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MADRAS RECORD OFFICE

Government of Madras

Public Works DEPARTMENT

G.O. No. / B.P. No.	3005	Press / Mis.	Original
Dated	9- 11-	1876 -195-	

Not to be folded or roughly handled

Proceedings of the Madras Government, Public Works Department,
9th November 1876. *No.* 3,005.

No. 156. Read the following Proceedings of the Madras Government in the Financial Department, dated 11th October 1876, No. 1,822:—

ABSTRACT.—*Audit of Accounts.*—Auditor's report on the accounts of the Ootacamund Government Gardens including the Stonehouse and Sim's Parks, the Cinchona Plantations and the Lawrence Asylum, Ootacamund.

No. 157. ORDER THEREON, 9th November 1876, No. 3,005.

ACCOUNT, No. 14.

HIS GRACE the Governor in Council sees no reason for treating the buildings attached to the Government Botanical Gardens, Ootacamund, differently from other public buildings, the construction and repair of which are carried out by the Public Works Department.

2. From paragraph 12 of the report it appears that the so-called economy consists in charging the labor employed on such work to another head of account.

(True Extract.)

Major-General, R.E.,
Secretary to Government.

To the District Engineer, Nilgiris.
„ Financial Department.

Exd. E. C. Shunker.
Spare Copies

S.F.C.

Proceedings of the Madras Govt
Financial Department No. 1822,
dated 11th October 1876.

For Orders regarding the
subject of para 6.

From para 12 of the
Report it would
appear that the so
called economy is
more apparent than
real; consisting as
usual in the charge
for labour employed
on construction and
repair of buildings
being debited to some
other head. There is no
real

Japan Mint Money
Sent round -
MM

real reason why these buildings should be treated differently from any other public buildings:

Commdg Major Genl R.E.

Secy: to Government

928-2-76 No 227.

No 156

Recm. 6-11-76 Cir 3-11-76

Cir 31-10-76 Pole

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Proceedings of the Madras Government, Financial Department, 11th October 1876. No. 1822.

Audit of Accounts.

No. 84. *Read the following letter from the Officiating Accountant-General, to the Chief Secretary to Government, dated Fort St. George, 17th May 1876, No. 123:—*

Book Department.

With reference to G.O., Financial Department, No. 364, dated 21st February 1876, I have the honor to forward the report of Mr. Crawley on the Audit of the Accounts of the Government Botanical Gardens including Stonehouse and Sim's Parks, Chinchona Plantations, and the Lawrence Asylum on the Nilgiri Hills, and to submit the following observations.

2. *Botanical Gardens.*—In paragraph 7 Mr. Crawley notices that when remittances towards payment of purchases are made in cheques or postage stamps a discount is incurred by the gardens. Arrangements should be made by the Superintendent so that, in future, all remittances received should meet the sums due to the gardens as well as the discount occasioned by the realization of the cheques and stamps.

3. The proposal contained in paragraph 11 to substitute a book of counterfoil bill-forms for the Day-book and the Ledger does not commend itself to me. The latter only could show completely all transactions that appear in the Cash and Day-books, whereas there is no arrangement suggested as to how moneys received from the Treasury and sums realized by sale of garden produce on credit, and their remittance to the Treasury are to be shown in the accounts. I think, however, the number of personal heads of account in the Ledger might be reduced, since it would appear from inquiries I have made that the names of parties who make cash purchases are entered in the Cash-book, and hence an account for each name is opened also in the Ledger. This would be obviated by crediting all such receipts daily in one entry to the simple head "Sale of produce." If the sales are numerous every day, a simple memorandum book should be kept in which every receipt of money should, as it occurs, be entered, and the total, at the close of the day, taken to the Cash-book to the head mentioned above. If it is desirable to show separately the sale of vegetables, flowers, and seeds they can be entered in detail in the Cash-book, and in separate columns in the Ledger under the head specified.

4. I fully concur in the proposal made in paragraph 11 (B,) namely, that all sale proceeds from the gardens be remitted without any deduction to the Treasury to the credit of Provincial Services, and that all petty expenses, including charges for service postage labels which should be used for the official correspondence of the Superintendent, be met from a "Permanent Advance" to be allowed him, the same being recouped at the close of every month.

5. In regard to paragraph 12, it rests with Government to allow buildings to be constructed and repaired by the Superintendent. If there is no objection to the arrangement, I would suggest that the estimates be, in the first instance, passed by the District Engineer, who should also give a certificate of the completion of the work, in order that the Superintendent's bill might be accepted for audit.

6. The remaining remarks of Mr. Crawley have my approval.

7. *Chinchona Plantations.*—In the absence of any proper accounts the audit in connection with these plantations was not as satisfactory as could be desired. The

forms of accounts recommended to be rendered by Managers of Plantations and by the Superintendent himself for his cash transactions, as well as abstract forms to be maintained by him, will, it appears to me, enable him fully to account for all his transactions and render it practicable for a proper audit being effected.

8. *Lawrence Asylum.*—The several discrepancies pointed out should be rectified without delay.

9. In connection with this institution, I beg to inquire whether the Government pass a Budget annually; if so, to request a copy thereof may be sent to this office, and I solicit instructions whether expenditure should be limited to the grant allowed for each distinct service, or whether it is sufficient for the Auditor to watch that the total expenditure for all services does not exceed the total of the grants for the year.

From the Assistant to the Accountant-General, to the Officiating Accountant-General, dated 19th April 1876.

I have the honor to submit report upon the accounts of—

I.—The Government Botanical Gardens at Ootacamund.
II.—The Chinchona Plantation.
III.—The Lawrence Asylum.

I.—*The Botanical Gardens.*

1. These accounts are rendered monthly to the Commissioner by the Superintendent.
2. The books kept are Day-book, Cash-book, and Ledger.
3. These were examined for the year 1875-76 and were found to be very neatly kept. The irregularities noted below were mentioned to the clerk and brought to the notice of the Commissioner that they may be corrected for the future.
4. *The Vouchers* were not in

(*a*) Every case a complete acquittance. Receipt stamps for items above Rupees 20 were occasionally wanting.

(*b*) When bills are paid they should be so marked under initials of the Superintendent to prevent their being presented a second time.

(*c*) Also when items are disallowed on presentation of bills and the full amount of the bill is not paid, a corrected total should be struck in red ink on the bill in order that the Cash-book postings may agree with the bill total.

(*d*) For convenience of reference vouchers should be numbered and the numbers entered in the Cash-book in a column provided for the purpose.

5. *Acquittance Roll and Order-book.*—In a few instances the necessary receipt stamps for payments over Rupees 20 were wanting in the Acquittance Roll.

No Order-book for supplies from the gardens is maintained. It has been suggested that an Order-book is desirable in which the initials of those who require supplies on credit should be taken. At present when messengers bring verbal orders for supplies on credit they are sometimes attended to. Written orders should always be required unless the order is accompanied by cash.

6. *The Day-book* as has

(*a*) Already been noticed by this office includes cash transactions.

(*b*) Is posted as Debtor *by* and Creditor *to*, instead of Dr. to and Cr. by.

(*c*) The column for reference to Ledger folio appears between that for money items and that for the total. It should be next to the date on the left-hand side.

7. *The Cash-book*

(*a*) Is posted Dr. by and Cr. to.

Proceedings of the Madras Government, Financial Department,
11*th October* 1876. *No.* 1822.

(*b*) Contains items which are not genuine cash transactions, *e.g.*, A. B owes Rupees 10 to the gardens and the gardens owe Rupees 15 to him. This account is settled by a single cash transaction, viz., the gardens pay A B Rupees 5.

But the Cash-book is posted thus:—

Dr.		*Cr.*	
To A B	Rs. 10	By A B ...	Rs. 15

Again, when the garden receives payments by cheques or postage stamps discount is incurred by the garden, it cannot be recovered from the parties. In the Cash-book the gardens are debited with full receipt and credited with the discount they incur.

This manner of posting would be correct only if discount were defrayed from petty cash and full value of the cheque or stamps were received. What really occurs now is a short payment on account by parties who owe money.

8. *The Ledger*

(*a*) Need not be closed monthly but yearly.

(*b*) Should never be the original record of transactions, but should be actually posted up from Day-book and Cash-book.

Two items were found which show that it has not been actually so posted, *e.g.*, A B sends cash for flowers received. This was placed to his credit in the Ledger and the debit to which it corresponds was entered from memory; no corresponding entry being found on the credit side of the Day-book.

A wrong total was found in the Day-book, while the Ledger total of the same items was found correct.

9. The accounts are sent monthly to the Commissioner for audit who returns them after examination with a certificate of correctness. I would suggest that *the books themselves* should be initialled by the Commissioner as correct. At present there is no guarantee that the Auditor from this office sees the same set of books as that presented monthly to the Commissioner.

10. No Service Postage labels are used.

11. Having now remarked upon the accounts as they stand at present, I beg to submit two different ways by which the accounts of these gardens might be simplified:—

(A.) The first plan is one by which much copying would be avoided but which would retain every result of real importance which the present system exhibits.

Books of counterfoiled bill-forms might replace the Day-book and Ledger.

Dr. No. 27, Mr. Smith. *Cr.* No. 27, Mr. Smith. *Dr.*

		Rs.	A.	P.			Rs.				Rs.	A.	P.
January 18th	To Flowers ...	5	0	0	Feb. 25	By cash ...	10		January 18	To Flowers ...	5	0	0
	,, Vegetables	2	8	0						,, Vegetables...	2	8	0
	,, Seeds ...	2	8	0						,, Seeds	2	8	0
	Total ...	10	0	0		Total ...	10			Total ...	10	0	0

The book would be provided with an index by means of which any account required could be traced at once, *e.g.*:—

Name.	Number of Counterfoils.
Mr. Smith	27. 58. 94. 101.

Every counterfoil of which the account was fully paid would have its corner clipped so that the remaining unpaid could be seen at a glance.

This plan recommends itself as adapted to an establishment like the gardens where (i) the sales mostly consist of a few annas worth of flowers for cash, and (ii) where there is but a single clerk who has charge of all correspondence besides many other duties in addition to keeping the accounts.

(B.) There is an other plan which would still further simplify the garden accounts, viz, to abolish the present system of defraying expenses out of sale proceeds of the garden, to give a permanent advance of Rupees 100 for petty cash expenses, and to let all receipts from the gardens be sent direct to the Treasury either in sums of Rupees 100, or weekly or in any way which may be found most convenient.

12. With regard to cost of constructing, repairing, &c., it is found that work can be done more economically by the Superintendent than by the District Engineer, for the reason that the Superintendent can employ labor which is already on the spot, and also make his own bricks in the gardens.

13. The accounts of Sim's Park, Coonoor, and Stonehouse Park are merely those of expenses incurred in laying out the ground, &c. There are no receipts from the Parks themselves. The expenditure is now shown under separate headings in the Cash-book.

II.—*The Chinchona Plantations.*

1. No complete audit could be effected for the reason that the vouchers were irregular, and many absent altogether, some had been sent to this office.

2. No regular system of account has yet been established for the Chinchona Plantations; that is, Government has not yet prescribed any complete set of forms.

3. The Superintendent, Mr. McIvor, for his own convenience and satisfaction. has attempted to ledgerise all transactions.

This Ledger is complete as regards the four large heads of the four Chinchona Estates, *i.e.*, each of these accounts shows clearly what sums each respective manager of an estate has received from the Superintendent and what expenses he has incurred.

4. The reason that the accounts are not complete in detail and therefore somewhat complicated is this. Custom obliges the managers of the estates to make advances to the laborers, which advances are made not only in money but in grain. These advances are recovered by being worked off; but as they are constantly being renewed, a running account has to be maintained with each laborer, which is not finally adjusted until the laborer leaves; and it not unfrequently happens that the man leaves somewhat unexpectedly by running away.

I beg to submit for approval a set of forms which will, I think, satisfy every requirement.

5. I would suggest that a stock account of bark stored and ready for sale should be maintained and that the Superintendent might be officially informed of the realizations upon the bark sold at home.

III.—*The Lawrence Asylum.*

The accounts for 1875-76 were examined and found correct with the exceptions named below:—

Entries in the Cash-book were checked against the counterfoil bill-forms; but for readier reference these should be numbered.

In the Acquittance Roll were found some instances where a complete acquittance had not been taken from the party paid. It should also bear the initials of the Principal in token of correctness.

The Cash-book (1) need not be closed daily but monthly; (2), it should be posted as Dr. to and Cr. by, not Dr. by and Cr. to; (3), a column should be provided for reference to the counterfoils.

The Counterfoils (1) should be numbered; (2), when items are remitted from the bills and short payment is accepted in full, corrections in red ink should be made on the counterfoil and bear the initials of the Principal.

The books should be self explanatory. During the examination of the Cash-book an item was found on the receipt side—Mr. Barnard, Rupees 75. The history of this item is as follows:—In May the Asylum determined to obtain their shoes by contract, instead of making their own. The stock of leather, &c., was valued from the original bills and by order of Committee was handed over to the Contractor. For this value, Rupees 1,240-13-10, no receipt or acknowledgment was given; and by verbal arrangement the Contractor pays a monthly instalment of Rupees 75. The

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Committee allow a reduction of Rupees 500 from the debt as compensation for some building expenses incurred by the Contractor.

The Bank Account should be checked with the counterfoils monthly instead of quarterly. A discrepancy of 2 Pies exists between these, *i.e.*, the Bank paid 2 Pies less on one cheque than the amount shown on the counterfoil.

Subject to one or two perfectly clear adjustments, the Bank's books agree with the Cash-book of the Lawrence Asylum:—

1. A debt of Messrs. Arbuthnot and Co., of Rupees 18.
2. A cheque not yet presented.
3. An adjustment of Rupees 2 between the male branch and the female branch.
4. The abovementioned discrepancy of Pies 2.

The Permanent Advance.—A balance in excess of account was found, Rupees 7-3-8, when it was handed over to the Present Principal. This has been retained in the Cash-chest. It should now be sent to the Bank and credited to the Asylum.

No. 85. ORDER THEREON, 11th October 1876, No. 1822.

The Accountant-General submits with his letter the report of one of his Assistants on the Audit of the Accounts of the Ootacamund Government Gardens including Stonehouse and Sim's Parks, the Chinchona Plantations, and the Lawrence Asylum on the Nilgiri Hills.

2. The report on each subject should have been kept distinct. In future the report on the Government Gardens and Parks will be submitted separately from that on the Lawrence Asylum Accounts and the report on the Chinchona Plantation Accounts will also be kept separate and will be sent direct to the Revenue Department, to which Department the present report will be transferred for disposal.

3. A remarkable feature in the report submitted, which the Officiating Accountant-General has omitted to notice, is that it affords no information as to the receipts and expenditure for the period for which the audit was undertaken. He will arrange for future reports being accompanied by a clear statement of the audited receipts and charges compared with the Budget allotments for the year.

4. The Governor in Council considers it to be sufficient on the present occasion to approve the suggestions recommended by the Accountant-General, viz.:—

Botanical Garden.

That the Superintendent should arrange to receive all remittances, by postage stamps, free of discount.

That the personal heads of account in the Ledger should be reduced.

That the daily receipts should be entered under one head "Sale of produce." If sales are numerous, that a memorandum book should be kept in which every receipt of money shall be entered.

That the sales of vegetables, flowers, and seeds be shown separately in the Cash-book, and in separate columns in the Ledger under the specified head.

That all sale proceeds be remitted without deduction to the Treasury to credit of Provincial Services, and that all petty charges be met from a "Permanent Advance."

That an Order-book be kept for the entry of all orders for supplies.

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5. The suggestion adverted to in paragraph 5 of the Officiating Accountant-General's letter will be referred to the Public Works Department for consideration.

Lawrence Asylums.

6. The remarks under this head will be communicated to the Committee of Management. On the Acting Accountant-General's concluding paragraph the Government observe that the Lawrence Asylum is not a purely Government Institution but is largely dependant on income derivable from a private endowment the control of which is vested in the Committee who are partly elective. No Budget Estimates are submitted to Government.

(True Extract.)

Chief Secretary.

To the Accountant-General.
" Revenue Department with the forms.
" Public Works Department.
" Commissioner of the Nilgiris.
" Lawrence Asylum Committee.
" Director of Public Instruction.

Rembd 6-12-76
Cir 31-10-76. Rect

7

No 3005 Public Works Department.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Under date the 9 Nov 76

Read the following :— Abstract

Pro. Financial Department. (M.E. No. 1822 dy 11th Oct 76.)

His Grace the Governor in Council sees no reason for treating the buildings attached to the Government Botanical Gardens Ootacamund differently from other public buildings the construction and repair of which are carried out by the Public Works Department.

2. From Para 12 of the Report

Report it appears that the so-called economy consists in discharging the laborers employed on such work to another head of account.

No 1567

To Lt. D.L. Heilgherries
Corps of Engineers, Shelbyville Ky.

Gobt. of 1876 Traders.
PUBLIC WORKS.

G. O., Nov 6 1876, No. 3105

Engrs. 1567

Fort Boonsboro Turnpike
Collaborating Shelbyville Ky

The construction & repair of bridges attached to the ——— Turnpike under the direction & supervision of the P.W. dept.

Lt D.L. Heilgherries
Engineer Department
Dep-16-11-76