

Marine (1899) Department.

✓ G.O., No. 458 Marine

DATED 29th May 1899.

R.

127
29 May 1899

[Despatch Abstract.]

Audit of ^{the} Madras Harbour Trust
Revenue Accounts

Letter from the Chairman forwarding with remarks, copy of his letter to the Accountant General dealing with the various details noticed in the —
recorded.

1/6/99

BACK PAPERS.

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

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
.	850	Acct.	22-11-00				
-	522	"	2-7-00				
-	903	"	25-7-99				
-	782-3	"	18-8-99				
-	514 & 514	"	10-6-99				
⊗ {	311	"	6-4-99				

Marine (1898) Department.

CURRENT No. 554

Order

Recorded.

From

The Chairman,
Harbour Trust Board,
Madras.

No. 65
E

Dated 21-4-99

Despatched 25-4-99

Received 28-4-99

Enclosures one

Spare copies

SUBJECT.

Remarking on the various
calls of audit referred to in
Accountant General's audit
for 1897-98.

FURTHER PAPERS.

READ the following:—

Circulated to

FOR ORDERS

2. No special orders of Government
went on these ~~trifling~~ matters seem
called for. The Board is taking all
requisite action, and has addressed
Government separately on the
question of the reorganisation of its
various

various

various Departments and their Executive
Control, the amalgamation of the
audit of the Revenue Accounts
and the Works Maintenance accounts,
and on the question of a Concurrent
audit.

R.R.

L. H. H.
2-5-99
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MADRAS HARBOUR TRUST,
14th April 1899.

No. 65.

FROM

THE CHAIRMAN,

HARBOUR TRUST BOARD,

Madras.

TO

THE ACCOUNTANT-GENERAL,

Madras.

SIR,

I have the honor to acknowledge the receipt of your letter dated 17th March, No. 1057, forwarding your audit report upon the Harbour Trust Revenue Accounts for the year 1897-98.

2. Your para 3.—Applications for the removal of goods frequently remain in the hands of owners for several months till clearance is complete, and are consequently liable to be wrongly filed or mislaid. Full details are recorded in the registers at the time applications are put in.

3.—Your para 4.—The reorganisation of the Trust's various Departments has been under the consideration of the Board since the middle of February last, and proposals have been submitted to Government regarding the future duties of the principal officers of the Board. Your remarks regarding the Cash Department will receive attention when the broad principles of future control have been settled.

The separation of bill counterfoils was carried out at the suggestion of a former Chief Superintendent of your office during the course of audit for the convenience of merchants. The practice will be reconsidered in connection with your remarks.

In view of the deficit discovered last July in the late Cashier's cash balance, it is clear that the check exercised over the receipts was not satisfactory. It has since been improved, but the Board has a thorough reorganisation in view, and your report under this head will be of much value in assisting the Trustees to arrive at a decision.

4. Your para 5.—Although the Traffic Manager signs the bills in the case of Deposit, Guarantee, and Government transactions, the actual receipt is always granted by the Cashier, who on payment of dues endorses the bills "Received payment," and thereby acknowledges the receipt of the money. No cash for our dues is ever paid to the Traffic Manager, whose signature could not be taken as a receipt for money paid, but merely as hitherto since the constitution of the Harbour Dues Department under the late Master Attendant to indicate that he was satisfied that dues had been properly levied. The Traffic Manager cannot, however, himself exercise any efficient check over the calculation of dues or the preparation of the bills, and the question whether he should continue to sign any bills at all will be taken into consideration. It would appear to be more in keeping with his duties merely to give the order to pass the goods when he is satisfied that dues have been paid by the production to him of receipted bills, or in the case of Government, Deposit and Railway ("Guarantee") transactions that they came under one or other of those classes and that dues will be levied against the parties concerned.

5. Your para 6.—The account sales for Rs. 446-3-8, December 17th, 1897, appertained to the Engineer's Department, and the voucher being required by the Examiner, Public Works Accounts, was sent to the Board's Engineer in support of the sale of unserviceable tools and plant. This was brought to the notice of your audit clerk, and the voucher itself could have been produced from the Engineer's Office had he requested that such should be done.

6. Your para 7.—The ticket books referred to are used for the levy of small sums, chiefly from passengers landing and embarking at the port, to whom it would be a great inconvenience were they compelled in connection with their baggage to go through the usual routine as in the case of merchants importing and exporting goods.

These books are kept by the Chief Accountant in his safe when printed, are all numbered, foil and counterfoil, in printed figures, and it is the duty of the Chief Accountant to see that all issued are accounted for. The two counterfoils of books for 4 annas each have been mislaid since their return, but the cash received upon them has been fully accounted for. The books appear to have been mislaid after check with the cash book in the Cash Department.

7. *Your para 8.*—Instructions have been issued that the collections of the Cassimode market rents are in future to be credited in full, instead of Municipal taxes being deducted as hitherto and the net amount only brought to account.

8. *Your para 9.*—You are in error in supposing that the annual rental value of the Trust properties amounts to about Rs. 3,000 per annum, while only Rs. 639-5-0 were collected during 1897-98.

The list to which you refer was prepared by the Deputy Collector of Madras, and the Chief Superintendent was informed in the Secretary's letter No. 4503, dated 21st February 1899 forwarding it, that it was not guaranteed to be correct, and that the matter was under investigation. You are correct in stating that prior to the order of Government, No. 491, Marine, dated 2nd November 1887, Mr. Pinsent paid Rs. 150 per mensem for the house in question, which, under that G. O., he has since occupied free, and it is not known whether the Deputy Collector is accurate in now assessing the value at Rs. 60 to Rs. 80 per mensem. It is probably understated.

The huts and lands referred to by the Deputy Collector as *occupied*, are inhabited by boatmen and fishermen who have been allowed free sites for their huts from time immemorial, the huts themselves are the property of the men, and this was the chief point then under enquiry referred to in the Secretary's letter above quoted. The house occupied by the Deputy Traffic Manager is not a pukka stone building. It was constructed from the debris of another bungalow previously in the occupation of the Deputy Traffic Manager, which was washed down by the sea in 1887, and the Deputy Traffic Manager has since occupied the house under the Board's resolution referred to by you. Mr. Hutchence vacated it when promoted, to Traffic Manager, in favour of Mr. Lloyd who was at the same time appointed Deputy. Coopoo Row Naidu, Head Writer, Cassimode, occupies a tiled house under orders. He objected to live there, but was compelled to do so in the interests of the Trust.

I am at a loss to understand the statement in the concluding portion of this para relating to the Biden Home, that the "actual rent paid by each occupant is not known." A bill book is maintained and the exact amount paid can be ascertained at any moment. There are four sets of quarters, one of which has been permanently occupied by the Superintendent. The other three are usually rented to the three Harbour Masters, but only Mr. Evans has lately been living in the building. The rent of the quarters occupied by him is Rs. 25 per mensem. The two upstairs sets of rooms are rented at Rs. 45 each per mensem, and in the absence of the Harbour Masters were rented at those rates to a Mr. Kelly and family, and Mr. Macrae of Messrs. Spencer and Co. No such person as Mr. Frank of the Madras Bank has rented quarters at the Biden Home.

9. *Your para 10.*—Payment of gang coolies on chits prepared by the Preventive Officer who has actually seen the work done and passed by the Traffic Manager is the practice which has been in force since 1890, and it has worked satisfactorily. Coolies are paid at once, as soon as possible after their work is completed day by day. Men of this class who are dependent for their food upon their daily wages cannot be expected to work one day and wait about the next day to be paid for the previous day's work. They would in such case require higher wages. I cannot imagine any other possible system unless the pay of the Preventive Officers is increased.

Your para 11.—The certificate suggested can be printed on the coolie chits. The coolies are unable to write and their own acknowledgments of payment are of little value. They do their work, get their pay and go away. Some days there is work for a large number of men, and the next day very few may be required. The system of prompt payment day by day has enabled the Trust to obtain a good supply of men as required.

10. *Your para 12.*—Orders were issued some time since to make all refunds by cheque whether large or small, but the headings in the Accounts Department Ledgers introduced by the Accountant-General in former years were unsuitable. This defect has been corrected in the new books for the current year and all refunds will in future be made by cheque.

11. *Your para 13.*—The coolies Provident Fund is intended for the benefit of all coolies working for the Trust. A contractor employing coolies for the Trust, can obtain no benefit from the Fund,

In cases of accident payment is made only upon medical certificate; and for domestic occurrences, such as births, marriages and deaths, each claim is considered by a panchayet of coolies and every coolie jealously safeguards the Fund, which it has been explained to them is their own money. It is impossible to keep nominal rolls or marks of identification of such persons as coolies working in gangs under maistries or contractors, but contributions towards the fund are always deducted from coolie hire, and the Fund has benefited largely by these deductions from such gangs. The Fund is in a very healthy condition; the credit balance has increased year by year; and it would be a mistake to loosen the hold which the Trust has over all coolies by excluding any particular class from its benefits, indeed it would be impossible to draw the line, as any coolie may one day work in class (a) and the next in class (b), or *vice versa*; or may be working elsewhere.

12. *Your para 14.*—The sanction of the Chairman to rates paid is sufficient, and these may be varied at his discretion; it is not necessary to print a new schedule every time he sees right to vary his previous orders. The sanction of the Chairman produced should have been sufficient for the purposes of audit; it is not necessary to refer such details to the Board. The rate quoted by you (3), loading sleepers into railway wagons, is inaccurate. It is neither one anna nor one anna six pies per hundred, but one anna six pies per ton. One hundred sleepers weigh over three tons.—

13. *Your para 15.*—Of the six petty vouchers noted as wanting from the file, four have been found, and are available for the inspection of your audit clerk. Two are still missing, Nos. 439 of 12th November 1897, and 627 of 21st December 1897, each for two annas jutka hire paid to the Police for conveying wounded coolies to the North Black Town Hospital. The portage accounts are audited daily by the Accounts Department; and these petty vouchers were produced. They have been mislaid since.

14. *Your para 17.*—Neither the Customs authorities nor the Harbour Trust note the delivery of packages into the Custom House. To do so at the entrance gate is impossible. Goods are tallied on the beach or pier as landed, and the Board is responsible that all are subsequently delivered to importers. The Customs and the Trust both maintain a register of deliveries from the Custom House, but these are independent of each other, and the reason why it is suggested that the Customs should attest the Board's account is not understood. Your remarks appear to be based on a misapprehension.

15. *Your paras 19 and 20.*—The three *Equifex sprayers* were obtained as a plague precaution. The cost Rs. 627-1-3 is within the limit of the Chairman's authority of sanction, and the previous approval of the Chairman's action by the Trustees was not required.

The supply of uniforms to Preventive Officers and other employés is annually sanctioned by the Chairman on the same scale year by year, but may be varied at his discretion.

16. *Your paras 21 to 23.*—The continuance of the practice of levying dues on coal less 2½% allowance for wastage was approved by the Board in its Resolution No. 4, dated 23rd August 1891, and coolie charges have before and since then been paid upon the same basis. In 1897 it was proposed to employ contractors to handle coal and general cargo. Tenders were advertised for, and forms of contract for the respective works were approved. In the draft agreement for coal the following clause occurs:—"Each consignment of coal, coke or patent fuel shall be considered to consist of the amount thereof mentioned in the ship's manifest or Railway way bill as the case may be less 2½ per cent, and all payments to the contractor shall be made on this basis"—*vide* Board's proceedings No. 5, dated 18th June 1897.

No general contract was accepted, it being decided to continue the then existing arrangement. Board's meeting, 30th July 1897, resolution No. 14, that is, separate contracts entered into by the Chairman for each cargo as it arrived. The basis of payment as above stated was continued.

The Trust has now given up the portage of coal as from the 1st April 1899.

17. *Your para 24.*—The accounts to which you refer are in respect of coal imported by Messrs. Best & Co., and delivered by them to the Madras and South Indian Railway Companies. The cargoes or part cargoes delivered to the Railways were not weighed, therefore the accounts could not be more explicit.

18. *Your para 25.*—If the Superintendent of the Government Press would undertake to check the bills for printing work done for the Trust, I should be much obliged to him. A scale of rates was, however, fixed with the Scottish Press by Mr. LeFanu in 1895. The bills for the months of May, June and

July 1897 appeared rather higher than usual, and they were sent to the Superintendent of the Government Press with a request that he would be good enough to scrutinise them, which he did, and returned them countersigned. I do not know, however, that he would be authorised to do this regularly.

19. *Your para 26.*—This is an instance of difficulty arising from two Auditors being appointed to audit the Board's accounts. The rails in question were received by the Engineer and brought into his stock account. The Examiner, P. W. Accounts, is aware that the rails were actually received, as the item has been audited by him in the Engineer's accounts. The corrugated galvanised iron sheets, also purchased for the unclimbable fencing, likewise appertain to the Engineer's stock account.

20. *Your para 27.*—Mr. Atkinson lately enquired into the question of reducing telephonic charges and arranged for the Secretary's office to work on a switch from the Traffic Manager's office. A small saving was effected for a short time, but the Agent of the Telephone Co. promptly raised his charge for the latter connection and the separate connection was thereupon restored. The mercantile public constantly make use of the instruments in the Traffic Manager's office and at the Pier head, and speak direct with their employes. Your suggestion to have a central instrument where messages could be received as in Government offices would not suit the mercantile public, and the employment of a special clerk to transmit messages departmentally would entail extra expense for his salary and for messengers, added to which the promptitude of telephonic communication would be impaired. The telephone at the Pier head is used almost exclusively by merchants in connection with the shipment of cargo. All the rates of subscription have been fixed on reduced terms, and the Agent of the Company could, as in the case quoted above, increase his charges.

21. *Your para 28.*—You are in error in stating that surveys in connection with claims for damage to packages are conducted by the Harbour Trust Preventive Officers. All surveys in the Custom House are held in the presence of the Board's Assistant Traffic Manager. The Customs official referred to attends for the purpose of noting any shortage upon which duty may be leviable. Periodical returns are made to the Collector who thereupon bills the Trust for duty. There does not appear to be any object in the two independent accounts being merged one with the other. On the contrary it would appear advisable to keep them distinct, as they are now an independent check the one upon the other.

22. *Your para 29.*—The sum of Rs. 5 referred to was with the late Cashier, and has been recovered from his security. A similar sum of 9 annas recovered from the same man has escaped your notice.

23. *Your para 30.*—The schedule of staff is sanctioned annually by the Trustees under section 21, Act II of 1886. The increase from Rs. 43,000 in 1890-91 to Rs. 63,000 in 1897-98, is due chiefly to portage charges, and to Engineer's establishment. The variations and additions have been explained in the Administration Reports for the period referred to year by year. The Trustees have the question of establishment now under consideration.

24. *Your para 31* appears to be decided by para 16 of the resolution of the Government of India, No. 4847 Ex, to which you refer. Government will be addressed as suggested.

25. *Your para 33.*—The question as to whether you should hold the securities of the Trustees instead of their being deposited for safe custody in the Bank of Madras will be placed before the Board for consideration.

26. *Your para 34.*—Works executed by the Board's Engineer, paid for from revenue funds, are audited by the Examiner P. W. Accounts.

27. *Your para 36.*—The bill from the Board's Solicitors for Rs. 1,888 is between attorney and client and does not come before the Taxing officer of the High Court.

28. *Your para 37.*—Provident Fund Account. Policies, the premia on which are partly paid from Provident Funds, have, in accordance with Rule 7, been approved by the Trustees or by the Chairman on their behalf.

29. *Your para 38.*—Deposit Account. A separate register is maintained of Government paper deposited as security for the payment of Harbour dues. The entries can be brought into the cash book as you so desire.

30. *Your para 41.*—Section 44, Act II of 1886, is misquoted; the provision referred to contained in this section is that your report shall be "published in one or more of the daily newspapers," not one or more of the leading newspapers; to do so would involve a considerable expenditure altogether unnecessary.

The object of the Legislature appears to have been to make provision for the public to be apprised of the financial position of the Board at least once a year, and in the case of debentures being issued this is very necessary; but the Trustees of this Harbour record the monthly balance sheets in full in their minutes, and the public are informed monthly of the financial position of the Trust through the columns of the Gazette.

31. I would here point out that most, if not all, of your remarks above replied to could, in my opinion, have been better dealt with during the course of audit; and it is of little practical value to the Board, when irregularities are brought to notice so long after they occur.

I would enquire whether you cannot arrange to conduct the audit of the Trust's accounts concurrently month by month, and to bring to my notice such matters as you may consider should receive my attention. Your audit report would then assume the form adopted by the Accountant-General, Bombay, and the Examiner of Local Accounts, Bengal, that is, merely a certificate of the correctness of the accounts as passed by you; this would save a considerable expenditure for publishing it, while the public would obtain full information under the guarantee of your signature as to the financial position. The cost of publishing the whole of your remarks *in extenso* is incommensurate with the public advantage of doing so. I send for your information a copy of the Bombay and Bengal Audit reports. The law in both these Presidencies on this point is practically the same as in this Presidency.

I have the honour to be,

Sir,

Your obedient servant,

HERBERT BRADLEY,

Chairman,

Harbour Trust Board.

Harbour Trust Office.

MADRAS, 21st April 1899.

Despatched 25th April

No. 65
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FROM

Herbert Bradley Esq I.C.S.,

CHAIRMAN, HARBOUR TRUST BOARD,

MADRAS.

To

Colonel A.W. Smart R.E.,

AG. SECRETARY TO GOVERNMENT,

Marine Department.

Sir,

I have the honour to acknowledge the receipt of G.O. Marine No.311 dated 6th April, and I submit herewith for the information of Government copy of my letter to the Accountant General No.65 dated 14th idem which deals with the various details of audit referred to.

2. The Bombay and Bengal audit reports referred to in the latter portion of para 31 are merely the audit certificates appended to the accounts of the Port Trustees Bombay, and Port Commissioners Calcutta, at which places petty details such as are referred to by the Accountant General Madras in his report are brought to notice during the course of audit and receive immediate attention; it is of little practical value to the Harbour Trust when petty isolated irregularities are brought to notice so long after they occur.

3. Details of the reorganisation of the Board's various Departments can be settled by the Trustees when Government has passed orders on my letter No.28 dated 10th April 1899 regarding control.

4. Exchange compensation allowance. As remarked in my para 24 the principle involved appears to have been decided in para 16 of the resolution of the Government of India No.4847 Ex.to which the Accountant General refers.

Mar 24 554/99

*W.L.G. 5.
in line*

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8-1-99*

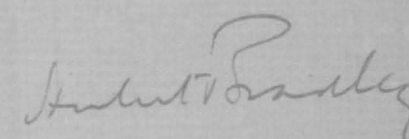
The individuals employed by the Trust to whom exchange compensation has been granted were in the first instance somewhat numerous; but there now remain only the Secretary, Engineer, Traffic Manager, and Deputy Traffic Manager; reductions of Establishment in the Engineer's Department having relieved the Trust in all other cases; and an European Engineer lately employed for the Dredger "Wenlock" has been specially engaged without this allowance. The Traffic Manager is about to retire. European qualifications are not necessary in the case of the Deputy Traffic Manager, and his allowance will be absorbed in any promotion the individual now drawing it may hereafter receive.

European qualifications are necessary in the Secretary; and Engineer as long as Harbour construction is in progress, and it is necessary to employ an officer of the standing of the Board's present Engineer.

I have the honour to be,

Sir,

Your Obedient Servant,



Chairman,
Harbour Trust Board.



Secy.

