7,56,800	9	8
Suspense Account	1,23,751	12	0
Imperial License Tax	91,673	13	11
	9,72,226	3	7
Opening Balance	68,538	9	0
Total ..	10,40,764	12	7

3. In the first item is included the sum of Rs. 978-2-8, a setoff against Rs. 6,715-5-1 embezzled (*vide* paragraph 22 of the Auditor's Report on the accounts of 1879).

4. *Imperial Tax.*—The control of the Municipality over this tax ceased during the year under notice. The transactions of the year are shown in Statement C annexed, which shows the net loss to the Municipality to be Rs. 902-5-10.

CHARGES.

5. These comprise—

	RS.	A.	P.
Expenditure budgeted for	7,84,967	4	0
Not budgeted for—			
To complete purchase of Cholay market, Rs. 1,000 ..	94,508	2	5
Imperial* License Tax, Rs. 93,508-2-5			
Suspense	1,27,887	2	5
	10,07,362	8	10
Closing Balance	33,402	3	9
Total ..	10,40,764	12	7

* *Vide* Statement C annexed.

6. A statement (A) is annexed showing the aggregate receipts and expenditure under the separate heads of "General Water Works" and "Lighting." The expenditure on water works is made up of the following items:—

	Rs.	A.	P.
1. New Works (*c*)	3,477	14	1
2. Maintenance (*d*)	10,342	4	2
3. Establishment	5,529	3	5
Total	19,349	5	8

and it will be observed that this account closed with a debit balance of Rs. 47,226-14-4. Rs. 22,000 were transferred to this account from the General Fund in 1879. The following amounts have, however, been paid during the year to Interest and Sinking Fund accounts:—

	Rs.	A.	P.
Arrears—Sinking Fund	14,461	0	2
Interest	28,922	0	2
Current—Sinking Fund	28,600	0	0
Interest	57,200	0	0
Total	1,29,183	0	4

7. In Statement B are shown the assets and liabilities of the Municipal Fund as found in the books, in which it will be observed the amount of the Water Works loan has been entered as promised by the President (paragraph 7 of his remarks* on the Auditor's Report on the accounts of 1879). We concur in that officer's remarks regarding the non-inclusion of the money value of such property of the Municipality as wells, tanks, reservoirs, &c.

* Letter, dated 20th July 1880.

8. The sum of Rs. 18,083-15-2, referred to in the Auditor's Report of 1879, paragraph 15, has been dealt with in Proceedings of Government, No. 1647 F, of the 30th August 1880.

9. *Stores.*—The account balances in connection with stock-taking have not yet been struck; we have been, therefore, unable to verify the value of the stores shown in the books.

10. In going into the question raised in paragraph 21 of the Auditor's Report on the accounts of 1879, and the President's remarks on the same, paragraph 11 of his letter, No. G. 442, of the 20th July 1880, we see no objection to the forwarding note taking the place of the triplicate previously recommended.

11. Though perhaps not strictly within the Auditor's province, we would beg leave to make the following general remarks upon the system of account adopted by the Municipality for consideration and such future action as may be considered necessary.

12. *Cash-book.*—As a general rule, by this name is signified a book in which only the actual receipts and payments of cash are entered day by day as the transactions occur. Adjustments which do not involve the actual payment or receipt of cash are recorded elsewhere, generally, through the medium of a journal. The so-called cash-book at the head office combines both functions, and consequently some of the items shown as received and paid are not the sums which have actually been received and paid, but are those sums, as modified by adjustments, which are carried into the ledger. For instance, the value of all works completed in the workshops are on receipt of the report credited to workshops and debited to works in the cash-book though no money at that time passed into or out of the hands of the head office. Again all transactions regarding stores in which money does not pass, but the adjustment is made by a book entry, a debit and credit appears in the cash-book. This mixing up of actual cash transactions with others appears objectionable, in as far as it opens the door for possible irregularities; consequently it is suggested that the cash-book should be strictly what the name implies, and should only record sums actually received and

actually paid. Adjustments can easily be carried out by means of a journal which would have the great advantage of showing much more clearly than is now done in the cash-book the actual manipulation to which the accounts have been submitted.

13. A correct system of account should show each step so clearly as not to require the presence of the Accountant who booked the transactions. In the present case, we must acknowledge that, without the valuable assistance of Messrs. Axelby and Perriman, we should not have been able to make out the details of the transactions; they can explain what has been done, but the accounts should do so without their aid when once booked.

2ndly.—The next point we would note is that each entry in the cash-book should be supported by a voucher, that is a document which legally proves the genuineness of the entry; for payments it should be a document containing the particulars of the claim and the legal receipt acknowledging the settlement of the debt. In cases where cash is only advanced to enable others to pay, the entry should show the fact, but should not be made as if the proposed payments had actually been effected. When these advances are accounted for, supported by proper vouchers, credit may be given to the paying officer, and the transactions taken into the head office cash-book in the mode adopted in the Public Works Department for recording imprests and payments therefrom, which would meet this requirement exactly. At present mere requisitions for cash are treated as vouchers, and the payments the requisitioning officer notes as being those he intends to make, are entered in the cash-book as if they had actually been made. This clearly is not correct, but it is only fair to state that when proof of the payments having been made was called for, it was forthcoming from other departments, though it was not recorded in the head office.

3rdly.—Advances for sundry purposes.—There appears to us a want of control over and full information regarding this class of transactions. When made, the amounts are entered in the cash-book and adjustment is afterwards effected when the work is finally settled for, but it requires an unnecessary amount of personal care to prevent their being lost sight of. To remedy this, we would suggest the opening of an account, say "Miscellaneous Advances," to which all such sums should be debited, and which would receive credit for the adjustments when made. A schedule in support of this account in the form of the Public Works Miscellaneous Advance Schedule (appended and marked) would, we consider, be found convenient, and prevent any of the items being lost sight of, and keep the Commissioners fully informed as to advances made and progress made towards adjustment.

14. *Deposits.*—Again we find entries of cash drawn for interest showing the sums as paid, though in some instances the interest had not actually been made over to the individual to whom due. Such sums are held at call, and paid when the claimant turns up to receive it. This is incorrect and unnecessary, as, in cases where it is necessary to receive the interest for payment in the absence of the claimant, by opening an account "Deposits," to which such sums can be credited, the misleading entry adverted to can be avoided. This account would be found useful for recording advances received from private individuals for services to be rendered to them.

15. *Ledger.*—We would suggest that the main ledger heads should be those employed in the half-yearly account current of receipts and expenditure; these might have subsidiary accounts working up to the totals therein recorded, with a view to showing necessary detail, but it is essential that the totals of the main heads be available for direct transfer to the half-yearly return adverted to. To illustrate what we mean—at the beginning of Statement II, under Grant I, we find "New Works"—Buildings," but in the ledger this head will be looked for in vain; and to obtain the total entered it will be necessary to add together the expenditure on the three following accounts—"Latrines," "Dust-bins," and "Petty Works." The totals of these sub-heads it is, of course, necessary to record, but so ought that of the *main head* "Buildings," of which these are sub-heads.

16. Again the debtor and creditor entries of the several accounts are shown on separate pages; all the creditor entries come first, then the debtor entries in the order

of the budget. This arrangement prevents a general view of each individual account, and, in our opinion, the debtor and creditor entries of one account should not be separated by other intervening accounts, as thereby the balance of the account is not so readily obtained.

17. We also notice deduction entries in some of the ledger accounts. This is unusual, as such corrections should generally be made by writes-back, by which course the deduction is made on the opposite side of the ledger by transfer from the journal where particulars are usually given.

18. *Stores.*—The difficulty adverted to by Mr. Arundel in his letter, G. No. 442, dated the 20th July 1880, to the Chief Secretary to Government, is a real one, and may be overcome, as he indicates, by entry at once into the ledger or by using a modification of the Public Works Department form (No. M. 12, attached) for Storekeeper's book of receipts and issues, in which each article on being entered is carried at once into a column appropriated for the class to which it belongs, and there is no difficulty at any time in arriving at the total receipts or issues of any given items.

19. The monthly abstracts give the receipts and issues of stores, but there appears to be no document which shows the Commissioners the balances remaining. A periodical balance return, therefore, appears necessary to afford the power of check in the head office.

20. *Workshops.*—There is no means in the present system of at once arriving at the knowledge whether the workshops are working at a profit or loss. This object might be attained by having an account, say "Workshops," which would be debited with all cash and stores receipts on account of the workshops, and credited with the value of all outturn or issues from the workshops. The balance would then show how the shops as a whole stand at any particular date.

21. The workshop bills are collected by the Engineering Department and when realized the money is made over to the Collection Department. We would suggest for consideration whether it would not be desirable to hand the bills over to the Collection Department, leaving the realization to it. This suggestion is made as no cash accounts appear to be periodically rendered by the Engineering Department, and there appears to be a want of control over what should be collected as compared with what has been realized.

22. In conclusion we have much pleasure in acknowledging the valuable assistance we have received from the officers of the Municipality, more especially Messrs. Axelby, the Head Accountant, and Mr. Perriman, his Assistant, whose books and accounts are neatly and accurately kept.

Copy of the above forwarded to the Secretary to Government, Financial Department, in accordance with Clause 97 of the Act.

MADRAS,
31*st March* 1881.

(Signed) D. H. TRAIL, Major, R.E.,
(„) E. J. FIRTH,
} *Auditors.*

ORDER THEREON, 19th April 1881, No. 651.

Communicated to the Accountant-General.

2. The Government await the President's remarks on the report.

(True Extract.)

R. DAVIDSON,
Chief Secretary.

To the Accountant-General.
„ President of the Municipal Commission, Madras.

Exd. J. Wright.

651/3

651/4

Govt. of {1881} Madras.

FINANCIAL.

To

THE ACCOUNTANT-GENERAL,

&c., &c., &c.

Dated April, 19th.

Issued

Recd. *Encl.*

G.O., 19*th April* 1881, *No.* 651.

APRIL.

Municipal—Accounts.—The report on the audit of the accounts of the Madras Municipality for the year 1880, communicated to the Accountant-General. The President's remarks on the report awaited.

Abstract Statement of Receipts and Expenditure of the Municipal Funds of the City of Madras for 1880 under General Water Works and Lighting Funds.

65/5

Revenues and Receipts	General Fund	Water Works Fund	Lighting Fund	Total
I Taxation	527909 3	401616 6 5	42462 11 1	971988 5 1
II Rents	32866 14 5	" " " "	" " " "	32866 14 5
III Fines and Fees	6240 "	" " " "	3798 "	10038 "
IV Contributions	15058 "	" " " "	" " " "	15058 "
V Payments for services to individuals	12270 33	" " " "	" " " "	12703 3
VI Miscellaneous	27824 15	1172 14 6	" " " "	28997 10 11
Suspense	123751 "	" " " "	" " " "	123751 12 "
License Tax	91673 1 11	" " " "	" " " "	91673 13 11
Balance	47992 1 5	18363 13 3	2181 12 4	68538 9 "
	874587 11 "	121153 2 2	45023 15 5	1040764 12 7

Expenditure	General Fund	Water Works Fund	Lighting Fund	Total
I Public Works	129256 14 1	47349 5 8	" " " "	142606 3 9
II Education	8258 1 "	" " " "	" " " "	8258 1 "
III Sanitation & Medical Services	257760 15 7	" " " "	" " " "	257760 15 7
IV Miscellaneous Municipal Purposes	34995 15 8	" " " "	37956 14 6	72952 13 11
V Superintendence & Management	92802 13 8	13847 10 6	3575 6 10	108225 15 "
VI Pensions	3236 3 11	" " " "	" " " "	3236 3 11
Repayments of debts	357 " "	22600 " "	" " " "	22957 " "
Interests	1080 " "	57200 " "	" " " "	58280 " "
Payment for Red Hills Water	" " "	6000 " "	" " " "	6000 " "
Quit Rent	631 1 "	" " " "	" " " "	631 1 "
Arrears	48675 13 6	43383 " 4	" " " "	92058 13 10
Suspense	222395 4 10	" " " "	" " " "	222395 4 10
Balance	77137 8 "		3491 10 1	33402 3 9
	874587 11 "	121153 2 2	45023 15 5	1040764 12 7
Balance brought down	77137 8 "	47226 14 4	3491 10 1	33402 3 9
Transferred from General to Water Works Fund				

B.

651/6

Statement of Assets and Liabilities of the Madras Municipality for 1880.

Assets	Amount			Liabilities	Amount		
Municipal Fund	10,03,380	9	4	Water Works Loan	14,30,000	"	"
Bank of Madras	33,402	3	9	5½ per cent. Debenture Loan	20,000	"	"
Sinking Fund Water Works Loan	3,13,185	"	9	Strand Rents	1,531	12	9
Do Debenture Loan	357	"	"	Compensation of Tolls	635	8	"
Stores	43,744	8	5	Deposits	462	"	"
Workshop	9071	3	"	Bund Fund	3	8	3
Municipal Market, Vepery	18,000	"	"				
Embezzlement	5,737	2	5				
Office Premises	22,697	8	"				
Advances	3,057	9	4				
	1,452,632	13	"		1,452,632	13	"

License Tax Account.

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Receipts

Date.	Particulars.	Taxes.	Fees.	Total.	Grand Total.
	Opening Balance				51,068 11 2
January	Collection	9,454 8 "	220 " "	9,674 8 "	
February	do	1,679 " "	223 " "	1,902 " "	
March	do	372 " "	58 " "	430 " "	
April	do	110 6 3	7 12 6	118 2 9	
May	do	707 8 "	" " "	707 8 "	
June	do	2,185 " "	" " "	2,185 " "	
July	do	15,120 " "	88 8 "	15,208 8 "	
August	do	6,085 " "	1,176 " "	7,261 " "	
September	do	1,120 " "	232 " "	1,353 " "	
October	do	1,517 8 "	43 " "	1,560 8 "	
November	do	205 " "	" " "	205 " "	
		38,555 11 3	2,049 4 6		40,605 2 9
					91,673 13 11

Payments.

Date	Particulars.	Expenditure.	Total	Grand Total.
January	Establishment	760 7 5		
February	do	687 13 "		
March	do	933 3 6		
April	do	647 10 6		
May	do	664 1 "		
June	do	641 4 10		
July	do	987 13 2		
August	do	502 4 6		
September	do	330 10 6		
October	do	386 11 "		
November	do	390 3 "	6,982 7 5	
	Payments to the Collector			
July.	of Madras	60,311 9 "		
November	do	25,045 15 10		
December	do	668 2 2	86,525 11 "	
				93,508 2 5

Remarks.

Total Expenditure 93,508 - 2 - 5
" Receipts 91,673 - 13 - 11
Loss to Municipality 1,834 - 4 - 6
902 - 5 - 10
2,736 - 10 - 4
in 1879.

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MADRAS

P. W. D., MADRAS.
FORM NO. M3.

651/8

DIVISION.—*Chingleput.*

SUB-DIVISION.—*Chingleput.*

Sub-Division No. 1.

Divisional No. 20.

IMPREST CASH BOOK OF *Overseer T. Burke, for January* 1880.

NOTES.

REFERENCE TO MADRAS P. W. CODE:—

CHAPTER XII—PARAS. 1497, 1501, 1543, 1545, 1546, 1547, 1557, 1558, 1566, 1583.

1. The cash transactions of Civil Officers, Sub-Divisional Officers, and subordinates of the Department, who have not regular cash chests, or are not empowered to draw upon Treasuries, will be recorded in this simple Form.

2. Each Officer with whom an Imprest Account is to be opened receives at starting, from the Executive Engineer, or other Officer authorized to grant Imprests, a round sum as a standing advance or Imprest, which is at once entered in the account; the disbursements from this advance are entered daily as they are made, clearly and in full detail; and from time to time, as the Imprest holder finds it necessary, the account is closed and balanced, the right hand half page is cut off and sent to the Officer from whom the Imprest is held, the counterfoil being retained by the disburser. This account is supported by the necessary vouchers numbered and tacked on so as to correspond with the order of the entries in col. 2 "voucher No." The Officer to whom the account is submitted, after carefully scrutinizing the account in regard to the propriety of the payments, the clearness and accuracy of the entries, and the sufficiency of the vouchers, reimburses the Imprest-holder the exact sum expended, so as, again to bring the Imprest cash in hand up to the original amount.

3. In the Form, the Imprest is supposed to be fixed at Rupees 200-0-0, and it will be seen on referring to the illustrative entries that the account is presumed to have been closed on the 8th of the month, showing an expenditure of Rs. 121-15-3, and a Balance in hand of Rs. 78-0-9, and that the amount re-couped on the 9th agrees exactly with the amount shown as expended up to the 8th. There is also an entry made on the 19th to illustrate the case of an Imprest being raised to a higher amount than that originally fixed; and also an illustration of how an Imprest account may be finally closed, vide Imprest Cash Book of Supervisor J. Robinson on the last page of the Form.

4. The account will contain no entries of receipts other than recoupments of expenditure, nor any entries of expenditure other than those paid directly by the Imprest holder himself from the amount of his Imprest, consequently the fixed standard of Imprest should never be exceeded.

5. To facilitate the abstracting of the charges shown in the Imprest Cash Book, column 6 is provided to show the Fund (Provincial, Imperial, &c.), the Departmental Head (Original works, repairs, &c.), and the service Head (Civil Buildings, Communication, &c.), under which each charge has to be classed. When it is decided to transfer only an abstract of the Imprest Cash Account into the Divisional Cash Book instead of entering all the transactions in extenso; (as permitted by Code Chapter XIII, para. 1623), the Sub-divisional Officer, or Divisional Accountant, as the case may be, makes up the abstract under the several heads in red ink (black letter), at the foot of the form, for posting into the Cash Book. The Imprest Cash Accounts are numbered to correspond with the No. quoted in the Cash Book, P. W. Form No. M 4, so as to be readily traceable from it, and carefully filed for future reference when required.

Fund 851/81

Imprest Cash Book of *Overseer T. Burke* for *January* 1880, from the *5th to the 8th*.

Day of the Month.	Voucher No.	Transactions.	Amount of each payment. RS.	A.	P.	Total. RS.	A.	P.	Head in Cash Abstract Book.
1	2	3	4			5			6
5th	...	*Received from Executive Engineer in Cash*	...	...	...	200	0	0	
,,	1	*Labor on Cortelliar Bridge as per Nominal Muster Roll, 21st to 31st December* 1879 ...	48	4	6	...	...	...	*Provincial, Original Works, Communications.*
,,	2	*Labor on manufacture of bricks as per Nominal Muster Roll, 21st to 31st December* 1879 ...	17	4	0	...	..	...	*Stock.*
6th	3	*Paid on account of Cortelliar Bridge as follows:—* *Centering, 20 seers twine at 4 as.* ... ...Rs. 5 0 0 *Centering, 46 Chatties at 9 p.* ... ... ,, 2 2 6	7	2	6	...	...	...	*Provincial, Original Works, Communications.*
6th	4	*Arrears of last month on account of Church at Chingleput as per Nominal Muster Roll, 21st to 31st December* 1879 ...	24	4	9	...	...	...	*Provincial, Original Works, Civil Buildings.*
8th	5	*Labor, on manufacture of bricks, as per Nominal Muster Roll, 1st to 10th December* 1879 ...	24	15	6	121	15	3	*Stock.*
		Balance...	...	...	...	78	0	9	

Dated 8th January, 1880.

T. Burke,
Overseer.

Abstract of charges to be entered in the Divisional Cash Book	RS.	A.	P.	
	24	4	9	Provincial, Original Works, Civil Buildings.
	55	7	0	Do. Communications.
	42	3	6	Stock.
	121	15	3	

From the *9th to the 10th*.

Sub-Division No. 2.
Divisional No. 2[illegible]

			RS.	A.	P.	RS.	A.	P.	
		Balance...	...	...	...	78	0	9	
9th	...	*Received from Executive Engineer Cheque No. 13C, dated 9th Jan.*	....	...	...	121	15	3	
10th	6	*Paid on account of Cortelliar Bridge as per Nominal Muster Roll, 1st to 10th January* 1880.	185	10	6	200	0	0	
						185	10	6	*Provincial, Original Works, Communications.*
		Balance...	...	...	...	14	5	6	

Abstract of charges to be entered in the Divisional Cash Book	RS.	A.	P.	
	185	10	6	Provincial, Original Works, Communications.

Imprest Cash Book of Overseer *T. Burke* for *January* 1880, from the *10th to the 17th*.

Day of the Month.	Voucher No.	Transactions.	Amount of each payment. RS.	A.	P.	Total. RS.	A.	P.	Head in Cash Abstract Book.
1	2	3	4			5			6
			Sub-Divisional No. 3. Divisional No. 41.						
		Balance...	...	...	...	14	5	6	
10th	...	*Received from Executive Engineer by Cheque No. 15Ch., dated 10th January*	...	...	...	185	10	6	
						200	0	0	
11th	7	*Paid for labor from 9th to 11th January on repairing verandah of North Barrack, Mount* ...	19	0	0	...	...	...	*Imperial, Repairs, Military.*
,,	8	*Paid for three nut screws at 3 annas each for Do.* ...	0	9	0	...	...	...	
,,	9	*Paid for labor as per Nominal Muster Roll from 1st to 10th January on Church, Chingleput*	15	6	6	...	...	...	*Provincial, Original Works, Civil Buildings.*
15th	...	*Paid on account of Cortelliar Bridge as follows:—*							
	10	*Centering, 20 seers twine* Rs. 5 0 0							
	11	,, *4 Mds. string at 1 Rupee per Md.* ,, 4 0 0							
	12	*Dressing-stone marking-tools* ,, 3 0 0	12	0	0	...	...	...	*Provincial, Original Works, Communications.*
17th	...	*Paid on account of Cortelliar Bridge as follows:—* *For workmen's huts, to be met from Contingencies, 1,400 mats at 1 anna each*	87	8	0	...	...	...	*Do.*
						134	7	6	
		Balance...	...	...	...	65	8	6	

Abstract of charges to be entered in the Divisional Cash Book	RS.	A.	P.	
	15	6	6	Provincial, Original Works, Civil Buildings.
	99	8	0	Do. Communications.
	19	9	0	Imperial, Repairs, Military.
	134	7	6	

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Imprest Cash Book of *Overseer T. Burke* for *January* 1880, from the 17th to the 31st.

Day of the Month.	Voucher No.	Transactions.	Amount of each payment.			Total.			Head in Cash Abstract Book.
1	2	3		4		5			6
			Sub-Divisional No. 4. Divisional No. 67.						
			Rs.	A.	P.	Rs.	A.	P.	
		Balance...	...	...	...	65	8	6	
17th	...	*Received from Executive Engineer in recoupment of expenditure, by Cheque No. 95Ch, dated 17th January*	...	...	...	134	7	6	
18th	14	*Paid for labor of 13th and 14th January, on repairing verandah of North Barrack, Mount* ...	7	8	0	200	0	0	*Imperial Repairs, Military.*
19th		*Received from Executive Engineer, Cash, as an increase to Imprest.*	...	...	...	500	0	0	
,,	15	*Labor on manufacture of bricks, as per Nominal Muster Roll, 11th to 20th January* ...	17	2	6	700	0	0	*Stock.*
21st	16	*Paid on account of Cortelliar Bridge as per Nominal Muster Roll, 11th to 20th January* 1880.	247	7	0	...	...	...	*Provincial, Original Works, Communications.*
22nd	17	*Paid for labor on Church, Chingleput, as per Nominal Muster Roll, 21st to 31st January* 1880 ...	33	15	6	...	...	...	*Do. do., Civil Buildings.*
,,	18	*Paid, 2 maunds 20 seers bandstring, at Rs. 2 per md. for Do.*	5	0	0	...	...	...	*Do. do.*
	19	*Paid for 4 mds., 11 seers, jute rope at Rs. 5 per maund for Do.*	21	8	0	...	...	...	*Do. do.*
23rd	20	*Balance of compensation to Zemindar for use of land for brickfield for manufacture of bricks.*	30	0	0	...	...	...	*Stock.*
26th	21	*Paid on account of Cortelliar Bridge—Dressing stone—20 seers twine, at 4 annas per seer..*	5	0	0	...	...	...	*Provincial, Original Works, Communications.*
28th	22	*Labor as per Nominal Muster Roll, from 21st to 26th January, on manufacture of bricks* ...	9	7	6	...	...	...	*Stock.*
29th	23	*Paid on account of Cortelliar Bridge, as per Nominal Muster Roll, 21st to 29th January* 1880	152	5	6	...	...	...	*Privincial, Original Works, Communications.*
30th	..	*Paid for Church at Chingleput as follows :—*							
	24	*30 seers twine string at Rs. 2 per maund, Rs. 1 8 0* ... ... *Rs.* 1 8 0							
	25	*16 earthen pots, at 6 p. each* ... ... ,, 0 8 0							
	26	*20 baskets, at Rs. 2 8 0 per 100* ... ... ,, 0 8 0							
	27	*30 seers nails, at Rs. 15 per maund* ... ,, 11 4 0	13	12	0	...	...	...	*Provincial, Original Works, Civil Buildings.*
	28	*Paid Seetha Ram for repairing crowbars and pickaxes* ...	2	8	0				
						545	10	0	*Tools and Plant.*
		Balance...	...	...	...	154	6	0	

Dted 10th January 1880.

T. Burke,
Overseer.

65/10

	Rs.	A.	P.	
Abstract of charges to be entered in the Divisional Cash Book.	74	3	6	Provincial, Original Works, Civil Buildings.
	404	12	6	Do. Communications.
	7	8	0	Imperial Repairs, Military.
	2	8	0	Tools and Plant.
	56	10	0	Stock.
	545	10	0	

Sub-Division, *Sydapett*—Division, *Chingleput*... { Sub-Divisional No. 1. Divisional No. 8.

Imprest Cash Book of *Supervisor J. Robinson*, for *January* 1880.

Day of the Month.	Voucher No.	Transactions.	Amount of each payment.			Total.			Head in Cash Abstract Book.
1	2	3		4		5			6
			Rs.	A.	P.	Rs.	A.	P.	
1st	...	*Imprest Cash in hand* ...	...	...	...	200	0	0	
5th	1	*Returned to Executive Engineer's Cash Chest, the imprest being no longer required*	200	0	0				
						200	0	0	
		Balance...	...	...	...	Nil.			

Sydapett,

5th January, 1880.

J. Robinson,
Supervisor,
Sub-Divisional Officer.

651/11

P. W. D., MADRAS,
FORM No. M11.

DIVISION.—*Chingleput.*

SUB-DIVISION.—*Chingleput.*

Statement of Receipts, Issues and Balance of *Stock* for the month of *January* 1880.

NOTES.

REFERENCE TO MADRAS P. W. CODE.

CHAPTER XII.—PARAS. 1499 and 1583.

CHAPTER XIII.—PARA. 1669.

1. This return shows the variations in stock balances during the month. Column 3, "Balance from last return," will be written up from the previous returns, and compared with the balances shown in P. W. Form No. M 13; and Columns 4 and 6 for the "Receipts" and "Issues" during the month will be posted from the total, P. W. Form No M12.

2. The Statement of Receipts, Issues and Balance of Tools and Plant for the month will be prepared in the same form but quite distinct from the Return for Stock.

Statement of Receipts, Issues, and Balance of *Stock*.

Description.	Unit.	Balance remaining in Store as per last month's return.	Receipts during the month as per Abstract (Form No. M12.	Total.	Issues during the month as per Abstract (Form No. M12.	Balance remaining in store on 1st February 1880.	Remarks.
1	2	3	4	5	6	7	8
Building Materials.							
Bricks 11"×5"×2½" ...	No. ...	3,00,000	2,60,000	5,60,000	.....	5,60,000	
„ 12"×6"×3" ...	„ ...	10,000	25,000	35,000	.....	35,000	
„ *Half burnt*, 11"×5"×2½" ...	„ ...	8,000	20,000	28,000	.....	28,000	
„ *Unburnt*, 11"×5"×2½" ...	„ ...	1,50,000	.....	1,50,000	70,000	80,000	
Lime-stone ...	Cub. ft.	8,000	.....	8,000	2,040	5,960	
Lime-stone ...	„ ...	1,000	8,000	9,000	.....	9,000	
Soorkee ...	„ ...	2,000	.....	2,000	1,229	771	
Stone ...	„ ...	9,000	.....	9,000	5,100	3,900	
Tiles ...	No. ...	8,000	.....	8,000	4,000	4,000	
Tiles, cornice ...	„ ...	6,000	.....	6,000	4,000	2,000	
Timber.							
Teak Timber ...	Cub. ft.	650	.....	650	57½	592½	
Metals.							
Wrought-iron ...	Seers ...	26	.....	26	11	15	
Fuel.							
Firewood ...	Maunds	200	615	815	300	515	
Painters' stores.							
Red paint ...	Seers ...	40	.....	40	16	24	

_____ } 188 .

Sub-Divisional Officer.

Executive Engineer.

Checked with previous returns and with P. W. Forms No. M12, 9 and 10, and posted into P. W. Form No. M13.

S. DEAN,
Accountant.

NOTE.—No articles but those of which there have been either receipts or issues during the month need be entered in this Statement.

Fuel 85/1/81

65/12

P. W. D., MADRAS, FORM No. M 12.

NOTES.

REFERENCE TO MADRAS P. W. CODE.

CHAPTER X.—PARAS. 1274, 1342 and 1343.

CHAPTER XII.—PARAS. 1498, 1511 and 1593.

CHAPTER XIII.—PARA. 1711(4.)

1. The daily transactions of both Stock and Tools and Plant should be kept in this form, but in separate books. These, like the cash book, should be written up day by day, care being taken that there is proper authority, viz., a regularly authorized indent or order, for each transaction, which should be quoted in column 2 and regularly numbered and filed.

2. When column 4 "Head in Stock Abstract Book" cannot be filled in by the Storekeeper, it should be done in the Divisional Office.

3. The entries against the line "Total for the month" furnish the figures for P. W. Form No. M11 Cols. 4 and 6.

4. The Abstract at the end of the month should be so drawn up as only to require copying into the Returns, P. W. Forms No. M9 and 10.

DIVISION—*Chingleput.*

SUB-DIVISION—*Chingleput.*

Account of the daily receipts and issues of materials and stores in charge of Storekeeper *Ramasawmy*.

5/12

Receipts during the month of *January* 1880.

Date.	No. of Indent or Order.	Source from which received.	Head in Stock Abstract Book.	Bricks, full burnt.	do.	Do. Half burnt.	Lime-stone.	Firewood.			
1	2	3	4								
1st ...	1 ...	Contractor Gunput Roy ...	Stock Purchases ...	1,60,000	25,000	...	...	...			
...	2 ...	Do Abboy Chetty ...	Do ...	.....	.....	...	...	...			
20th...	3 ...	Petty Contractors ...	Do ...	.....	.....	...	8,000	...			
28th...	4 ...	Manufacture of bricks at Chingleput ...	Stock for outturn ...	1,00,000	.....	20,000	...	615			
31st ...	5 ...	From the "Cortelliar Bridge," bricks remaining unused	Refunds, from Provincial Communications ...	.....	.....	.....	...	...			
Total for the month ...				2,60,000	25,000	20,000	8,000	615			

Abstract of Receipts.
(To be filled in at the close of the month, and posted into "Abstract of Materials received during the month.")

From Contractors ...	*Stock Purchases* ...	1,60,000	25,000	...	8,000	615	
From Manufacture of Bricks at Chingleput	*Stock, for outturn from Manufacture* ...	1,00,000	.....	20,000	...	...	
From the "Cortelliar Bridge"	*Refunds, Provincial Communications* ..	.....	.....	...	...	...	
Total as above...		2,60,000	25,000	20,000	8,000	615	

651/13

Issues during the month of *January* 1880.

Date.	No of Indent or order.	Purpose for which issued.	Head in Stock Abstact Book.	Bricks, unburnt.	Soorkie.	Lime.	Stone.	Teak Timber.	Tiles, cornice.	Iron Wrought.	Firewood.	Tiles.	Red paint.	
1	2	3	4											
3rd	1/2	*Cortelliar Bridge.*	*Provl. O. W. Communications* ...	70,000	...	...	...	...	...	...	...	...	...	...
21st	3/3	*Do* ...	*Do* ...	...	429	625	5,000	20	...	...	...	...	...	...
23rd	1/5	*Church at Chingleput.*	*Provl., O.W., Civil Buildings* ...	...	300	387	...	...	4,000	11	...	...	...	...
24th	4/5	*Manufacture of bricks at Chingleput*	*Stock, for issues to Manufacture.*	...	...	...	...	...	...	...	300	...	...	...
26th	5/11	*Great Southern Trunk Road.*	*Provl., O.W., Communications* ...	...	500	828	100	...	...	...	...	...	...	...
28th	6/10	*Repg. verandah of North barrack at the Mount* ...	*Imperial, Repairs, Military* ...	...	...	200	...	37½	...	...	...	4,000	16	...
Total for the month...				70,000	1,229	2,040	5,100	57½	4,000	11	300	4,000	16	...

Abstract of Issues.
(To be filled in at the close of the month and posted into the "Abstract of Materials issued during the month.")

Church at Chingleput	*Prov. O. W. Civil Buildings* ...	...	300	387	...	...	4,000	11	...	...	...
Cortelliar Bridge ...	*Do do Commns...*	70,000	429	625	5,000	20	...	...	...	...	...
Great Southern Trunk Road...	*Do* ...	...	500	828	100	...	...	...	...	...	...
Repg. verandah of North Barrack, Mount...	*Impl. Repairs, Military* ...	...	...	200	...	37½	...	...	...	4,000	16
Manufacture of bricks at Chingleput ...	*Stock, for issues to Manufacture* ...	...	...	...	...	...	...	...	300	...	...
Total as above		70,000	1,229	2,040	5,100	57½	4,000	11	300	4,000	16

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G.O. (Fin.) 651/81.

Fin 851/81

Enclosure No 851

10

Madras
25th March 1881.

651/14

To

The President
Municipal Commission

C.D.
APL 81

Sir

I have the honor to state for the information of the Municipal Commissioners that we have carefully examined the Municipal Accounts for the year ended 31st December 1880 and that having compared the expenditure shown in the Cash Book with the vouchers filed in support of the charges and traced a percentage of those charges to their appropriate headings in the Ledger, we are in a position to verify the entries in Statements I & II of Receipts and Expenditure regarding which and Statements A, B & C annexed we have a few remarks to offer.

Receipt

The aggregate receipts of the municipality during 1880, including the balance at the beginning of the year, are as follows:-

DISPOSED OF
APL 81
BK G.O. No.

Revenue and Receipts	3,56,802	-9-8
Suspense Account	1,23,751	-12-0
Imperial License Tax	9,167	-8-11
	9,73,226	-5-7
Opening Balance	65,538	-9-0
Total	10,20,764	-12-7

In the first item is included the sum of £ 972-2-0 £ set off against £ 6715-5-1 embezzled vide Para 22 of the Auditors Report on the accounts of 1879

Imperial Tax: The control of the municipality over this Tax ceased during the year under notice. The transactions of the year are shewn in Statement "C" annexed, which shews the net loss to the Municipality to be Rupees 902-5-10

Charges

These Comprise

Expenditure Budgetted for		£84,967-4-0
Not budgetted for		
To complete purchase of Colony market	1000	
* Imperial Licence Tax	93508-2-5	94,508-2-5
Suspense		12,887-2-5
		100,362-8-10
Closing Balance		33,402-3-9
		1040764-12-7

* Vide Statement (C) annexed

A statement (A) is annexed shewing the aggregate Receipts and Expenditure under the separate heads of "General Water Works" and "Lighting". The expenditure on Water works is made up of the following items

1.	New work (C)	3477-11-1
2.	Maintenance (d)	11343-1-2
3	Establishment	3529-3-5
		19349-5-8

and it will be observed that this account closed with a debit balance of £ 47,226-11-4: £ 22,000 were transferred to this account from the General Fund in 1879; the following amounts have, however been paid during the year to Interest and Sinking Fund account

65/15

Arrears -	Sinking Fund	14461-0-2
	Interest	28922-0-2
Current	Sinking Fund	2,600-0-0
	Interest -	57200-0-0
		£ 129183-0-4

In Statement "B" are shewn the assets and liabilities of the Municipal Fund as found in the books, in which it will be observed the amount of the Water Works Loan has been entered as promised by the President Para 7 of his remarks on the Auditors Report on the account of 1879. We concur in that Officers remarks regarding the re-inclusion of the money value of such property of the municipality as wells, tanks, reservoirs &c.

† Letter dated 20th July 1880.

The sum of 18,083-15-2, referred to in the Auditors Report of 1879, Para 45, has been dealt with in G.G. No 1647 of the 30th August 1880.

Stores

The account Balances in connection with Stock-taking have not yet been struck, we have been

been therefore unable to verify the value of the stores shewn in the Books.

In going into the question raised in Para 21 of the Auditors Report on the accounts of 1879 and the Presidents remarks on the same, Para 11 of his letter No. [illegible] of the 20th July 1880 we see no objection to the forwarding note taking the place of the triplicate previously recommended.

Though perhaps not strictly within the Auditors province, we would beg leave to make the following general remarks upon the system of account adopted by the Municipality for consideration and such future action as may be considered necessary.

Cash Book. As a general rule, by this name is signified a book in which only the actual receipts and payments of cash are entered day by day as the transactions occur. Adjustments which do not involve the actual payment or receipt of cash are recorded elsewhere, generally, through the medium of a journal. The so-called Cash Book at the Head Office combines both functions, and consequently some of the items shown as received and paid are not the sums which have actually been received and paid, but are those sums as modified by adjustments which are carried into the Ledger. For instance, the value of all works completed in the Workshops are on receipt of the report credited

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credited to Workshops and debited to Works in the Cash Book though no money at that time passed into or out of the hands of the Head Office. Again all transactions regarding stores in which money does not pass, but the adjustment is made by a book entry, a debit and credit appears in the Cash book. This mixing up of actual Cash transaction with other appears objectionable, in so far as it opens the door for possible irregularities, consequently it is suggested that the Cash book should be strictly what the name implies and should only record sums actually received and actually paid. Adjustments can easily be carried out by means of a journal which would have the great advantage of showing much more clearly than is now done in the Cash book the actual manipulation to which the accounts have been submitted.

A correct system of account should show each step so clearly as not to require the presence of the accountant who booked the transactions. In the present case, we must acknowledge that, without the valuable assistance of Mr Shelby and Perrimain, we should not have been able to make out the details of the transactions; they can explain what has been done, but the accounts should do so without their aid when once booked.

2ndly. The next point we would note is that each entry in the Cash book should be supported by

by a voucher, that is a document which legally proves the genuineness of the entry; for payments it should be a document containing the particulars of the claim and the legal receipt acknowledging the settlement of the debt. In cases where Cash is only advanced to enable other steps, the entry should show the fact, but should not be made as if the proposed payments had actually been effected. When these advances are accounted for, supported by proper vouchers, credit may be given in the paying Office and the transactions taken into the Head Office Cash Book in the mode adopted in the P.W. Department for recording Imprests and payments therefrom, which would meet this requirement exactly. At present these requisitions for cash are treated as vouchers, and the payments the requisitioning Offices notice as being those he intends to make, are entered in the Cash book as if they had actually been made. This clearly is not correct, but it is only fair to state that when proof of the payments having been made was called for, it was forthcoming from other Departments though it was not recorded in the Head Office.

3rdly. Advances for sundry purposes. These appear to me a want of control over and full information regarding this class of transactions. When made, the amounts are entered in the Cash book and adjustment is afterwards effected when the work is finally settled for, but it requires an unnecessary amount of personal care to prevent them being lost sight of. To remedy this, we would suggest the opening of an account say "Miscellaneous Advances" to which all such sums should be debited and which would receive credit for the adjustments when made. A schedule in support of this account in the form of the P.W. Miscellaneous Advance Schedule (appended and marked X) would we consider be found convenient and prevent any of the items being lost sight of, and keep the Commissioners fully informed as to advances made and progress made towards adjustment.

4thly. Deposits. Again we find entries of Cash drawn for Interest showing the sums as paid, though in some instances the interest had not actually been made over to the individual to whom due. Such sums are held at call and paid when the claimant turns up to receive it. This is incorrect and unnecessary as in cases where it is necessary to receive the interest for payment in the absence of the claimant, by opening an account "Deposits" to which such sums can be credited, the misleading entry as noted to can be avoided. This account would be found useful for recording

advances

advances received from private individuals for
services to be rendered to them.

Ledger. We would suggest that the main
Ledger Heads should be those employed in the
Half yearly account current of receipts and
Expenditure; these might have subsidiary accounts
working up to the totals therein recorded with a
view to showing necessary details, but it is essential
that the totals of the main heads be available
for direct transfer to the Half yearly return
adverted to. To illustrate what we mean, at the
beginning of statement II under Grant I are
found "New Works" "Buildings", but in the Ledger
this head will be looked for in vain and to
obtain the total entered it will be necessary
to add together the expenditure on the 3 following
accounts - "Latrines" "Dust bins" and "Petty Works".
The totals of these sub heads it is, of course,
necessary to record, but as ought that of the
main Head "Buildings", of which these are
sub-heads.

Again the Debtor and Creditor entries of the
several accounts are shown on separate pages;
all the Creditor entries come first then the
Debtor entries in the order of the Budget. This
arrangement prevents a general view of each
individual account and in our opinion the Debtor
and Creditor entries of one account should not
be separated by other intervening accounts

as

as timely the Balance of the account is not
so readily obtained.

651/18

We also notice deduction entries in some of the Ledger
Accounts. This is unusual as such corrections
should generally be made by write back by
which course the deduction is made on the
opposite side of the Ledger by transfer from the
Journal whose particulars are usually given.

Stores. The difficulty adverted to by Mr Arundel
in his letter G. No 442 dated 20th July 1880 to the
Chief Secretary to Government is a real one and
may be overcome, as he indicates, by entry at once
into the Ledger or by using a modification of
the P.W.D. form (No 12 attached) for
Storekeepers book of Receipts and Issues in
which each article on being entered is carried at
once into a column appropriated for the class
to which it belongs, and there is no difficulty at
any time in arriving at the total receipts or
issues of any given items.

The monthly abstracts give the receipts and
Issues of Store, but there appears to be no record
ment which shows the Commissioner the balance
remaining. A Periodical Balance return
therefore appears necessary to afford the power
of check in the Head Office.

Workshops. There are reasons in the present
system of at once arriving at the knowledge

whether

whether the workshops are working at a profit or loss this object might be attained by having an account say "Workshops" which would be debited with all cash and stores receipts on account of the workshops and credited with the value of all outturn or issues from the workshops. The balance would then show how the shops as while stand at any particular date.

The workshop bills are collected by the Engineering Department and when realized the money is made over to the Collection Department. We would suggest for consideration whether it would not be desirable to hand the bills over to the Collection Department leaving the realization to it. This suggestion is made as no Cash Accounts appear to be periodically rendered by the Engineering Department and there appears to be a want of control over what should be collected as compared with what has been realized.

In conclusion we have much pleasure in acknowledging the valuable assistance we have received from the Officers of the Municipality, more especially Messrs Axelby the Head Accountant and Mr. Perriman his assistant, whose books and accounts are neatly and accurately kept.

We have the honor to be
Sir,
Your most Obedient Servants
D. H. Frail Major RE
E. J. Firth.

Copy

60

Copy of the above forwarded to the Secretary to Government, Financial Department in accordance with clause 99 of the act.

65/19

D. H. Frail Major RE

Madras
31. March 1881

E. J. Firth.

30/6/80 Lr 1649.
19/6/80 Lr 1204.

Final (188) Department.
(Municipal Accounts)

From

The Auditors of the
Municipal Accts
Madras

No. 52

Dated 31 March
Recd. 2nd April } 1881.

No.

Current No 851

Subject.

Forwarding a copy of their report on the Municipal Accounts in accordance with clause 97 of the Act.

Order. 8/19 April 81 No 651.

Communicated to the Accountant General.

2. The Govt. await the President's remarks on the report.

Rep[orte]d 9/4

To Acct Genl. to
Presdt. M.C. Govrs

desp 30/4

651/21.

Govt. of 1881 Madras.

Fmt

DISPOSED OF

19 APL 81

BY G. O. No. 651

(21)

~~G.O.~~ ~~188~~ , ~~No.~~

~~Nos.~~

Fmt — Accounts. The report on the audit of the accounts of the Nuzvid Estate for the Fs. 1290, forwarded to the Acctt Genl. The Presidt's remarks on the report, awaited.