

Local & Munl. (1897) Department.

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G.O., No. *2796 m*

DATED *14. 12-97*

DESPATCHED

[Despatch Abstract.]

Account to

Recording in the remarks, report on the
audit of the — of the Madras Municipality
for 1896-97.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

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G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Government { 1897 } of Madras. LOCAL AND MUNICIPAL.

Recd.

Regd.

} 1897.

Enclosures

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G.O., No. 2796 M., 14th December 1897.

DECEMBER.

Accounts.

Recording, with remarks, report on the audit of the — of the Madras Municipality for 1896-97.

GOVERNMENT OF MADRAS.

LOCAL AND MUNICIPAL DEPARTMENT.

READ—again the following paper:—

G.O., Mis. No. 1847 M., dated 23rd August 1897.

Read—the following letter from F. C. HARRISON, Esq., Officiating Accountant-General, and W. J. F. WILLIAMSON, Esq., Assistant Accountant-General and Inspector of Local Fund Accounts, to the President, Municipal Commission, Madras, dated Fort St. George, 14th August 1897, No. L.F.D.—333.

We have the honour to submit, in accordance with section 14 of Madras Act VII of 1884, our annual report on the audit of the accounts of the Madras Municipality for the official year 1896–97.

2. The audit was conducted in the manner described in paragraph 2 of the report on the audit of the accounts for 1887–88 and a monthly report thereof was forwarded to you under section 95 of Act I of 1884.

3. The total receipts and disbursements of the municipality during the year under report, together with the opening and closing balances, are given below:—

Receipts.				Amount.		Disbursements.				Amount.	
				RS.	A. P.					RS.	A. P.
Opening balance	..	..	..	5,99,492	8 8	Grant I	..	..	..	6,06,774	8 9
I. Taxation	..	..	..	8,80,338	11 9	" II	..	..	..	12,303	15 0
II. Rents	..	..	..	2,71,440	8 2	" III	..	..	..	4,07,757	11 8
III. Contributions	..	..	..	1,82,904	5 10	" IV	..	..	..	1,87,652	5 8
IV. Miscellaneous	..	..	..	38,110	3 1	" V	..	..	..	99,918	9 3
Debt	..	..	..	27,104	11 10	Repayments of debts	..	..	..	53,920	0 0
Suspense	..	..	..	36,216	7 2	Interest	..	..	..	1,53,805	0 0
						Suspense	..	..	..	21,002	4 0
						Refunds	..	..	..	7,544	0 3
						Pensions	..	..	..	6,198	6 7
						Closing balance	..	..	..	4,78,730	11 4
Grand Total	..	..	..	20,35,607	8 6	Grand Total	..	..	..	20,35,607	8 6

				RS.	A. P.	RS.	A. P.
Balance as per Pass-book of the Bank of Madras						1,40,101	7 5
Deduct—							
Amount of cheques not cashed on the 31st March 1897						36,465	9 3
Add—						1,03,635	14 2
(a) Amount of Fixed Deposit with the Bank of Madras				3,50,000	0 0		
(b) Collections of 31st March not credited in the Pass-book				25,094	13 2		
						3,75,094	13 2
Total ..						4,78,730	11 4

4. The following remarks are offered in connection with receipt items:—

(a) *Tax on Buildings and Lighting and Water Taxes.*—The large current balance under these taxes was due, generally speaking, to the revision of the assessments in the second division. The balance, however, might have been largely reduced, if the bills had been issued at once in the case of those houses on which the assessment remained unaltered. The assessment was only raised, as a matter of fact, on some 2,500 houses out of 7,865, but notwithstanding this, no bills were issued at all until the close of the revision proceedings. This late issue of bills naturally resulted in a large balance remaining unpaid at the end of the year. It is suggested, therefore, that, in future, when a general revision of taxes takes place, bills be issued in the case of houses where it is not proposed to raise the assessment, as soon as the assessor has sent in his section books.

(b) *Payments for Occupation of Municipal Lands.*—The current outstanding balance shown against this head is about one-fifth of the demand and includes rents of trash bazaars, betel-leaf and rice bazaars, fire-wood depôts and sun shades, &c. In all these cases, regular bills are issued on receipt of the inspection reports as to the persons liable for the tax, and various formalities gone through in the way of their presentation, &c. In many instances the delay thus caused enables the parties to evade payment by removing elsewhere, and the uncollected taxes are eventually written off the accounts. This happens every year, and it is therefore suggested, with a view to increasing the revenue under this head, that regular bills be issued only in cases where plots of ground are occupied more or less permanently, while in others, printed counterfoil receipt books, stamped with the *facsimile* signature of the Revenue Officer, might be entrusted to canacapillays for collection on the spot. We may also remark that this quarterly tax is generally collected in arrears instead of in advance.

(c) *Rent on Municipal Lands.*—This is collected half-yearly with reference to information furnished in statements submitted by the Municipal Public Works department. The large current and arrear balances could have been avoided, if the rents had been collected in advance in accordance with the terms of the agreements executed by the parties, which provide for payments being made on the 10th April and 10th October respectively. The attention of the President is invited to this matter.

(d) *Payments for Water for non-domestic purposes.*—The current balance amounts to Rs. 1,556-13-2 and the arrear balance to Rs. 484-6-4. The fees in question are collected quarterly on receipt of information from the Water-works department, and the outstanding balances are due in no small measure to the delays on the part of that department in submitting the required statements. Under the departmental rules, the required information should be transmitted to the Revenue department in the month immediately following the close of the quarter concerned, but that this was very far from being the case will be seen from the following particulars. Strict orders are suggested for the enforcement of the rule.

Period of tax.						Date of submission of statement.	
First quarter	..	..	..	..	..	..	September 1896.
Second "	..	..	..	..	..	..	November "
Third "	..	..	..	..	..	..	February "
Fourth "	..	..	..	..	..	..	June 1897.

(e) Receipts granted to parties on account of license fees are not usually stamped when the sums involved exceed Rs. 20, though the licenses themselves generally bear receipt stamps in such cases. This, however, does not seem to be correct, as the licenses are merely permits, while the receipts, being acknowledgments for money paid into the Municipal office, are the documents which should be stamped whenever necessary.

(f) The rent of Rs. 90 for cutting grass in Washermanpet burial-ground, which was due on the 1st April 1895, has not yet been adjusted.

5. *Demand, Collection and Balance Statements.*—In the statement forwarded to the Audit office by the municipality the revisions made by the Revenue Officer on account

of tax on arts were erroneously included in column 3. In like manner, in column 6, demands withdrawn on the ground that the profession was not exercised for the taxable period were wrongly included in the demand. The necessary alterations have been made in the accompanying statements. It may be pointed out that items which are reduced on appeal by the Commissioners should alone appear in column 3, and that column 6 is only intended for vacancy remissions under house-tax. Remissions therefore granted on the ground of the income being below the taxable minimum should be taken in abatement of the demand. The necessary alteration should be made in the heading of column 6 of the demand, collection and balance statement.

The difference under "arrears of previous years" between the figure shown in the last year's audited statement and that shown in the accompanying one is due to the supplemental assessments made in 1896-97 on account of 1895-96.

The difference under "balance of old demand" is due to the elimination of items which were wrongly included in the last year's demand.

Tax on Vehicles—Current.—Amounts remitted by the Revenue Officer on the ground of non-liability were wrongly exhibited in the municipal statements, both under demand and remission, instead of merely in abatement of demand, as shown in the accompanying statements. Similar remarks apply in the case of tax on animals.

Tax on Vehicles—Arrears.—The difference between the figure shown in the last year's audited statement and that now submitted is due to abatement of demand by reason of non-liability.

Payments for Occupation of Municipal Lands.—The sum of Rs. 1,018-1-7, which was written off the accounts owing to the whereabouts of the parties not being known, was merely shown in the municipal books as remitted, instead of as written off. The sanction, moreover, of the standing committee for the write off was not obtained, as required by rule.

The difference under "arrears of previous year" between the figure shown in the last year's audited statement and that now submitted is due to the supplemental assessments made in 1896-97 on account of 1895-96.

Rent on Municipal Lands.—There are several cases in which appeals against assessments, submitted so far back as 1893-94, have not yet been disposed of by the Public Works department. The special attention of the President and the Engineer is drawn to this matter with a view to the early disposal of all outstanding appeals and the avoidance of such delays for the future.

6. *Expenditure.*—In the following cases expenditure incurred in excess of the revised estimate or allotment has not yet received the sanction of Government:—

Head of account.	As per revised estimate or allotment.	As per total expenditure.	Excess.
<i>Grant I.</i>	RS. A. P.	RS. A. P.	RS. A. P.
6. Repairs—			
(c) Drainage establishment	14,690 0 0	14,836 8 0	146 8 0
6. Miscellaneous—			
(a) Stationery	2,000 0 0	2,086 5 6	86 5 6
(j) Fuel, oil, &c., for steam road-roller	7,500 0 0	7,836 10 0	336 10 0
(k) Inspection of dangerous buildings	300 0 0	374 2 0	74 2 0
<i>Grant III.</i>			
3. Vaccination—			
(b) Contingencies, animal vaccination, stationery and clothing, &c.	4,460 0 0	4,938 2 4	478 2 4
6. Conservancy—			
(a) Establishment—General	20,700 0 0	21,614 11 9	914 11 9
(g) Maintenance of sewage farms—Labour	19,600 0 0	22,074 10 3	2,474 10 3
(i) Repairs of carts, boats and buckets	17,700 0 0	20,739 14 8	3,039 14 8
(m) Contingent—General	7,000 0 0	9,135 13 5	2,135 13 5
(n) Epidemic charges	4,000 0 0	4,982 3 3	982 3 3
6. Miscellaneous—			
(b) Printing charges	700 0 0	807 13 1	107 13 1
(d) Law charges and stamp duties	4,000 0 0	4,717 8 3	717 8 3
<i>Grant IV.</i>			
1. Lighting—			
Repairs to lamps and posts	600 0 0	1,124 10 7	524 10 7

Head of account.	As per revised estimate or allotment.	As per total expenditure.	Excess.
2. Markets and Slaughter-houses—	RS. A. P.	RS. A. P.	RS. A. P.
(d) Slaughter-houses—Labour and contingencies	2,340 0 0	2,768 1 7	428 1 7
3. Avenues, tools and plant	150 0 0	198 3 8	48 3 8
4. Public parks, tools and plant	200 0 0	422 10 5	222 10 5
6. Fire, labour, &c.	3,850 0 0	4,190 9 2	340 9 2
7. Other charges—			
(m) Stores	300 0 0	387 13 10	87 13 10
<i>Grant V.</i>			
1. Salaries of officers	38,180 0 0	38,269 15 10	89 15 10
2. Head office—			
(b) Stationery	200 0 0	219 13 0	19 13 0
3. Assessment and collection—			
(f) Office furniture	250 0 0	378 3 10	28 3 10

7. Errors of the following kinds were pointed out in the monthly objection statements, and were generally rectified as far as possible. In the case, however, of objections of the nature referred to in items (a), (e) and (p), it is obvious that no subsequent action can remedy the particular delays brought to notice, and it is necessary therefore that the officers concerned should take particular care to guard against them. The matter may be brought to the special notice of the Engineer:—

- (a) Delays in check measurement.
- (b) Inadmissible charges.
- (c) Want of payees' receipts.
- (d) Errors in classification.
- (e) Delays in discharging claims.
- (f) Want of President's sanction.
- (g) Want of standing committee's sanction.
- (h) Want of Government sanction.
- (i) Want of budget provision.
- (j) Delay in the adjustment of advances.
- (k) Want of sanctioned requisition memoranda.
- (l) Want of sanctioned estimates.
- (m) Want of muster-rolls.
- (o) Excess over budget provision.
- (p) Delays in measurement by overseers.

8. The following remarks are called for in connection with expenditure:—

(a) The Deputy Inspector of Vaccination attached to the Madras Municipality drew a salary of Rs. 70 till March 1896, being the maximum admissible to an officer of that class. Notwithstanding this he was granted an increase of Rs. 10 from April 1896, besides the carriage allowance of Rs. 20, the necessary provision being made in the budget. The increase drawn seems inadmissible without the special sanction of Government.

(b) The payment of Rs. 20 as carriage allowance to the foreman of the workshop for out-door supervision was objected to and disallowed. In lieu of this an out-door foreman was appointed on Rs. 4 per diem, and his pay charged to different works. The sanction of Government appears necessary for this appointment, even though the pay is chargeable to works, as there is no budget provision for it. It is presumed that the necessity for the appointment has been fully considered, as the Public Works and Sanitary Overseers are expected to do all out-door supervision.

(c) The President contends that the entertainment of watchmen, &c., for works, does not require his sanction, that of the Engineer being, in his opinion, sufficient. It appears to us, however, that establishments of a temporary nature, whether chargeable to works or establishment, should receive the sanction of the President, as being the executive head of the municipality.

(d) The pay of the Storekeeper attached to the stores branch was increased from Rs. 40 to Rs. 60 by reason of the transfer of stationery articles to his custody. As, however, arrangements were subsequently made, on our suggestion, for the submission of periodical indents direct to the contractor, the propriety of continuing the increase should be considered.

(e) As there was no provision in the budget for the entertainment of the following temporary establishment in connection with plague operations, the sanction of Government appears necessary in the absence of provision in the revised estimate:—

(1) An Assistant Health Officer on Rs. 200 with a carriage allowance of Rs. 25 from 9th March 1897 to 9th June 1897.

(2) One Sanitary Inspector on Rs. 60 with a carriage allowance of Rs. 20 from 6th October 1896 to date.

(3) Two Sanitary Overseers on Rs. 30 each from 6th October 1896 to date.

(f) A sum of Rs. 661-13-0 was spent in purchasing a sweeping machine for the use of the Health department, for which the sanction of the standing committee was not obtained.

(g) Masters of conservancy coolies, bullocks, drivers, &c., are taken by the Sanitary Overseers and verified by the Divisional Sanitary Inspectors, but no check in the matter appears to be exercised by the Health Officer. This should, we think, be done occasionally in the same manner as the Engineer check measures works. The frequency of this check and the exact manner in which it should be performed may be settled hereafter, if the principle is accepted. It might perhaps be laid down that the Health Officer should visit one dépôt at least every other day, in irregular rotation, to test the accuracy of the musters taken by his subordinates.

9. *Advances.*—The following is a statement of the year's transactions under advances:—

Particulars.	General Fund.		Water-works Fund.	Lighting Fund.		Total.	
	RS.	A. P.		RS.	A. P.	RS.	A. P.
Opening balance	1,11,962	7 1					
Add advances made during the year	94,745	3 3		9,593	10 8	1,21,556	1 9
				1,994	9 10	96,759	13 1
Deduct advances recovered	2,06,707	10 4		11,538	4 6	2,18,295	14 10
	1,00,365	11 9		11,588	4 6	1,11,954	0 3
Total	1,06,341	14 7				1,06,341	14 7

10. The total amount outstanding under advances may be classified as under:—

	RS.	A. P.
(1) Permanent advances		
(2) Advances to contractors	90,611	13 0
(3) Old advances	11,549	6 5
(4) New advances	218	5 8
	3,962	5 6
Total	1,06,341	14 7

(1) *Permanent Advances.*—The details of the amount shown against this class will be found in the appended statement of particulars of balance under advances. The sum of Rs. 186-13-0 shown as permanent advance against the Revenue Officer represents the unexpended portion of the advance of Rs. 200.

(2) *Advances to Contractors.*—Item 5.—This item, which represents the difference chargeable against the contractor, should be adjusted from his security deposit.

Item 7.—This sum of Rs. 110-15-10, which represents the amount debited against the contractor concerned in October 1896, should have been adjusted before the close of the year.

Item 13.—This sum, which was debited against a conservancy contractor in October 1896, was nevertheless not adjusted within the year.

Item 29.—It is not understood why this sum, which was debited in October 1896 against the contractor concerned, has not yet been recovered from him.

The delay in the above four cases should be explained.

Item 42.—The large sum of Rs. 9,320-8-5 shown against this item represents the difference between the rates of the suppliers, and those of the defaulting joint contractors, Narayanasawmy Pillay and Ruthenavalu Mudaly, after deducting their security deposit of Rs. 4,000. The practice followed in the municipality in such cases is to debit to the defaulting contractor the difference between his rates and those of the fresh contractor after adjusting the security deposit of the former. The amount so debited often proves to be irrecoverable, and has eventually to be written off the accounts, thus causing a loss to the municipality. To obviate this, greater care appears to be necessary in choosing the contractors and in fixing their deposits at a sufficiently high figure to minimise the chance of loss to the municipality. It is suggested, therefore, that, in accordance with the proposal made in the concluding portion of the Engineer's letter No. 65-P.W., dated 16th April 1896, in reply to this office letter No. L.F.D.—14, dated 10th April 1896, the liability clause be modified in all cases, so as to provide for total forfeiture of deposit in the event of default on the part of the contractor. The procedure would then be simplified and the President would be at liberty to call for fresh tenders and enter into agreements with another contractor. The introduction of a liability clause on the lines suggested would probably operate in the direction of discouraging tenders from other than substantial contractors.

Item 45.—This sum represents the difference in rates calculated in the manner above explained, debited to the contractor in question, for the recovery of which a suit has been instituted.

(3) *Old Advances.*—The following are the old advances which should be adjusted as early as possible:—

Item 4	5th July 1895.
" 19	10th March 1896.
" 26	8th March 1894.
" 27	January 1895.
" 40	" "
" 41	July "
" 44	March 1896.
" 59	January "

In this connection it is suggested that, in future, when bringing forward old items to the new advance register, the dates on which the advances in question were originally granted be noted against each item, to obviate the necessity for a reference on the point to the old registers.

(4) *New Advances.*—Item 9.—In this case the amount was debited against the Commissioner of Police on account of the cost of fencing the hackney carriage stand in China Bazaar. If, in accordance with the practice governing such cases, the estimated cost had been first obtained and deposited, it would have been cleared earlier.

Item 18.—This item includes Rs. 75 advanced to a Sanitary Inspector for seedlings in November 1896. The amount should have been adjusted before the close of the year.

Items 24 and 32 for Rs. 1,647-12-10 and Rs. 595-12-0, respectively, represent the cost of work done for certain house owners in connection with the construction of drains. Steps should be taken to adjust them as early as possible.

11. *Deposits.*—The following is an abstract of the year's transactions under deposits:—

	RS.	A.	P.	RS.	A.	P.
Opening balance—						
In cash	56,757	14	3			
In fixed deposits	85,930	8	1			
In Government pro-notes—						
Contractors and municipal servants	69,100	0	0			
Sinking fund investments	3,22,100	0	0			
In municipal debentures	5,000	0	0			
				5,38,888	6	4

Add receipts during the year—

	RS.	A.	P.	RS.	A.	P.
In cash	3,03,006	14	0			
In fixed deposits	6,410	0	0			
In Government pro-notes—						
Contractors and municipal servants ..	27,900	0	0			
Sinking fund investments	35,100	0	0			
In municipal debentures	..					

3,72,416 14 0

9,11,305 4 4

Deduct payments—

In cash	2,90,159	14	2
In fixed deposits	21,650	8	1
In Government pro-notes—			
Contractors and municipal servants ..	35,200	0	0
Sinking fund investments	..		
In municipal debentures	..		

3,47,010 6 3

Closing balance on 31st March 1897 .. 5,64,294 14 1

The above closing balance, which is exclusive of the sum of Rs. 7,94,200 invested on account of the Government loan of 1869—73 for water works, is made up of the following sums:—

Nature of deposit.	In cash.	In fixed deposit.	In Government promissory notes.	In debentures.	Total.
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
1. Contractors and municipal servants	32,334 1 0	70,690 0 0	61,800 0 0	5,000 0 0	1,69,824 1 0
2. Sinking fund investments	692 1 2	..	3,57,200 0 0	..	3,57,892 1 2
3. Workshop	10,008 13 3	..	..	..	10,008 13 3
4. Deposit on account of house service	500 0 0	..	..	..	500 0 0
5. Composition for tolls	913 0 0	..	..	..	913 0 0
6. Stores	6,892 13 7	..	..	..	6,892 13 7
7. Suspense	1,099 9 5	..	..	..	1,099 9 5
8. Income-tax	387 10 6	..	..	..	387 10 6
9. Sale-proceeds of distrained properties	14 4 6	..	..	..	14 4 6
10. Other miscellaneous deposits	14,134 0 9	..	..	..	14,134 0 9
11. Services rendered to private individuals	2,628 7 11	..	..	..	2,628 7 11
Total	69,604 14 1	70,690 0 0	4,19,000 0 0	5,000 0 0	5,64,294 14 1

12. The amount shown as balance in the cash column is more by Rupees 14,761-11-11 than that shown in the Bank Pass-book.

This is accounted for as follows:—

	RS.	A.	P.	RS.	A.	P.
Collections of 31st March 1897 included in the cash-book balance, but subsequently paid into the Bank	..			32,487	14	11
Deduct uncashed cheques and transfer orders issued, and debited in the cash-book but not adjusted in the pass-book	17,596	1	0			
Deduct credits in the pass-book on 30th and 31st March 1897 on account of magisterial fines, &c., not credited in the cash-book until the following months	130	2	0			
				17,726	3	0
Difference	14,761	11	11			

13. Of the balances shown in paragraph 11 above, the following call for remarks:—

Item 5.—This amount is payable to the toll contractor, as it was collected by the municipality on his behalf. Early steps should be taken in the matter.

Item 7.—This represents the advance collection of taxes adjustable to the service heads concerned during the year 1897-98.

Item 10.—Includes several items which should have been adjusted to the credit of municipal funds, such as rents of boilers, &c. Steps should be taken for their very early adjustment.

Item 11.—Includes sums which represent the unexpended portion of the amounts tendered by private parties for the construction of works of a charitable nature. Such items should be returned to the parties concerned, or in cases where they are not claimed, credited to municipal funds after a reasonable time, which should be settled once for all.

14. *Sinking Fund Investments.*—The investments in Government securities on account of the several sinking funds are as follows:—

	Up to 31st March.	During the year 1896-97.	Total.
	RS.	RS.	RS.
Water-works loan for 1869-73	7,67,300	26,900	7,94,200
Market loan of 1879	7,500	700	8,200
Water-supply extension loan of 1882 ..	88,000	7,400	95,400
Drainage loan of 1882	35,200	3,000	38,200
Do. of 1883	93,100	8,600	1,01,700
Do. of 1885	69,500	8,000	77,500
Do. of 1887	6,700	1,000	7,700
Do. of 1888	8,800	1,500	10,300
Do. of 1889	7,500	1,400	8,900
Water-works loan of 1889	900	200	1,100
Black Town drainage loan of 1890 ..	2,100	400	2,500
Water-works loan of 1895	2,800	2,900	5,700
Total	10,89,400	62,000	11,51,400

15. *Stores.*—The standing advance of Rs. 80,000 allowed for the working of the Store department is accounted for as follows:—

	RS.	A.	P.	RS.	A.	P.
Opening balance on the 1st April 1896	..			5,133	0	11
Add credits during the year	..			59,647	10	2
				64,780	11	1
Deduct debits during the year	..			57,887	13	6
				6,892	13	7
Add—						
(i) Value of stock as per stock book	64,380	2	9			
(ii) Value of articles paid for but not brought to account	6,520	8	10			
(iii) Value of stores issued to the several departments but not adjusted on 31st March 1897	4,022	8	10			
				74,923	4	5
				81,816	2	0
Deduct—						
(iv) Value of articles received from suppliers but not paid for	899	4	3			
(v) Value of articles credited to stores but not issued to the parties concerned. ..	24	6	0			
(vi) Value of articles received from the several departments remaining unadjusted on 31st March 1897	892	7	9			
				1,816	2	0
				80,000	0	0

16. The amount shown against item (ii) represents the value of articles purchased, both locally and from England, in July, August, December, January and February. This sum is the total of the several items which should have been

adjusted within the year by credit to stores. They should now be adjusted without further delay. The result of the stock-taking of the municipal stores was communicated to the Audit department in the last week of June. The valuation thus arrived at was in excess of the book value by Rs 1,825-3-9. The difference was explained to be due to a rise during the year in the value of scrap, cast and wrought iron, and pails, &c., and was adjusted by decreasing the value of certain articles to cover deterioration.

17. *Workshop*.—The transactions under this head during the year under report are as follows :—

	RS.	A.	P.	RS.	A.	P.
Opening balance on 1st April 1896	..	..	..	8,075	12	0
Add credits during the year	..	..	..	81,584	13	7
				89,660	9	7
Deduct debits during this year	..	..	..	79,651	12	4
				10,008	13	3
Add—						
(i) Value of outturn of work by workshop in March 1897 awaiting adjustment. ..	5,987	14	1			
(ii) Standing advance with the foreman ..	30	0	0			
				6,017	14	1
				16,026	11	4
Deduct—						
(iii) Cost of labour as per muster rolls for March 1897	5,987	14	1			
(iv) Undisbursed wages for December 1896 and January 1897	38	13	3			
				6,026	11	4
				10,000	0	0

18. The following is a summary of the matters dealt with in this report :—

- (1) Suggestion for the immediate issue of bills in the case of buildings unaffected by the revision of assessment, paragraph 4 (a).
- (2) Suggestion for ensuring increase in revenue in regard to payments for occupation of municipal lands, paragraph 4 (b).
- (3) Necessity for the collection in advance of rents on municipal lands, paragraph 4 (c).
- (4) Delay in the issue of bills for supply of water for non-domestic purposes, paragraph 4 (d).
- (5) Remarks in connection with the demand, collection and balance statements, paragraph 5.
- (6) Expenditure in excess of revised estimate not sanctioned by Government, paragraph 6.
- (7) Want of special sanction of Government for the increase of pay of the Deputy Inspector of Vaccination, paragraph 8 (a).
- (8) Want of Government sanction for the entertainment of an out-door foreman on Rs. 4 per day, paragraph 8 (b).
- (9) Want of sanction of Government for entertainment of temporary establishments for which there is no budget provision, paragraph 8 (c).
- (10) Desirability of check by Health Officer of musters of conservancy coolies, bullocks, &c., paragraph 8 (g).
- (11) Remarks as to the desirability of modifying the liability clause of contract agreements, paragraph 10 (2), item 42.
- (12) Remarks in connection with advances, and the necessity for the early adjustment of long standing items, paragraph 10 (3).
- (13) Remarks in connection with deposits, paragraph 13.

No. L.F.D—334.

Copy forwarded to the Secretary to Government, Local and Municipal Department, Fort St. George.

FORT ST. GEORGE,
14th August 1897.

(Signed) F. C. HARRISON,
Offg. Accountant-General.

Order—Mis. No. 1847 M., dated 23rd August 1897.

Recorded, pending receipt of the remarks of the Commissioners.

(True Extract.)

(Signed) G. S. FORBES,
Secretary to Government.

To the President, Municipal Commission, Madras.
" Accountant-General.

READ—also the following papers :—

From Lieutenant-Colonel Sir GEORGE MOORE, Kt., c.i.e., President, Municipal Commission, Madras, to the Secretary to Government, Local and Municipal Department, dated Madras, 28th September 1897, R. No. 783.

With reference to G.O., Mis. No. 1847 M., dated 23rd August 1897, on the annual report of the audit of the accounts of the Madras Municipality for the year 1896-97, I have the honour to submit the following remarks :—

2. *Paragraph 4 (a)*.—The Auditors' suggestions cannot be accepted in their entirety. To issue bills as soon as the assessor has sent in his section books will be to ignore the provisions of sections 128 and 130 of the Act. The old system to which the Auditors refer has however been modified. Since April last what is being done is that bills are issued as soon as the appeal time prescribed by law is over in the case of all assessments, which have not been appealed against and in the case of the rest the bills are issued as soon as the appeals are decided.

3. *Paragraph 4 (b)*.—The present practice is this. The assessor on his rounds discovers the cases of unauthorized occupation and submits a report of this to the office. The report contains all the necessary particulars together with the extent of land occupied. These particulars are checked in the office and entered in a demand register and the bills are then issued. Adopting the Auditors' suggestion will (1) amount to transferring the power of assessment to the assessor, (2) necessitate the issue of blank receipts signed by the Revenue Officer. It is needless to add that such a procedure will open room to fraud and is objectionable from every point of view. There can be no demand book in the central office and no means of check over the work of the subordinates.

4. *Paragraph 4 (c)*.—The Accountant-General's remark is noted.

5. *Paragraph 4 (d)*.—It is not possible to submit the bills in the month following the quarter to which they relate. Every endeavour is being made to submit them as early as practicable. But delays occur at times, owing to disputes as to the correctness of meter readings and tests have to be made and the results noted. It is after all this is done that the bills can be framed.

6. *Paragraph 4 (e)*.—The scope of these payments does not appear to have been properly understood. The matter stands thus. All applications for licenses under section 420 of the Act are in the first instance submitted to Revenue Department accompanied by the necessary fees. The Revenue Department transfers these applications to the respective departments of the municipality holding the money tendered with the application in deposit. If the department to which the application was referred refuses the license, the money is returned to the payee. The document given to the payee in support of the payment pending issue of the license is headed thus

"Deposited by"—*vide* sample form submitted. Under section 2 of the Stamp Act of 1879 receipts granted in support of money deposited are exempt from stamp duty.

7. Paragraph 4 (f).—The rent being irrecoverable will be written off.

8. Paragraph 5.—The alterations were already made.

9. *Payment for occupation of Municipal Lands.*—It has been the practice hitherto for the Revenue Officer to sanction all writes off. But I passed an order on the 30th April 1897 on the representation of the present Revenue Officer that the old practice should be discontinued and the standing committee should sanction such writes off.

10. Paragraph 5—*Rent on Municipal Lands.*—Noted.

11. Paragraph 6.—A statement will be submitted for sanction in the ordinary course.

12. Paragraph 7.—These remarks have been noted.

13. Paragraph 8 (a).—The increase was given as a special case in consideration of the income accruing to the municipality by the sale of vaccine lymph, which is the result of the additional work done by the Deputy Inspector. This has been explained to Government in a special note in the budget and has been duly sanctioned by them. Special sanction of Government under these circumstances is not considered necessary.

14. Paragraph 8 (b).—The wages of the out-door foreman are charged to works, which are supervised by him and the same have been provided for in the sanctioned estimates under supervision. Under the circumstances, sanction of the Government was not considered necessary as this appointment is temporary and its cost is charged to labour.

15. Paragraph 8 (d).—His work has since been increased and will further grow on account of the drainage works.

16. Paragraph 8 (e) 1, 2, 3.—The President was authorized by G.O., No. 219-A M., dated 15th February 1897, to arrange for the necessary establishment.

17. Paragraph 8 (f).—The sanction of the standing committee has been applied for.

18. Paragraph 8 (g).—Health Officer occasionally attends musters and always does so when any special reason for it arises. He cannot do more without detriment to more important work. The work could be equally well done by any trustworthy officer and does not require special sanitary qualifications.

19. Paragraph 16 (2).—

Item 5, will be adjusted accordingly.

Item 7, since adjusted.

Item 13, do.

Item 29, due to the absence of the contractor.

Item 29, since recovered.

Item 42, this is being attended to.

20. Paragraph 10 (3).—Noted.

21. Paragraph 10 (4).—

Item 9, bill prepared and sent for collection and noted for future action.

Item 18, the amount advanced has since been recovered.

Item 24, subsequently recovered.

Item 32, bills are being prepared.

22. Paragraph 13.—

Item 5, the amount was already returned to the toll farmer and the matter adjusted.

Item 10, most of these items have been adjusted.

Item 11, this is being attended to.

23. Paragraph 16.—The delay is due to the late submission of the landing contractors' bills, which cannot be avoided until a clause is introduced in the contract imposing a penalty for not submitting bills in time.

From Lieutenant-Colonel Sir GEORGE MOORE, *Kt.*, C.I.E., President, Municipal Commission, Madras, to the Secretary to Government, Local and Municipal Department, dated 5th November 1897, G. No. 337.

With reference to paragraph 6 of the Auditors' report, No. L.F.D.—333, dated 14th August 1897, on the accounts of the municipality for 1896-97 and to my remarks thereon in my letter to Government, R. No. 783, dated 28th September 1897, I have the honour to forward herewith an extract from the proceedings of a meeting of the Standing Committee held on 1st October 1897, recommending for sanction the expenditure in excess of revised estimate grants for 1896-97, amounting to Rupees 13,284-8-5, confirmed by the Commissioners at their general meeting held on 27th October 1897, and request that Government will be pleased to accord its sanction for the excess.

ENCLOSURE.

Extract referred to.

Read statement of expenditure in excess of revised estimate for 1896-97 amounting to Rs. 13,284-8-5.

Resolution.—Recommended for sanction.

ORDER—No. 2796 M., dated 14th December 1897.

Recorded with the following remarks:—

(1) The explanation of the delay in the submission of bills for payments for water used for non-domestic purposes, offered in paragraph 5 of the President's report, cannot be accepted as altogether satisfactory.

(2) With reference to the President's remarks in paragraph 6 of his letter, it is observed that receipts granted by the municipality in the cases therein referred to do not fall under the second schedule (incorrectly quoted as section) to the Stamp Act I of 1879, as article 15 (h) thereof applies only to receipts given for money or securities for money deposited in the hands of any banker to be accounted for. The suggestion made by the auditors in paragraph 4 (e) of their report should, therefore, be adopted in future.

(3) The excess expenditure referred to in paragraph 6 will be admitted in the accounts. It is, however, desirable that the reasons for exceeding the sanctioned allotments should be explained in future.

(4) With reference to paragraph 8 (a), (b) and (e) of their report, the attention of the auditors is drawn to the President's remarks in paragraphs 13, 14 and 16 of the President's letter. The appointment of a temporary out-door foreman on a salary of Rs. 4 per diem is, however, in the opinion of Government, unnecessary and should be discontinued, as the supervisors and the overseers attached to the Public Works and Sanitary departments should be able to do all out-door supervision.

(5) The Government agrees in the remarks of the auditors in paragraph 8 (c) of their report.

(True Extract.)

H. TREMENHEERE,
Ag. Secretary to Government.

To the President, Municipal, Commission, Madras.
" Accountant-General.

Government (1897) of Madras.
LOCAL AND MUNICIPAL.

Proof for approval.

Recd.

Regd.

6/1/98

1897.

Enclosures

Spare copies

G.O., No. 2796 M., 14th December 1897.

DECEMBER.

Accounts.

Recording, with remarks, report on the audit of the — of the Madras Municipality for 1896-97.

Proof
3-1-98
4-1-98

Pass
Strike off as amended
6/1/98

GOVERNMENT OF MADRAS.

LOCAL AND MUNICIPAL DEPARTMENT.

READ—again the following paper :—

G.O., Mis. No. 1847 M., dated 23rd August 1897.

Read—the following letter from F. C. HARRISON, Esq., Officiating Accountant-General, and W. J. F. WILLIAMSON, Esq., Assistant Accountant-General and Inspector of Local Fund Accounts, to the President, Municipal Commission, Madras, dated Fort St. George, 14th August 1897, No. L.F.D.—333.

We have the honour to submit, in accordance with section 14 of Madras Act VII of 1884, our annual report on the audit of the accounts of the Madras Municipality for the official year 1896–97.

2. The audit was conducted in the manner described in paragraph 2 of the report on the audit of the accounts for 1887–88 and a monthly report thereof was forwarded to you under section 95 of Act I of 1884.

3. The total receipts and disbursements of the municipality during the year under report, together with the opening and closing balances, are given below :—

Receipts.	Amount.	Disbursements.	Amount.
	RS. A. P.		RS. A. P.
Opening balance	5,99,492 8 8	Grant I	6,06,774 8 9
I. Taxation	8,80,338 11 9	II	12,303 15 0
II. Rents	2,71,440 8 2	III	4,07,757 11 8
III. Contributions	1,82,904 5 10	IV	1,87,652 5 8
IV. Miscellaneous	38,110 3 1	V	99,918 9 3
Debt	27,104 11 10	Repayments of debts	53,920 0 0
Suspense	36,216 7 2	Interest	1,53,805 0 0
		Suspense	21,002 4 0
		Refunds	7,544 0 3
		Pensions	6,198 6 7
		Closing balance	4,78,730 11 4
Grand Total	20,35,607 8 6	Grand Total	20,35,607 8 6

	RS.	A. P.	RS.	A. P.
Balance as per Pass-book of the Bank of Madras			1,40,101	7 5
Deduct—				
Amount of cheques not cashed on the 31st March 1897			36,465	9 3
			1,03,635	14 2
Add—				
(a) Amount of Fixed Deposit with the Bank of Madras	3,50,000	0 0		
(b) Collections of 31st March not credited in the Pass-book	25,094	13 2		
			3,75,094	13 2
Total			4,78,730	11 4

4. The following remarks are offered in connection with receipt items :—

(a) *Tax on Buildings and Lighting and Water Taxes.*—The large current balance under these taxes was due, generally speaking, to the revision of the assessments in the second division. The balance, however, might have been largely reduced, if the bills had been issued at once in the case of those houses on which the assessment remained unaltered. The assessment was only raised, as a matter of fact, on some 2,500 houses out of 7,865, but notwithstanding this, no bills were issued at all until the close of the revision proceedings. This late issue of bills naturally resulted in a large balance remaining unpaid at the end of the year. It is suggested, therefore, that, in future, when a general revision of taxes takes place, bills be issued in the case of houses where it is not proposed to raise the assessment, as soon as the assessor has sent in his section books.

(b) *Payments for Occupation of Municipal Lands.*—The current outstanding balance shown against this head is about one-fifth of the demand and includes rents of trash bazaars, betel-leaf and rice bazaars, fire-wood depôts and sun shades, &c. In all these cases regular bills are issued on receipt of the inspection reports as to the persons liable for the tax, and various formalities gone through in the way of their presentation, &c. In many instances the delay thus caused enables the parties to evade payment by removing elsewhere, and the uncollected taxes are eventually written off the accounts. This happens every year, and it is therefore suggested, with a view to increasing the revenue under this head, that regular bills be issued only in cases where plots of ground are occupied more or less permanently, while in others, printed counterfoil receipt books, stamped with the facsimile signature of the Revenue Officer, might be entrusted to canacapillays for collection on the spot. We may also remark that this quarterly tax is generally collected in arrears instead of in advance.

(c) *Rent on Municipal Lands.*—This is collected half-yearly with reference to information furnished in statements submitted by the Municipal Public Works department. The large current and arrear balances could have been avoided, if the rents had been collected in advance in accordance with the terms of the agreements executed by the parties, which provide for payments being made on the 10th April and 10th October respectively. The attention of the President is invited to this matter.

(d) *Payments for Water for non-domestic purposes.*—The current balance amounts to Rs. 1,556–13–2 and the arrear balance to Rs. 484–6–4. The fees in question are collected quarterly on receipt of information from the Water-works department, and the outstanding balances are due in no small measure to the delays on the part of that department in submitting the required statements. Under the departmental rules, the required information should be transmitted to the Revenue department in the month immediately following the close of the quarter concerned, but that this was very far from being the case will be seen from the following particulars. Strict orders are suggested for the enforcement of the rule.

Period of tax.	Date of submission of statement.
First quarter	September 1896.
Second „	November „
Third „	February „
Fourth „	June 1897.

(e) Receipts granted to parties on account of license fees are not usually stamped when the sums involved exceed Rs. 20, though the licenses themselves generally bear receipt stamps in such cases. This, however, does not seem to be correct, as the licenses are merely permits, while the receipts, being acknowledgments for money paid into the Municipal office, are the documents which should be stamped whenever necessary.

(f) The rent of Rs. 90 for cutting grass in Washermanpet burial-ground, which was due on the 1st April 1895, has not yet been adjusted.

5. *Demand, Collection and Balance Statements.*—In the statement forwarded to the Audit office by the municipality the revisions made by the Revenue Officer on account

of tax on arts were erroneously included in column 3. In like manner, in column 6, demands withdrawn on the ground that the profession was not exercised for the taxable period were wrongly included in the demand. The necessary alterations have been made in the accompanying statements. It may be pointed out that items which are reduced on appeal by the Commissioners should alone appear in column 3, and that column 6 is only intended for vacancy remissions under house-tax. Remissions therefore granted on the ground of the income being below the taxable minimum should be taken in abatement of the demand. The necessary alteration should be made in the heading of column 6 of the demand, collection and balance statement.

The difference under "arrears of previous years" between the figure shown in the last year's audited statement and that shown in the accompanying one is due to the supplemental assessments made in 1896-97 on account of 1895-96.

The difference under "balance of old demand" is due to the elimination of items which were wrongly included in the last year's demand.

Tax on Vehicles—Current.—Amounts remitted by the Revenue Officer on the ground of non-liability were wrongly exhibited in the municipal statements, both under demand and remission, instead of merely in abatement of demand, as shown in the accompanying statements. Similar remarks apply in the case of tax on animals.

Tax on Vehicles—Arrears.—The difference between the figure shown in the last year's audited statement and that now submitted is due to abatement of demand by reason of non-liability.

Payments for Occupation of Municipal Lands.—The sum of Rs. 1,018-1-7, which was written off the accounts owing to the whereabouts of the parties not being known, was merely shown in the municipal books as remitted, instead of as written off. The sanction, moreover, of the standing committee for the write off was not obtained, as required by rule.

The difference under "arrears of previous year" between the figure shown in the last year's audited statement and that now submitted is due to the supplemental assessments made in 1896-97 on account of 1895-96.

Rent on Municipal Lands.—There are several cases in which appeals against assessments, submitted so far back as 1893-94, have not yet been disposed of by the Public Works department. The special attention of the President and the Engineer is drawn to this matter with a view to the early disposal of all outstanding appeals and the avoidance of such delays for the future.

6. *Expenditure.*—In the following cases expenditure incurred in excess of the revised estimate or allotment has not yet received the sanction of Government:—

Head of account.	As per revised estimate or allotment.			As per total expenditure.			Excess.		
	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
<i>Grant I.</i>									
6. Repairs—									
(c) Drainage establishment	14,690	0	0	14,836	8	0	146	8	0
5. Miscellaneous—									
(a) Stationery	2,000	0	0	2,086	5	6	86	5	6
(j) Fuel, oil, &c., for steam road-roller	7,500	0	0	7,836	10	0	336	10	0
(k) Inspection of dangerous buildings	300	0	0	374	2	0	74	2	0
<i>Grant III.</i>									
3. Vaccination—									
(b) Contingencies, animal vaccination, stationery and clothing, &c.	4,460	0	0	4,938	2	4	478	2	4
5. Conservancy—									
(a) Establishment—General	20,700	0	0	21,614	11	9	914	11	9
(g) Maintenance of sewage farms—Labour	19,600	0	0	22,074	10	8	2,474	10	8
(f) Repairs of carts, boats and buckets	17,700	0	0	20,789	14	8	3,089	14	8
(m) Contingent—General	7,000	0	0	9,135	13	5	2,135	13	5
(n) Epidemic charges	4,000	0	0	4,982	3	3	982	3	3
6. Miscellaneous—									
(b) Printing charges	700	0	0	807	13	1	107	13	1
(d) Law charges and stamp duties	4,000	0	0	4,717	8	3	717	8	3
<i>Grant IV.</i>									
1. Lighting—									
Repairs to lamps and posts	600	0	0	1,124	10	7	524	10	7

Head of account.	As per revised estimate or allotment.			As per total expenditure.			Excess.		
	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
2. Markets and Slaughter-houses—									
(d) Slaughter-houses—Labour and contingencies	2,340	0	0	2,768	1	7	428	1	7
3. Avenues, tools and plant	150	0	0	198	3	8	48	3	8
4. Public parks, tools and plant	200	0	0	422	10	5	222	10	5
6. Fire, labour, &c.	3,850	0	0	4,190	9	2	340	9	2
7. Other charges—									
(m) Stores	300	0	0	387	13	10	87	13	10
<i>Grant V.</i>									
1. Salaries of officers	38,180	0	0	38,269	15	10	89	15	10
2. Head office—									
(b) Stationery	200	0	0	219	13	0	19	13	0
3. Assessment and collection—									
(f) Office furniture	250	0	0	378	3	10	128	3	10

7. Errors of the following kinds were pointed out in the monthly objection statements, and were generally rectified as far as possible. In the case, however, of objections of the nature referred to in items (a), (e) and (p), it is obvious that no subsequent action can remedy the particular delays brought to notice, and it is necessary therefore that the officers concerned should take particular care to guard against them. The matter may be brought to the special notice of the Engineer:—

- (a) Delays in check measurement.
- (b) Inadmissible charges.
- (c) Want of payees' receipts.
- (d) Errors in classification.
- (e) Delays in discharging claims.
- (f) Want of President's sanction.
- (g) Want of standing committee's sanction.
- (h) Want of Government sanction.
- (i) Want of budget provision.
- (j) Delay in the adjustment of advances.
- (k) Want of sanctioned requisition memoranda.
- (l) Want of sanctioned estimates.
- (m) Want of muster-rolls.
- (o) Excess over budget provision.
- (p) Delays in measurement by overseers.

8. The following remarks are called for in connection with expenditure:—

(a) The Deputy Inspector of Vaccination attached to the Madras Municipality drew a salary of Rs. 70 till March 1896, being the maximum admissible to an officer of that class. Notwithstanding this he was granted an increase of Rs. 10 from April 1896, besides the carriage allowance of Rs. 20, the necessary provision being made in the budget. The increase drawn seems inadmissible without the special sanction of Government.

(b) The payment of Rs. 20 as carriage allowance to the foreman of the workshop for out-door supervision was objected to and disallowed. In lieu of this an out-door foreman was appointed on Rs. 4 per diem, and his pay charged to different works. The sanction of Government appears necessary for this appointment, even though the pay is chargeable to works, as there is no budget provision for it. It is presumed that the necessity for the appointment has been fully considered, as the Public Works and Sanitary Overseers are expected to do all out-door supervision.

(c) The President contends that the entertainment of watchmen, &c., for works, does not require his sanction, that of the Engineer being, in his opinion, sufficient. It appears to us, however, that establishments of a temporary nature, whether chargeable to works or establishment, should receive the sanction of the President, as being the executive head of the municipality.

(d) The pay of the Storekeeper attached to the stores branch was increased from Rs. 40 to Rs. 60 by reason of the transfer of stationery articles to his custody. As, however, arrangements were subsequently made, on our suggestion, for the submission of periodical indents direct to the contractor, the propriety of continuing the increase should be considered.

(e) As there was no provision in the budget for the entertainment of the following temporary establishment in connection with plague operations, the sanction of Government appears necessary in the absence of provision in the revised estimate:—

(1) An Assistant Health Officer on Rs. 200 with a carriage allowance of Rs. 25 from 9th March 1897 to 9th June 1897.

(2) One Sanitary Inspector on Rs. 60 with a carriage allowance of Rs. 20 from 6th October 1896 to date.

(3) Two Sanitary Overseers on Rs. 30 each from 6th October 1896 to date.

(f) A sum of Rs. 661-13-0 was spent in purchasing a sweeping machine for the use of the Health department, for which the sanction of the standing committee was not obtained.

(g) Musters of conservancy coolies, bullocks, drivers, &c., are taken by the Sanitary Overseers and verified by the Divisional Sanitary Inspectors, but no check in the matter appears to be exercised by the Health Officer. This should, we think, be done occasionally in the same manner as the Engineer check measures works. The frequency of this check and the exact manner in which it should be performed may be settled hereafter, if the principle is accepted. It might perhaps be laid down that the Health Officer should visit one dépôt at least every other day, in irregular rotation, to test the accuracy of the musters taken by his subordinates.

9. *Advances.*—The following is a statement of the year's transactions under advances:—

Particulars.	General Fund.		Water-works Fund.	Lighting Fund.	Total.	
	RS.	A. P.		RS. A. P.	RS. A. P.	
Opening balance	1,11,962	7 1	..	9,593 10 8	1,21,556	1 9
Add advances made during the year	94,745	3 3	..	1,994 9 10	96,739	13 1
	2,06,707	10 4	..	11,588 4 6	2,18,295	14 10
Deduct advances recovered	1,00,365	11 9	..	11,588 4 6	1,11,954	0 3
Total	1,06,341	14 7	..	..	1,06,341	14 7

10. The total amount outstanding under advances may be classified as under:—

	RS.	A. P.
(1) Permanent advances	90,611	13 0
(2) Advances to contractors	11,549	6 5
(3) Old advances	218	5 8
(4) New advances	3,962	5 6
Total	1,06,341	14 7

(1) *Permanent Advances.*—The details of the amount shown against this class will be found in the appended statement of particulars of balance under advances. The sum of Rs. 186-13-0 shown as permanent advance against the Revenue Officer represents the unexpended portion of the advance of Rs. 200.

(2) *Advances to Contractors.*—Item 5.—This item, which represents the difference chargeable against the contractor, should be adjusted from his security deposit.

Item 7.—This sum of Rs. 110-15-10, which represents the amount debited against the contractor concerned in October 1896, should have been adjusted before the close of the year.

Item 13.—This sum, which was debited against a conservancy contractor in October 1896, was nevertheless not adjusted within the year.

Item 29.—It is not understood why this sum, which was debited in October 1896 against the contractor concerned, has not yet been recovered from him.

The delay in the above four cases should be explained.

Item 42.—The large sum of Rs. 9,320-8-5 shown against this item represents the difference between the rates of the suppliers, and those of the defaulting joint contractors, Narayanasawmy Pillay and Ruthenavalu Mudaly, after deducting their security deposit of Rs. 4,000. The practice followed in the municipality in such cases is to debit to the defaulting contractor the difference between his rates and those of the fresh contractor after adjusting the security deposit of the former. The amount so debited often proves to be irrecoverable, and has eventually to be written off the accounts, thus causing a loss to the municipality. To obviate this, greater care appears to be necessary in choosing the contractors and in fixing their deposits at a sufficiently high figure to minimise the chance of loss to the municipality. It is suggested, therefore, that, in accordance with the proposal made in the concluding portion of the Engineer's letter No. 65-P.W., dated 16th April 1896, in reply to this office letter No. L.F.D.—14, dated 10th April 1896, the liability clause be modified in all cases, so as to provide for total forfeiture of deposit in the event of default on the part of the contractor. The procedure would then be simplified and the President would be at liberty to call for fresh tenders and enter into agreements with another contractor. The introduction of a liability clause on the lines suggested would probably operate in the direction of discouraging tenders from other than substantial contractors.

Item 45.—This sum represents the difference in rates calculated in the manner above explained, debited to the contractor in question, for the recovery of which a suit has been instituted.

(3) *Old Advances.*—The following are the old advances which should be adjusted as early as possible:—

Item							
4	..	..	..	..	..	..	5th July 1895.
19	..	..	..	..	..	..	10th March 1896.
26	..	..	..	..	..	..	8th March 1894.
27	..	..	..	..	..	..	January 1895.
40	..	..	..	..	..	..	" "
41	..	..	..	..	..	..	July "
44	..	..	..	..	..	..	March 1896.
59	..	..	..	..	..	..	January "

In this connection it is suggested that, in future, when bringing forward old items to the new advance register, the dates on which the advances in question were originally granted be noted against each item, to obviate the necessity for a reference on the point to the old registers.

(4) *New Advances.*—Item 9.—In this case the amount was debited against the Commissioner of Police on account of the cost of fencing the hackney carriage stand in China Bazaar. If, in accordance with the practice governing such cases, the estimated cost had been first obtained and deposited, it would have been cleared earlier.

Item 18.—This item includes Rs. 75 advanced to a Sanitary Inspector for seedlings in November 1896. The amount should have been adjusted before the close of the year.

Items 24 and 32 for Rs. 1,647-12-10 and Rs. 595-12-0, respectively, represent the cost of work done for certain house owners in connection with the construction of drains. Steps should be taken to adjust them as early as possible.

11. *Deposits.*—The following is an abstract of the year's transactions under deposits:—

	RS.	A. P.	RS.	A. P.
Opening balance—				
In cash	56,757	14 3		
In fixed deposits	85,930	8 1		
In Government pro-notes—				
Contractors and municipal servants	69,100	0 0		
Sinking fund investments	3,22,100	0 0		
In municipal debentures	5,000	0 0		
			5,38,888	6 4

Add receipts during the year—				RS.	A.	P.	RS.	A.	P.
In cash	..	..	..	3,03,006	14	0			
In fixed deposits	..	..	..	6,410	0	0			
In Government pro-notes—									
Contractors and municipal servants	..	..	..	27,900	0	0			
Sinking fund investments	..	..	..	35,100	0	0			
In municipal debentures	..	..	..				3,72,416	14	0
							9,11,305	4	4
Deduct payments—				RS.	A.	P.	RS.	A.	P.
In cash	..	..	..	2,90,159	14	2			
In fixed deposits	..	..	..	21,650	8	1			
In Government pro-notes—									
Contractors and municipal servants	..	..	..	35,200	0	0			
Sinking fund investments	..	..	..						
In municipal debentures	..	..	..				3,47,010	6	3
							5,64,294	14	1

Closing balance on 31st March 1897 .. 5,64,294 14 1

The above closing balance, which is exclusive of the sum of Rs. 7,94,200 invested on account of the Government loan of 1869—73 for water works, is made up of the following sums:—

Nature of deposit.	In cash.	In fixed deposit.	In Government promissory notes.	In debentures.	Total.
RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
1. Contractors and municipal servants	32,334 1 0	70,690 0 0	61,800 0 0	5,000 0 0	1,69,824 1 0
2. Sinking fund investments	692 1 2		3,57,200 0 0		3,57,892 1 2
3. Workshop	10,008 13 3				10,008 13 3
4. Deposit on account of house service	500 0 0				500 0 0
5. Composition for tolls	913 0 0				913 0 0
6. Stores	6,892 13 7				6,892 13 7
7. Suspense	1,099 9 5				1,099 9 5
8. Income-tax	387 10 6				387 10 6
9. Sale-proceeds of distrained properties	14 4 6				14 4 6
10. Other miscellaneous deposits	14,134 0 9				14,134 0 9
11. Services rendered to private individuals	2,628 7 11				2,628 7 11
Total	69,604 14 1	70,690 0 0	4,19,000 0 0	5,000 0 0	5,64,294 14 1

12. The amount shown as balance in the cash column is more by Rupees 14,761-11-11 than that shown in the Bank Pass-book.

This is accounted for as follows:—

RS.	A.	P.	RS.	A.	P.
Collections of 31st March 1897 included in the cash-book balance, but subsequently paid into the Bank	..	..	32,487	14	11
Deduct uncashed cheques and transfer orders issued, and debited in the cash-book but not adjusted in the pass-book	..	..	17,596	1	0
Deduct credits in the pass-book on 30th and 31st March 1897 on account of magisterial fines, &c., not credited in the cash-book until the following months	..	..	130	2	0
			17,726	3	0
Difference	..	..	14,761	11	11

13. Of the balances shown in paragraph 11 above, the following call for remarks:—

Item 5.—This amount is payable to the toll contractor, as it was collected by the municipality on his behalf. Early steps should be taken in the matter.

Item 7.—This represents the advance collection of taxes adjustable to the service heads concerned during the year 1897-98.

Item 10.—Includes several items which should have been adjusted to the credit of municipal funds, such as rents of boilers, &c. Steps should be taken for their very early adjustment.

Item 11.—Includes sums which represent the unexpended portion of the amounts tendered by private parties for the construction of works of a charitable nature. Such items should be returned to the parties concerned, or in cases where they are not claimed, credited to municipal funds after a reasonable time, which should be settled once for all.

14. *Sinking Fund Investments.*—The investments in Government securities on account of the several sinking funds are as follows:—

	Up to 31st March.	During the year 1896-97.	Total.
RS.	RS.	RS.	RS.
Water-works loan for 1869-73	7,67,300	26,900	7,94,200
Market loan of 1879	7,500	700	8,200
Water-supply extension loan of 1882	88,000	7,400	95,400
Drainage loan of 1882	35,200	3,000	38,200
Do. of 1883	93,100	8,600	1,01,700
Do. of 1885	69,500	8,000	77,500
Do. of 1887	6,700	1,000	7,700
Do. of 1888	8,800	1,500	10,300
Do. of 1889	7,500	1,400	8,900
Water-works loan of 1889	900	200	1,100
Black Town drainage loan of 1890	2,100	400	2,500
Water-works loan of 1895	2,800	2,900	5,700
Total	10,89,400	62,000	11,51,400

15. *Stores.*—The standing advance of Rs. 80,000 allowed for the working of the Store department is accounted for as follows:—

RS.	A.	P.	RS.	A.	P.
Opening balance on the 1st April 1896	..	..	5,133	0	11
Add credits during the year	..	..	59,647	10	2
			64,780	11	1
Deduct debits during the year	..	..	57,887	13	6
			6,892	13	7
Add—					
(i) Value of stock as per stock book	..	..	64,380	2	9
(ii) Value of articles paid for but not brought to account	..	..	6,520	8	10
(iii) Value of stores issued to the several departments but not adjusted on 31st March 1897	..	..	4,022	8	10
			74,923	4	5
Deduct—					
(iv) Value of articles received from suppliers but not paid for	..	..	899	4	3
(v) Value of articles credited to stores but not issued to the parties concerned	..	..	24	6	0
(vi) Value of articles received from the several departments remaining unadjusted on 31st March 1897	..	..	892	7	9
			1,816	2	0
			80,000	0	0

16. The amount shown against item (ii) represents the value of articles purchased, both locally and from England, in July, August, December, January and February. This sum is the total of the several items which should have been

adjusted within the year by credit to stores. They should now be adjusted without further delay. The result of the stock-taking of the municipal stores was communicated to the Audit department in the last week of June. The valuation thus arrived at was in excess of the book value by Rs. 1,825-3-9. The difference was explained to be due to a rise during the year in the value of scrap, cast and wrought iron, and pails, &c., and was adjusted by decreasing the value of certain articles to cover deterioration.

17. *Workshop*.—The transactions under this head during the year under report are as follows:—

	RS.	A.	P.	RS.	A.	P.
Opening balance on 1st April 1896	..	..	..	8,075	12	0
Add credits during the year	..	..	..	81,584	13	7
Deduct debits during this year	..	..	..	89,660	9	7
				79,651	12	4
Add—				10,008	13	3
(i) Value of outturn of work by workshop in March 1897 awaiting adjustment.	5,987	14	1			
(ii) Standing advance with the foreman ..	30	0	0			
				6,017	14	1
				16,026	11	4
Deduct—						
(iii) Cost of labour as per muster rolls for March 1897	5,987	14	1			
(iv) Undisbursed wages for December 1896 and January 1897	38	13	3			
				6,026	11	4
				10,000	0	0

18. The following is a summary of the matters dealt with in this report:—

- (1) Suggestion for the immediate issue of bills in the case of buildings unaffected by the revision of assessment, paragraph 4 (a).
- (2) Suggestion for ensuring increase in revenue in regard to payments for occupation of municipal lands, paragraph 4 (b).
- (3) Necessity for the collection in advance of rents on municipal lands, paragraph 4 (c).
- (4) Delay in the issue of bills for supply of water for non-domestic purposes, paragraph 4 (d).
- (5) Remarks in connection with the demand, collection and balance statements, paragraph 5.
- (6) Expenditure in excess of revised estimate not sanctioned by Government, paragraph 6.
- (7) Want of special sanction of Government for the increase of pay of the Deputy Inspector of Vaccination, paragraph 8 (a).
- (8) Want of Government sanction for the entertainment of an out-door foreman on Rs. 4 per day, paragraph 8 (b).
- (9) Want of sanction of Government for entertainment of temporary establishments for which there is no budget provision, paragraph 8 (c).
- (10) Desirability of check by Health Officer of musters of conservancy coolies, bullocks, &c., paragraph 8 (g).
- (11) Remarks as to the desirability of modifying the liability clause of contract agreements, paragraph 10 (2), item 42.
- (12) Remarks in connection with advances, and the necessity for the early adjustment of long standing items, paragraph 10 (3).
- (13) Remarks in connection with deposits, paragraph 13.

No. L.F.D.—334.

Copy forwarded to the Secretary to Government, Local and Municipal Department, Fort St. George.

(Signed) F. C. HARRISON,
Offg. Accountant-General.
FORT ST. GEORGE,
14th August 1897.

Order—Mis. No. 1847 M., dated 23rd August 1897.

Recorded, pending receipt of the remarks of the Commissioners.

(True Extract.)

(Signed) G. S. FORBES,
Secretary to Government.

To the President, Municipal Commission, Madras.
" Accountant-General.

READ—also the following papers:—

From Lieutenant-Colonel Sir GEORGE MOORE, Kt., C.I.E., President, Municipal Commission, Madras, to the Secretary to Government, Local and Municipal Department, dated Madras, 28th September 1897, R. No. 783.

With reference to G.O., Mis. No. 1847 M., dated 23rd August 1897, on the annual report of the audit of the accounts of the Madras Municipality for the year 1896-97, I have the honour to submit the following remarks:—

2. *Paragraph 4 (a)*.—The Auditors' suggestions cannot be accepted in their entirety. To issue bills as soon as the assessor has sent in his section books will be to ignore the provisions of sections 128 and 130 of the Act. The old system to which the Auditors refer has however been modified. Since April last what is being done is that bills are issued as soon as the appeal time prescribed by law is over in the case of all assessments, which have not been appealed against and in the case of the rest the bills are issued as soon as the appeals are decided.

3. *Paragraph 4 (b)*.—The present practice is this. The assessor on his rounds discovers the cases of unauthorized occupation and submits a report of this to the office. The report contains all the necessary particulars together with the extent of land occupied. These particulars are checked in the office and entered in a demand register and the bills are then issued. Adopting the Auditors' suggestion will (1) amount to transferring the power of assessment to the assessor, (2) necessitate the issue of blank receipts signed by the Revenue Officer. It is needless to add that such a procedure will open room to fraud and is objectionable from every point of view. There can be no demand book in the central office and no means of check over the work of the subordinates.

4. *Paragraph 4 (c)*.—The Accountant-General's remark is noted.

5. *Paragraph 4 (d)*.—It is not possible to submit the bills in the month following the quarter to which they relate. Every endeavour is being made to submit them as early as practicable. But delays occur at times, owing to disputes as to the correctness of meter readings and tests have to be made and the results noted. It is after all this is done that the bills can be framed.

6. *Paragraph 4 (e)*.—The scope of these payments does not appear to have been properly understood. The matter stands thus. All applications for licenses under section 420 of the Act are in the first instance submitted to Revenue Department accompanied by the necessary fees. The Revenue Department transfers these applications to the respective departments of the municipality holding the money tendered with the application in deposit. If the department to which the application was referred refuses the license, the money is returned to the payee. The document given to the payee in support of the payment pending issue of the license is headed thus

"Deposited by"—*vide* sample form submitted. Under section 2 of the Stamp Act of 1879 receipts granted in support of money deposited are exempt from stamp duty.

7. *Paragraph 4 (f)*.—The rent being irrecoverable will be written off.

8. *Paragraph 5*.—The alterations were already made.

9. *Payment for occupation of Municipal Lands*.—It has been the practice hitherto for the Revenue Officer to sanction all writes off. But I passed an order on the 30th April 1897 on the representation of the present Revenue Officer that the old practice should be discontinued and the standing committee should sanction such writes off.

10. *Paragraph 5—Rent on Municipal Lands*.—Noted.

11. *Paragraph 6*.—A statement will be submitted for sanction in the ordinary course.

12. *Paragraph 7*.—These remarks have been noted.

13. *Paragraph 8 (a)*.—The increase was given as a special case in consideration of the income accruing to the municipality by the sale of vaccine lymph, which is the result of the additional work done by the Deputy Inspector. This has been explained to Government in a special note in the budget and has been duly sanctioned by them. Special sanction of Government under these circumstances is not considered necessary.

14. *Paragraph 8 (b)*.—The wages of the out-door foreman are charged to works, which are supervised by him and the same have been provided for in the sanctioned estimates under supervision. Under the circumstances, sanction of the Government was not considered necessary as this appointment is temporary and its cost is charged to labour.

15. *Paragraph 8 (d)*.—His work has since been increased and will further grow on account of the drainage works.

16. *Paragraph 8 (e) 1, 2, 3*.—The President was authorized by G.O., No. 219-A M., dated 15th February 1897, to arrange for the necessary establishment.

17. *Paragraph 8 (f)*.—The sanction of the standing committee has been applied for.

18. *Paragraph 8 (g)*.—Health Officer occasionally attends musters and always does so when any special reason for it arises. He cannot do more without detriment to more important work. The work could be equally well done by any trustworthy officer and does not require special sanitary qualifications.

19. *Paragraph 10 (2)*.—

Item 5, will be adjusted accordingly.

Item 7, since adjusted.

Item 13, do.

Item 29, due to the absence of the contractor.

Item 29, since recovered.

Item 42, this is being attended to.

20. *Paragraph 10 (3)*.—Noted.

21. *Paragraph 10 (4)*.—

Item 9, bill prepared and sent for collection and noted for future action.

Item 18, the amount advanced has since been recovered.

Item 24, subsequently recovered.

Item 32, bills are being prepared.

22. *Paragraph 13*.—

Item 5, the amount was already returned to the toll farmer and the matter adjusted.

Item 10, most of these items have been adjusted.

Item 11, this is being attended to.

23. *Paragraph 16*.—The delay is due to the late submission of the landing contractors' bills, which cannot be avoided until a clause is introduced in the contract imposing a penalty for not submitting bills in time.

From Lieutenant-Colonel Sir GEORGE MOORE, *Kt.*, C.I.E., President, Municipal Commission, Madras, to the Secretary to Government, Local and Municipal Department, dated 5th November 1897, G. No. 337.

With reference to paragraph 6 of the Auditors' report, No. L.F.D.—333, dated 14th August 1897, on the accounts of the municipality for 1896-97 and to my remarks thereon in my letter to Government, R. No. 783, dated 28th September 1897, I have the honour to forward herewith an extract from the proceedings of a meeting of the Standing Committee held on 1st October 1897, recommending for sanction the expenditure in excess of revised estimate grants for 1896-97, amounting to Rupees 13,284-8-5, confirmed by the Commissioners at their general meeting held on 27th October 1897, and request that Government will be pleased to accord its sanction for the excess.

ENCLOSURE.

Extract referred to.

Read statement of expenditure in excess of revised estimate for 1896-97 amounting to Rs. 13,284-8-5.

Resolution.—Recommended for sanction.

ORDER—No. 2796 M., dated 14th December 1897.

Recorded, with the following remarks:—

(1) The explanation of the delay in the submission of bills for payments for water used for non-domestic purposes, offered in paragraph 5 of the President's report, cannot be accepted as altogether satisfactory.

(2) With reference to the President's remarks in paragraph 6 of his letter, it is observed that receipts granted by the municipality in the cases therein referred to do not fall under the second schedule (incorrectly quoted as section) to the Stamp Act I of 1879, as article 15 (h) thereof applies only to receipts given for money, or securities for money deposited in the hands of any banker, to be accounted for. The suggestion made by the auditors in paragraph 4 (e) of their report should, therefore, be adopted in future.

(3) The excess expenditure, referred to in paragraph 6, will be admitted in the accounts. It is, however, desirable that the reasons for exceeding the sanctioned allotments should be explained in future.

(4) With reference to paragraph 8 (a), (b) and (e) of their report, the attention of the auditors is drawn to the President's remarks in paragraphs 13, 14 and 16 of the President's letter. The appointment of a temporary out-door foreman on a salary of Rs. 4 per diem is, however, in the opinion of Government, unnecessary and should be discontinued, as the supervisors and the overseers attached to the Public Works and Sanitary departments should be able to do all out-door supervision.

(5) The Government agrees in the remarks of the auditors in paragraph 8 (c) of their report.

(True Extract.)

Ag. Secretary to Government.

To the President, Municipal Commission, Madras.
" Accountant-General.

First copy sent
-2-12-97.

Return

LOCAL AND MUNICIPAL DEPARTMENT.

Papers to be read in Proceedings:—

150

Again G.O., No. , dated 189 .

Again G.O., No. , dated 189 .

Current No. 3386-m of 1897, dated 14th August 1897, from the Accountant General

„ „ 3841-m „ 1897, „ 5th November 1897 „ the President. m. c. Madras.

„ „ „ 189 „ „ „ „

PS ORDER. n^o. 2796 m of 14-12-97

Recorded with the following
remarks:—

(1) The explanation of the delay
in the submission of the bills for
payments for water used for non-
domestic purposes, offered in paragraph
5 of the President's report, cannot be
accepted as altogether satisfactory.

(2) With reference to the President's
remarks in paragraph 6 of his letter,
it is observed that receipts granted
by the Municipality in the cases there-
in referred to, do not fall under the
second Schedule to the Stamp Act of
1879, ~~(not section 2 as stated by~~
~~the President)~~ ^(incorrectly quoted as section) as article 15 (h) there-
applies only to receipts given for money
or securities for money ~~det~~ ^{to be}
the hands of a

accounted for. The suggestion made by the auditors in paragraph 4 (c) of their report should therefore be adopted ⁱⁿ the future.

(3) The excess expenditure referred to in paragraph 6, will be admitted in the accounts. It is however desirable that the reasons for exceeding the sanctioned allotments should be explained in future.

(4) With reference to paragraph 8(a), (b) and (c) of their report, the attention of the auditors is drawn to the President's remarks in paragraphs 13, 14 and 16 of the President's letter.

The appointment of a temporary outdoor foreman on a salary of Rs 4 per diem, is however in the opinion of Government, unnecessary and should be discontinued, as the Supervisors and the Overseers attached to the Public works and Sanitary Departments should be able to do all outdoor supervision.

(5) The Government agrees in the remarks of the auditors in paragraph 8(c) of their report.

1/12/97

HT

14 12 97

To
The President - M. C. Madras
Accountant General
Dated 13/12/97

First copy sent to Press. 15-12-97

MUNICIPALITY OF MADRAS.

Revenue Department _____ Branch _____ 189 _____
Madras.

Deposited by _____

of _____
the sum of _____
pending the disposal of his application for license for using No. _____ in
_____ Street in the _____ Division as _____
for the year 189 -9 , which, if sanctioned, will be duly issued in the
Department, on payment of such additional sum if any, as
may be fixed and of which due notice will be given to him by that Department.

Rs.

Examiner.

Issue Clerk.

Shroff.

R. No. 234
6,000

Accountant.

Asst. Suplt.

Poster.

Revenue Officer.

Info. 27/12/97
15-12-97

Shankar PR
Th/12/97

Vide para. 8(b) of the Auditors' Report.

BY ORDER OF GOVERNMENT

BY ORDER OF GOVERNMENT

INTEND WITH DITTO.

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IN ORIGINAL.

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