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MADRAS RECORD OFFICE.

Government of Madras.

Public Works **DEPARTMENT.**

G.O. No.	95	Press
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Dated	18 64.	

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
11th January 1864.*

No. 196. Read the following Proceedings of the Governor General of India in Council, Public Works Department dated Fort William, 8th December 1863, Circular No. 62 :—
Disposal of arrear accounts of the Public Works Department.

Read the following paper :—

No. 1, dated 23rd November 1863.
From the Commission on Public Works Accounts, to Officiating Secretary to Government of India, Public Works Department.

1. In the course of our enquiry into the Public Works Accounts, so far as it has gone, we have ascertained that considerable outstanding balances exist in the Controller's books which have to be adjusted, over and above the ordinary outstanding accounts of disbursing Officers which are under audit and adjustment in the course of current procedure; and without committing ourselves to any opinion as to whether it is desirable to introduce any changes into the present system of account, we desire to submit that it would greatly tend to facilitate such a measure, should it eventually be determined on, if these outstanding balances were cleared of to the greatest possible extent during the present official year.

2. These balances consist of two kinds; 1st, the balances standing in the Suspense Account, which consist of expenditure passed to the credit of the disbursers, but which have to be cleared by bills for completed works; 2ndly, the balances standing against the disbursing Officers, which consist of cash, advances, retrenchments, and corrections.

3. We are unable at present to state the amount of these balances on the Suspense Account for all India, but the Inspector General at our request has called for the information from his Office; but we may mention that in Bengal they amount to 80½ lakhs, and although, as we are informed, these balances are exceptionally high, still they appear to be very considerable everywhere.

4. It appears that, under existing procedure,* the expenditure of the year on completed works, repairs, and establishments is taken credit for in the account current of the year, so that the accumulation of these arrears is prevented for the future; the present balances arise from the expenditure of previous years, when a more detailed mode of clearing the accounts was in force which, under late orders of the Government of India in the Financial Department, has been re-placed by the simpler arrangement noted above.

5. The delay in disposing of these arrears appears to consist, 1st, in the difficulty of obtaining the vouchers required to complete the accounts in the form prescribed for audit, viz., a properly certified statement of the actual measurements of each completed work; 2ndly, in the fact that many of the works in question have exceeded the sanctioned estimates for them; and that in all such cases the Controller is obliged to submit the case to Government for orders before passing the charge, with a detailed explanation of the causes of such excess.

6. It has been explained to us that extreme difficulty often arises in obtaining a proper completion report (return of measurements) in the case of works completed in past years, by reason of the changes which have occurred in the Executive Staff of the Department, and, as there appears to be no sort of question as to the work exhibited in the accounts having been actually executed (since it was carefully audited and certified to before being passed to the credit disbursers), we are of opinion that no useful purpose will be served by withholding the adjustment of the accounts for the sake of mere formal documents which are made no real use of; while, as regards the works which have exceeded the estimates in cost, and the bills for which require the detailed sanction of Government, as there can be no doubt that these bills must be passed eventually, it seems very undesirable to burden the Public Works Books with these balances for an indefinite time. The facts regarding any case of excess can be brought before the notice of Government by a special report quite as clearly as by a bill, and nothing appears to be gained by keeping the items on the Public Works Books while the matter is under consideration.

7. We therefore recommend that the whole of the balances for completed works at the debit of the Public Works Suspense Account be written off in the accounts for 1863-64, in the form of Bill lately sanctioned for the accounts of 1862-63, which will bring every case of excess clearly to notice.

8. If this be done, the balance at the debit of the Public Works Suspense Account will then consist only of the expenditure in works not completed, and of the value of the stores on hand, and payments on account to contractors for value received.

9. We have next to consider the balance standing against the Engineer or Disbursing Department. This consists of :—

- 1st.—Retrenchments, including clerical errors.
- 2nd.—Unsecured advances.
- 3rd.—Cash.

10. It appears that the practice of retrenching has been abolished in all but very extreme cases since 1861,† so that the existing outstanding retrenchments almost all belong to an earlier period. It appears certain that the great mass of these would not have been made under the existing procedure, while it is equally certain that the difficulty of obtaining satisfactory explanations in regard to them has been rendered very great, if not insuperable, by the length of time that has gone by since they were made. We therefore recommend that all such outstanding retrenchments be dealt with as

† P. W. D. Circular 102 of 1861.

*Proceedings of the Madras Government, Public Works Department,
11th January 1864.*

such cases are now dealt with, and that all charges retrenched against disbursing Officers, which appear to the Auditors to have been *bonâ fide* expended, be now written off to their credit. A list of the items might be furnished to Government for information.

11. We further recommend that retrenchments made for clerical errors be dealt with in a similar way. The amount outstanding on this account is but small, and it appears unnecessary to adjust such corrections when any length of time has elapsed, and when the amount involved is too trifling to be of importance.

12. Unsecured advances, by which we mean advances made without security, or which have not been worked off, must needs remain at the debit of the disbursing Officer.

RESOLUTION—The Governor General in Council considers that the Commissioners have fully established a case for the measure which they propose, viz., to clear off the arrear balances now standing at the debit of the Public Works Suspense Account, for expenditure on works which has been passed to the credit of disbursers, but has not yet been written off against Government, and the balance outstanding on account of former and present disbursing Officers. The balances have been accumulated under a system of audit no longer in force; and it being understood that the occurrence of such a state of arrears, or of any arrears, is impossible, if the rules now in force are properly acted upon, His Excellency in Council considers it desirable to relieve the Public Works Accounts Offices of the burden which is caused by the maintenance of these long-standing balances on the books, and is pleased to order that they shall be disposed of in the accounts of the current year in the manner proposed.

2. But although it is desirable to clear off these balances from the Public Works Books, it is still quite necessary that the items of which they are composed should be properly scrutinized. As regards the balances of the Suspense Account, the items will be cleared by a Bill of 1863, showing the excess of the cost of every work above the estimate or sanction, which excess is the cause of the item being still on the books. It will be the duty of Local Governments and Administrations to call for explanations on such points as appear necessary, while a list of the items, which, under ordinary circumstances, would require the sanction of the Government of India, before being passed, is to be submitted to the Government of India with such information as appears necessary to explain the case, or as can be obtained.

3. As regards the balances at the debit of the Engineer or Disbursing Department, all *bonâ fide* expenditure is now to be written off; a clear statement of the items being submitted to the Government of India through Local Governments and Administrations. Doubtful cases, especially those in which there is any suspicion of malversation on the part of any subordinate person, should be submitted for the orders of the Government of India.

4. The Governor General in Council is further of opinion that all the outstanding accounts of the old system against Public Works Officers in the Books of the Accountant General and Deputy Accountants General should be at once cleared off. The nature of these outstanding accounts is explained in the accompanying Note by the Inspector General of Public Works Accounts; they are generally of much older date than the balances on the Public Works Books, and no useful result can arise from retaining them on the records.

Ordered, that a copy of the above Resolution be forwarded to Local Governments and Administrations for information and guidance, and for the early submission of the returns called for in paragraphs 2 and 3.

Also to the Inspector General of Accounts, for the submission of a draft Circular to the Public Works Controllers containing the necessary detailed instructions for giving effect to the above orders.

Also to Deputy Auditors General as authority for the final audit of the bills referred to in paragraph 3 in the annual accounts of 1863-64.

Also to the Financial Department for the issue of the necessary orders in regard to the outstanding balances under the old system, referred to in paragraph 4.

(Signed) J. P. BEADLE, Lieut.-Colonel, R. E.,
Offg. Secy. to the Govt. of India.

Copy forwarded for information to the Government of Madras.

(Signed) J. P. BEADLE, Lieut.-Colonel, R. E.,
Offg. Secy. to the Govt. of India.

No. 197.

ORDER THEREON, 11th January 1864, No. 95.

Ordered to be recorded.

(True Extract.)

(Signed) CHARLES A. ORR, Colonel, R. E.,

Secretary to Government.

Exd. S. T. Augustin.

*Note by MAJOR G. CHESNEY, Inspector General of P. W. Accounts, on the
Balances outstanding against Public Works Officers in the Books of
Accountant General and his Department,—Dated 1st December 1863.*

These balances date back as far as 1842, and are the relics of a time when there were no Public Works Offices of Account, but Executive Engineers were in account directly with the Accountant General. They are almost entirely composed merely of items of account in adjustment, not of cash items, and may be classified thus:—

A. Bills for works audited and credited by Executive Engineer in his accounts with the Accountant General, but credit for which has not been afforded by the latter, from non-receipt of the bill.

B. Clerical errors in account.

C. Credits taken for Ordnance stores returned to Magazines, but withheld for want of vouchers.

D. Inefficient balances of cash, stores, and expenditure on works not accounted.

A large number of the balances belong to Officers deceased, and might be at once written off, whatever be their nature, there being absolutely no further information to be obtained.

As regards the remainder, a large number (75) belong to the North Western Provinces, and all the records connected with them have been swept away in the mutinies. Nothing can be elucidated by enquiry in these cases, there being absolutely no basis on which to rest enquiry; and these items might all be written off at once to much advantage.

As regards items relating to Officers still alive, and to Offices of which the records exist.

Items A.—The Officer is not responsible that the bill did not reach the Accountant, it not being his duty to send it. An Officer having taken credit for a bill as audited in his Account Current, the presumption is of the strongest that the bill *was* audited. All these items might be now written off.

Items B should also, I think, be written off at once. The amounts are, I believe, small in every case, and adjustment is now impossible.

Items C.—The same remarks apply as to items A. They might be at once got rid of.

Items D.—A Statement of these might be at once called for, and the orders of Government taken upon each case upon its merits.

G. CHESNEY, Major.

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CIRCULAR No. 62 of 1863.

PROCEEDINGS OF THE GOVERNOR GENERAL OF INDIA IN COUNCIL

PUBLIC WORKS DEPARTMENT,
Fort William, 8th December 1863.

General.
Accounts.

Disposal of arrear accounts of the Public Works Department.

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From the Commission on P. W. Accounts, to Offg. Secy. to Govt. of India, P. W. Dept.

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J. P. Beadle Lieut. Col., R. E.
Offg. Secy. to the Govt. of India.

*Copy forwarded for information to the Govt. of
Madras -*

M. M. S. L. C. O. R. E.
Offg. Secretary to the Govt. of India

2 copies to be

*Dr. J. N. 1867
Geo. W. Lee & Son*

From
the City of New York
to the
Honorable
the
Senate of the
State of New York

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the disposal of assets accounts
of the 1878.

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Mr. Boardman

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No. 95.

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11th June 1861