GOVERNMENT OF MADRAS.

LOCAL AND MUNICIPAL DEPARTMENT.

Read—the following papers :—

From M.R.Ry. P. RAJAGOPAL MUDALIAR, Assistant Inspector of Local Fund Accounts, to the Inspector of Local Fund Accounts, Madras, dated Karúr, 10th November 1887.

I have the honor to submit the following report on my recent audit of the accounts of the Salem Municipality for the year 1886-87.

2. *Balanced Statements of Receipts and Expenditure.*—The total receipts and expenditure of the Municipality during the year under report, together with the opening and closing balances, are shown in Statements 1 and 2 appended.

3. *Explanation of Discrepancies.*—The figures as appearing in these statements do not materially differ from those in the statements prepared by the Municipality for submission to Government, such differences as there are being shown in red ink in the statements.

The subjoined statement shows the few alterations introduced on audit :—

Budget head.	As per municipal statement.	As per the accompanying statement.	Difference (more or less).	Remarks.
Receipts.	Rs. A. P.	Rs. A. P.	Rs. A. P.	
2. Contribution from Provincial Funds—				
Commission payable for the collection of license-tax	159 12 0	..	— 159 12 0	Errors in classification rectified.
Penalties on account of license-tax ..	111 4 0	..	— 111 4 0	
3. Realization under Special Acts—				
Commission payable for the collection of license-tax	..	159 12 0	+ 159 12 0	
Penalties on account of license-tax ..	..	111 4 0	+ 111 4 0	
12. Miscellaneous—				
(*d*) Private contributions, donations, &c.	8 8 0	47 8 0	+ 39 0 0	Do. do.
(*e*) Petty items	60 8 0	21 8 0	— 39 0 0	
Charges.				
Grant I—				
1. New Works—				
(*d*) Water-supply	3,472 11 3	..	—3,472 11 3	Do. do.
Grant IV—				
8. Water Works	..	3,472 11 3	+3,472 11 3	

4. *Remarks on Receipts—Check of Receipts.*—As regards items having fixed demand, the figures in the Demand, Collection and Balance Statement (accompanying) were verified by reference to demand registers, actual collections, remission orders, &c., and the uncollected bills on hand; while the collections under the items for which there are no fixed demand have been proved by reference to counterfoils of licenses, receipts, &c. The several entries in the chitta were traced into the cash-book and the ledger, and their totals examined.

5. *Demand, Collection and Balance Statement.*—A statement showing the demand, collection and balance of revenue for the year under the following heads is appended :—

(1) Rate on Houses.	(3) Tax on Arts.
(2) Rate on Lands.	(4) Tolls.

The figures entered in the statement were duly verified by reference to the demand registers and the balance by reference to uncollected bills and subsequent collections.

The Chairman revises the demand figures throughout the year, the demand not being held as finally settled at any time before the close of the year.

6. *Check of Expenditure.*—It has been seen that the cash-book entries are duly supported by proper vouchers, that they have been correctly carried into the ledger, having been correctly classified throughout, and that the totals in the cash-book and the ledger have been correctly made.

6A. (*a*) *Remarks on Expenditure.*—One consolidated bill is prepared every month for the pay of the several schools payable by the Municipality both on the salary and combined system (there being about a dozen schools of the kind) and a cheque is drawn in the name of the municipal office cashier, who receives the money from the treasury and remits the same to the head masters of the schools concerned. The same course is followed in regard to the school contingencies and house-rent. It would seem to be desirable that separate cheques should be issued in the name of the schoolmasters concerned.

(*b*) Contingent charges met from the permanent advance allowed for the purpose to the cashier of the municipal office are entered in a separate register, and a consolidated bill is prepared at the close of each month, which is passed by the Chairman ; but supporting vouchers are not obtained and filed in all cases. Charges appertaining to other than office contingencies also are met from the permanent advance and billed for as above. For items for which separate vouchers are not easily procurable, the cashier or other municipal servants who incur the charges may be called upon to put in a memorandum of such charges, these memoranda being treated as sub-vouchers.

(*c*) A sum of Rs. 100 was paid to a councillor on a memorandum signed by the Chairman for the purchase of bullocks for municipal latrine carts, no receipt or other document having been obtained from the councillor to support the payment when a bill was submitted in support of the purchase.

(*d*) Charges for repairing conservancy carts, &c., being cost of materials purchased for the work done in the municipal workshop, are supported by receipts signed by the carpenter in charge of the workshop (a municipal servant) and not by receipts signed by the supplier of the materials.

(*e*) Increase of pay to the manager of the municipal office and to certain teachers of the primary school sanctioned in the budget for 1886-87 was paid with effect from 1st March 1886 instead of from 1st April 1886, the reason assigned being that the budget provision was for twelve months inclusive of the pay for March due in April.

(*f*) A man employed to bring water and to distribute the same in the municipal watershed is paid Rs. 10 a month. The appointment was sanctioned by the Council, but the required sanction of Government was not obtained under the erroneous impression that no such sanction was needed, the payment being considered to be a contingent rather than an establishment charge.

(*g*) Owing to the appointment of District Medical and Sanitary Officer having been vacant for a great portion of the year under report, the Assistant Surgeon who attended to the work of inspecting municipal vaccination cases was unable to attend to that work in his capacity of Officiating District Medical and Sanitary Officer and he had therefore to depute an hospital assistant of the reserve medical staff doing duty in the municipal dispensary, Salem, to inspect vaccination cases within the municipal limit. This entailed an extra charge on the Municipality in the way of cart-hire at annas 12 per diem and a total cost not exceeding Rs. 3 per diem paid to the above

hospital assistant. The arrangement continued for about eight months, and the total sum paid on this account was Rs. 22-8-0.

6B. *Water-supply.*—Under G.O., dated 7th August 1886, No. 1972, Public Works Department, the services of Mr. C. A. B. Target, Executive Engineer, 1st grade, were temporarily placed at the disposal of the Municipal Council, Salem, for the investigation of the various schemes proposed for supplying the town of Salem with water. The salary of the officer was to be met by Government and the travelling expenses during the period by the Municipality.

In the regular estimate for 1886-87, Rs. 2,400 was provided for the cost of investigating the various schemes for the water-supply. But the actual cost of the investigation was Rs. 3,472-11-3, as particularized below :—

	Rs.	A.	P.
Establishment charges	2,375	15	9
Travelling allowance to Mr. Target	907	9	5
Erecting temporary shed for office near Chaulk Hills	6	8	0
Sinking trial pits	34	7	7
Value of stationery	75	2	0
Fee paid to the Chemical Examiner for water analysis	40	0	0
Sundries	31	8	6
Total	3,471	3	3

The entertainment of the establishment, which consisted of one surveyor on Rs. 150, two on Rs. 100 each, three draughtsmen on Rs. 80 each, one tracer on Rs. 40, one clerk on Rs. 10, and 20 to 32 lascars on Rs. 6 each for a period of six months from October 1886 to March 1887, did not receive the sanction of Government. The Chairman was authorised by the Council to entertain such temporary hands as may be required by the Executive Engineer and to defray all the necessary charges inclusive of authorised travelling allowances. Mr. Target drew daily batta at Rs. 5 all round the period he was employed on the special duty, notwithstanding that the distance he had to travel was only 4 miles, viz., from Salem to Chaulk Hills. The daily allowance drawn by him, except for the days he had occasionally travelled beyond 5 miles, would seem to be inadmissible and should be recovered from Mr. Target. Mr. Target would seem to have been under the erroneous impression that Coimbatore (where he was employed immediately before his special duty) was his head-quarters, and drew travelling batta while employed in Salem. As his services were temporarily placed at the disposal of the Municipal Council, Salem, it is not apparent how he can count Coimbatore as his head-quarters while on the special duty at Salem, nor do the rules allow travelling batta for more than ten days at one place (Salem) while away from headquarters, even holding Coimbatore as his head-quarters.

7. *Closing Balance.*—The closing balance as per municipal books was as under :—

	Rs.	A.	P.
Municipal	1,523	1	3
Deposit	5,637	6	0
	7,160	7	3

	Rs.	A.	P.
The balance as per treasury accounts was	3,878	2	4
Deduct uncashed cheques	2,110	5	1
	1,767	13	3
Add collections of the 31st March 1887 remitted to the treasury on the 2nd April 1887	1,441	10	0
	3,209	7	3
Post Office Savings Bank	3,951	0	0
	7,160	7	3

8. *Advances.*—The following statement shows the "Advances" for the year:—

		Rs.	A.	P.
(1)	The total amount outstanding at the beginning of the year .	566	4	0
(2)	The amount advanced during the year	435	0	0
	Total ..	1,001	4	0
(3)	The amount received during the year—			
	(*a*) On account of the year itself 290 4 0			
	(*b*) On account of previous years 235 0 0			
		525	4	0
(4)	The total amount outstanding at the end of the year ..	476	0	0

The following are the particulars of the outstanding advances:—

	Rs.	A.	P.	Rs.	A.	P.
Advanced to the Chairman for town decoration				200	0	0
Advanced to a contractor for numbering houses				80	0	0
Do. to the owner of the land used for jutka stand ..				75	0	0
Permanent advances—						
With the Surgeon	50	0	0			
Office manager	50	0	0			
Workshop carpenter	12	0	0			
Head Master, Salem School	2	0	0			
Do. Sevapet School	2	0	0			
Do. Salem College	5	0	0			
				121	0	0
Total ..				476	0	0

8A. Toll contractors' deposits for 1885-86 were invested in Government promissory notes. The last three kists, that is, those for January, February and March, though they fell due on the first day of each of those months, were not paid or adjusted from the deposit account till May 1886, as the promissory notes were not sold till then. As the contractors' money equal to three months' kists was with the Municipality in the shape of Government promissory note, no interest was charged for the non-payment of the kists. But the interest accruing on the promissory note till May 1886 was realized and paid in full to the contractor by adjusting the same towards the kists due by him for 1886-87. The Municipality would seem to be entitled to the interest which accrued on the promissory note from the date on which the kists became due to that on which they were actually paid.

9. *Deposits.*—A duly-audited statement of deposits is appended. The following are the particulars of the closing balance under Deposits:—

	Rs.	A.	P.	Rs.	A.	P.
Contractors' Deposit—						
Toll and other contractor for 1887-88	4,135	0	0			
Gravel contractor for 1886-87	400	0	0			
Amount due to a contractor on account of interest realized on Post Office Savings Bank deposit..	122	12	0			
				4,657	12	0
Appellants' Deposits—						
Professional tax for 1885-86	8	0	0			
Do. for 1886-87	897	0	0			
House tax for 1886-87	74	7	0			
				979	7	0
Miscellaneous Deposits—						
Surplus sale-proceeds of attached property				0	3	0
				*5,637	6	0

	Rs.	A.	P.
*Cash	1,686	6	0
Post Office Savings Bank	3,951	0	0

10. *Miscellaneous.—Collection Arrangement*—(*a*) Bills for house, land and trade tax are delivered to the bill collectors all at once or as they become ready; but not in small batches to be accounted for at short intervals. The uncollected bills in the hands of the bill collectors are returned to the office only at the close of the year. The manager is said to examine the uncollected bills at frequent intervals, that is, once a month or so. Bill collectors pay the collections into the office once in two or three days. Other collections are made in the office, the amounts being invariably paid direct to the shroff. Collections are entered in the chitta then and there, except in the case of license fees, which are first entered in the separate register of licenses.

(*b*) *Monetary Arrangements.*—Daily collections are remitted to the treasury every following day with a challan and remittance book signed by the manager and the shroff.

(*c*) *Payments.*—Payments are invariably made by means of cheques, however small the amounts may be. The cheques are issued in the name of the payees except in the case of school bills and other establishment bills, such as conservancy establishment, &c., under the immediate charge of the Chairman. In the excepted cases, the cheques are in the name of the shroff, who disburses the amounts to the parties concerned in the presence of the sanitary inspector in the case of conservancy establishment, and in the presence of the manager in all other cases.

11. *Accounts and Registers.*—The accounts and registers maintained are in accordance with those recommended in Mr. Stokes' memorandum and they call for no remark except that no treasury pass book has been maintained, the present practice being to prepare a statement of cheques issued in the municipal office and to send it to the treasury, where cashed and uncashed cheques are marked, the balance according to the treasury books being also noted. This is done monthly immediately after the close of each month.

The maintenance of a regular pass book in the treasury would seem to be necessary if the Municipality is to be in a position to see how its balance is arrived at, receipts not being exhibited under the present arrangement.

12. *General Result of the Audit.*—The accounts and registers have, on the whole, been satisfactorily kept; and the manager and the head clerk in immediate charge of the accounts have done their work properly.

13. *Points to be noted by the Chairman.*—The following are the points needing special attention:—

		Para.
(1)	Demand not held as finally settled at any time before the close of the year	5
(2)	Remarks on expenditure	6A
(3)	Travelling allowance overdrawn by Mr. Target, the Executive Engineer, on the special duty in connection with water-supply scheme ..	6B
(4)	The desirability of handing over bills to the bill collectors in small batches for the future	10(*a*)
(5)	The absence of a treasury pass book	11

Forwarded to the Accountant-General.

Tellicherry, 21*st November* 1887.

(Signed) R. C. CHAPMAN,
Inspector of Local Fund Accounts.

No. 389-L.F.D.

Forwarded to the Chief Secretary to Government, Local and Municipal Department, through the Chairman, Municipal Council, Salem.

Fort St. George, 15*th December* 1887.

(Signed) H. F. CLOGSTOUN,
Accountant-General.

From Surgeon-Major A. N. ROGERS-HARRISON, Chairman, Municipal Council, Salem, to the Chief Secretary to Government (through the Divisional Officer), dated Salem, 23rd January 1888, No. 58.

I have the honor to forward herewith the audit report of the Salem Municipality for the year 1886-87.

2. An extract from the Proceedings of a general meeting held on the 19th instant is also appended.

Submitted to the Chief Secretary to Government, Local and Municipal Department.

27*th January* 1888.

(Signed) G. McWATTERS,
Collector.

ORDER—dated 14th April 1888, No. 350 M., Local and Municipal.

Recorded, with the following remarks:—

(1) The sanction of Government which should have been obtained for the employment of a man on Rs. 10 per mensem in connexion with the municipal watershed is now accorded.

(2) With reference to paragraph 6B of the audit report, it is observed that the sanction of Government is not required for the entertainment of temporary establishments, but application should have been made to Government for the necessary allotment of funds. The allowance wrongly drawn by Mr. Target will be recovered from him and credited to Municipal Funds. The Accountant-General will furnish the Public Works Department with full particulars of the amounts to be so recovered.

(3) The interest on the promissory note referred to in paragraph 8A should be recovered from the contractor and credited to Municipal Funds, if the contract provided for payment of interest on outstanding instalments.

(4) Bills should be delivered to the bill collectors in small batches.

(5) Explanation should be furnished regarding the advance of Rs. 200 for town decoration.

(True Extract.)

H. E. STOKES,
Chief Secretary.

To the Chairman, Municipal Council, Salem,
through the Collector.
" Accountant-General.
" Public Works Department.

Exd. A. Raitt.

Govt. of {1888} Madras.

LOCAL AND MUNICIPAL.

Issued

Recd. *Encl.*

G.O., 14th April 1888, No. 350 M.

APRIL.

Municipal Accounts.

Recording, with remarks, report on the audit of the accounts of the Salem Municipality for 1886-87.

GOVERNMENT OF MADRAS.

LOCAL AND MUNICIPAL DEPARTMENT.

Read—the following papers :—

From M.R.Ry. P. RAJAGOPAL MUDALIAR, Assistant Inspector of Local Fund Accounts, to the Inspector of Local Fund Accounts, Madras, dated Karúr, 10th November 1887.

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3. *Explanation of Discrepancies.*—The figures as appearing in these statements do not materially differ from those in the statements prepared by the Municipality for submission to Government, such differences as there are being shown in red ink in the statements.

The subjoined statement shows the few alterations introduced on audit :—

Budget head.	As per municipal statement.	As per the accompanying statement.	Difference (more or less).	Remarks.
Receipts.	RS. A. P.	RS. A. P.	RS. A. P.	
2. Contribution from Provincial Funds—				
Commission payable for the collection of license-tax	159 12 0	..	— 159 12 0	Errors in classification rectified.
Penalties on account of license-tax ..	111 4 0	..	— 111 4 0	
3. Realization under Special Acts—				
Commission payable for the collection of license-tax	..	159 12 0	+ 159 12 0	
Penalties on account of license-tax ..	..	111 4 0	+ 111 4 0	
12. Miscellaneous—				
(*d*) Private contributions, donations, &c.	8 8 0	47 8 0	+ 39 0 0	Do. do.
(*e*) Petty items	60 8 0	21 8 0	— 39 0 0	
Charges.				
Grant I—				
1. New Works—				
(*d*) Water-supply	3,472 11 3	..	—3,472 11 3	Do. do.
Grant IV—				
8. Water Works	..	3,472 11 3	+3,472 11 3	

4. *Remarks on Receipts—Check of Receipts.*—As regards items having fixed demand, the figures in the Demand, Collection and Balance Statement (accompanying) were verified by reference to demand registers, actual collections, remission orders, &c., and the uncollected bills on hand; while the collections under the items for which there are no fixed demand have been proved by reference to counterfoils of licenses, receipts, &c. The several entries in the chitta were traced into the cash-book and the ledger, and their totals examined.

5. *Demand, Collection and Balance Statement.*—A statement showing the demand, collection and balance of revenue for the year under the following heads is appended :—

(1) Rate on Houses.	(3) Tax on Arts.
(2) Rate on Lands.	(4) Tolls.

The figures entered in the statement were duly verified by reference to the demand registers and the balance by reference to uncollected bills and subsequent collections.

The Chairman revises the demand figures throughout the year, the demand not being held as finally settled at any time before the close of the year.

6. *Check of Expenditure.*—It has been seen that the cash-book entries are duly supported by proper vouchers, that they have been correctly carried into the ledger, having been correctly classified throughout, and that the totals in the cash-book and the ledger have been correctly made.

6A. (*a*) *Remarks on Expenditure.*—One consolidated bill is prepared every month for the pay of the several schools payable by the Municipality both on the salary and combined system (there being about a dozen schools of the kind) and a cheque is drawn in the name of the municipal office cashier, who receives the money from the treasury and remits the same to the head masters of the schools concerned. The same course is followed in regard to the school contingencies and house-rent. It would seem to be desirable that separate cheques should be issued in the name of the schoolmasters concerned.

(*b*) Contingent charges met from the permanent advance allowed for the purpose to the cashier of the municipal office are entered in a separate register, and a consolidated bill is prepared at the close of each month, which is passed by the Chairman ; but supporting vouchers are not obtained and filed in all cases. Charges appertaining to other than office contingencies also are met from the permanent advance and billed for as above. For items for which separate vouchers are not easily procurable, the cashier or other municipal servants who incur the charges may be called upon to put in a memorandum of such charges, these memoranda being treated as sub-vouchers.

(*c*) A sum of Rs. 100 was paid to a councillor on a memorandum signed by the Chairman for the purchase of bullocks for municipal latrine carts, no receipt or other document having been obtained from the councillor to support the payment when a bill was submitted in support of the purchase.

(*d*) Charges for repairing conservancy carts, &c., being cost of materials purchased for the work done in the municipal workshop, are supported by receipts signed by the carpenter in charge of the workshop (a municipal servant) and not by receipts signed by the supplier of the materials.

(*e*) Increase of pay to the manager of the municipal office and to certain teachers of the primary school sanctioned in the budget for 1886-87 was paid with effect from 1st March 1886 instead of from 1st April 1886, the reason assigned being that the budget provision was for twelve months inclusive of the pay for March due in April.

(*f*) A man employed to bring water and to distribute the same in the municipal watershed is paid Rs. 10 a month. The appointment was sanctioned by the Council, but the required sanction of Government was not obtained under the erroneous impression that no such sanction was needed, the payment being considered to be a contingent rather than an establishment charge.

(*g*) Owing to the appointment of District Medical and Sanitary Officer having been vacant for a great portion of the year under report, the Assistant Surgeon who attended to the work of inspecting municipal vaccination cases was unable to attend to that work in his capacity of Officiating District Medical and Sanitary Officer and he had therefore to depute an hospital assistant of the reserve medical staff doing duty in the municipal dispensary, Salem, to inspect vaccination cases within the municipal limit. This entailed an extra charge on the Municipality in the way of cart-hire at annas 12 per diem and a total cost not exceeding Rs. 3 per diem paid to the above

hospital assistant. The arrangement continued for about eight months, and the total sum paid on this account was Rs. 22-8-0.

6B. *Water-supply.*—Under G.O., dated 7th August 1886, No. 1972, Public Works Department, the services of Mr. C. A. B. Target, Executive Engineer, 1st grade, were temporarily placed at the disposal of the Municipal Council, Salem, for the investigation of the various schemes proposed for supplying the town of Salem with water. The salary of the officer was to be met by Government and the travelling expenses during the period by the Municipality.

In the regular estimate for 1886-87, Rs. 2,400 was provided for the cost of investigating the various schemes for the water-supply. But the actual cost of the investigation was Rs. 3,472-11-3, as particularized below :—

	Rs.	A.	P.
Establishment charges	2,375	15	9
Travelling allowance to Mr. Target	907	9	5
Erecting temporary shed for office near Chaulk Hills	6	8	0
Sinking trial pits	34	7	7
Value of stationery	75	2	0
Fee paid to the Chemical Examiner for water analysis	40	0	0
Sundries	31	8	6
Total	3,471	3	3

The entertainment of the establishment, which consisted of one surveyor on Rs. 150, two on Rs. 100 each, three draughtsmen on Rs. 80 each, one tracer on Rs. 40, one clerk on Rs. 10, and 20 to 32 lascars on Rs. 6 each for a period of six months from October 1886 to March 1887, did not receive the sanction of Government. The Chairman was authorised by the Council to entertain such temporary hands as may be required by the Executive Engineer and to defray all the necessary charges inclusive of authorised travelling allowances. Mr. Target drew daily batta at Rs. 5 all round the period he was employed on the special duty, notwithstanding that the distance he had to travel was only 4 miles, viz., from Salem to Chaulk Hills. The daily allowance drawn by him, except for the days he had occasionally travelled beyond 5 miles, would seem to be inadmissible and should be recovered from Mr. Target. Mr. Target would seem to have been under the erroneous impression that Coimbatore (where he was employed immediately before his special duty) was his head-quarters, and drew travelling batta while employed in Salem. As his services were temporarily placed at the disposal of the Municipal Council, Salem, it is not apparent how he can count Coimbatore as his head-quarters while on the special duty at Salem, nor do the rules allow travelling batta for more than ten days at one place (Salem) while away from headquarters, even holding Coimbatore as his head-quarters.

7. *Closing Balance.*—The closing balance as per municipal books was as under :—

	Rs.	A.	P.
Municipal	1,523	1	3
Deposit	5,637	6	0
	7,160	7	3

	Rs.	A.	P.
The balance as per treasury accounts was	3,878	2	4
Deduct uncashed cheques	2,110	5	1
	1,767	13	3
Add collections of the 31st March 1887 remitted to the treasury on the 2nd April 1887	1,441	10	0
	3,209	7	3
Post Office Savings Bank	3,951	0	0
	7,160	7	3

8. *Advances.*—The following statement shows the "Advances" for the year:—

		Rs.	A.	P.
(1)	The total amount outstanding at the beginning of the year	566	4	0
(2)	The amount advanced during the year	435	0	0
	Total	1,001	4	0
(3)	The amount received during the year—			
	(*a*) On account of the year itself	290 4 0		
	(*b*) On account of previous years	235 0 0		
		525	4	0
(4)	The total amount outstanding at the end of the year	476	0	0

The following are the particulars of the outstanding advances:—

	Rs.	A.	P.	Rs.	A.	P.
Advanced to the Chairman for town decoration				200	0	0
Advanced to a contractor for numbering houses				80	0	0
Do. to the owner of the land used for jutka stand				75	0	0
Permanent advances—						
With the Surgeon	50	0	0			
Office manager	50	0	0			
Workshop carpenter	12	0	0			
Head Master, Salem School	2	0	0			
Do. Sevapet School	2	0	0			
Do. Salem College	5	0	0			
				121	0	0
Total				476	0	0

8A. Toll contractors' deposits for 1885-86 were invested in Government promissory notes. The last three kists, that is, those for January, February and March, though they fell due on the first day of each of those months, were not paid or adjusted from the deposit account till May 1886, as the promissory notes were not sold till then. As the contractors' money equal to three months' kists was with the Municipality in the shape of Government promissory note, no interest was charged for the non-payment of the kists. But the interest accruing on the promissory note till May 1886 was realized and paid in full to the contractor by adjusting the same towards the kists due by him for 1886-87. The Municipality would seem to be entitled to the interest which accrued on the promissory note from the date on which the kists became due to that on which they were actually paid.

9. *Deposits.*—A duly-audited statement of deposits is appended. The following are the particulars of the closing balance under Deposits:—

	Rs.	A.	P.	Rs.	A.	P.
Contractors' Deposit—						
Toll and other contractor for 1887-88	4,135	0	0			
Gravel contractor for 1886-87	400	0	0			
Amount due to a contractor on account of interest realized on Post Office Savings Bank deposit	122	12	0			
				4,657	12	0
Appellants' Deposits—						
Professional tax for 1885-86	8	0	0			
Do. for 1886-87	897	0	0			
House tax for 1886-87	74	7	0			
				979	7	0
Miscellaneous Deposits—						
Surplus sale-proceeds of attached property				0	3	0
				*5,637	6	0

	Rs.	A.	P.
*Cash	1,686	6	0
Post Office Savings Bank	3,951	0	0

10. *Miscellaneous.—Collection Arrangement*—(*a*) Bills for house, land and trade tax are delivered to the bill collectors all at once or as they become ready; but not in small batches to be accounted for at short intervals. The uncollected bills in the hands of the bill collectors are returned to the office only at the close of the year. The manager is said to examine the uncollected bills at frequent intervals, that is, once a month or so. Bill collectors pay the collections into the office once in two or three days. Other collections are made in the office, the amounts being invariably paid direct to the shroff. Collections are entered in the chitta then and there, except in the case of license fees, which are first entered in the separate register of licenses.

(*b*) *Monetary Arrangements.*—Daily collections are remitted to the treasury every following day with a challan and remittance book signed by the manager and the shroff.

(*c*) *Payments.*—Payments are invariably made by means of cheques, however small the amounts may be. The cheques are issued in the name of the payees except in the case of school bills and other establishment bills, such as conservancy establishment, &c., under the immediate charge of the Chairman. In the excepted cases, the cheques are in the name of the shroff, who disburses the amounts to the parties concerned in the presence of the sanitary inspector in the case of conservancy establishment, and in the presence of the manager in all other cases.

11. *Accounts and Registers.*—The accounts and registers maintained are in accordance with those recommended in Mr. Stokes' memorandum and they call for no remark except that no treasury pass book has been maintained, the present practice being to prepare a statement of cheques issued in the municipal office and to send it to the treasury, where cashed and uncashed cheques are marked, the balance according to the treasury books being also noted. This is done monthly immediately after the close of each month.

The maintenance of a regular pass book in the treasury would seem to be necessary if the Municipality is to be in a position to see how its balance is arrived at, receipts not being exhibited under the present arrangement.

12. *General Result of the Audit.*—The accounts and registers have, on the whole, been satisfactorily kept; and the manager and the head clerk in immediate charge of the accounts have done their work properly.

13. *Points to be noted by the Chairman.*—The following are the points needing special attention:—

		Para.
(1)	Demand not held as finally settled at any time before the close of the year	5
(2)	Remarks on expenditure	6A
(3)	Travelling allowance overdrawn by Mr. Target, the Executive Engineer, on the special duty in connection with water-supply scheme	6B
(4)	The desirability of handing over bills to the bill collectors in small batches for the future	10(*a*)
(5)	The absence of a treasury pass book	11

Forwarded to the Accountant-General.

Tellicherry, 21*st November* 1887.

(Signed) R. C. CHAPMAN,
Inspector of Local Fund Accounts.

No. 389-L.F.D.

Forwarded to the Chief Secretary to Government, Local and Municipal Department, through the Chairman, Municipal Council, Salem.

Fort St. George, 15*th December* 1887.

(Signed) H. F. CLOGSTOUN,
Accountant-General.

From Surgeon-Major A. N. ROGERS-HARRISON, Chairman, Municipal Council, Salem, to the Chief Secretary to Government (through the Divisional Officer), dated Salem, 23rd January 1888, No. 58.

I have the honor to forward herewith the audit report of the Salem Municipality for the year 1886-87.

2. An extract from the Proceedings of a general meeting held on the 19th instant is also appended.

Submitted to the Chief Secretary to Government, Local and Municipal Department.

(Signed) G. McWATTERS,
Collector.

27*th January* 1888.

ORDER—dated 14th April 1888, No. 350 M., Local and Municipal.

Recorded, with the following remarks:—

(1) The sanction of Government which should have been obtained for the employment of a man on Rs. 10 per mensem in connexion with the municipal watershed is now accorded.

(2) With reference to paragraph 6B of the audit report, it is observed that the sanction of Government is not required for the entertainment of temporary establishments, but application should have been made to Government for the necessary allotment of funds. The allowance wrongly drawn by Mr. Target will be recovered from him and credited to Municipal Funds. The Accountant-General will furnish the Public Works Department with full particulars of the amounts to be so recovered.

(3) The interest on the promissory note referred to in paragraph 8A should be recovered from the contractor and credited to Municipal Funds, if the contract provided for payment of interest on outstanding instalments.

(4) Bills should be delivered to the bill collectors in small batches.

(5) Explanation should be furnished regarding the advance of Rs. 200 for town decoration.

(True Extract.)

H. E. STOKES,
Chief Secretary.

To the Chairman, Municipal Council, Salem,
through the Collector.
" Accountant-General.
" Public Works Department.

Exd. A. Raitt.

No. 1383 W dt/11th May 1888

On receipt of a report from the Accountant General as to the amount to be recovered from Bro. Tonjet, the Burmah Administration will be requested to take the necessary action.

(Sd) J. O. H.

Govt. of {1888} Madras.

LOCAL AND MUNICIPAL.

Issued

Recd. *Encl.*

G.O., 14th April 1888, No. 350 M.

Re 1383 W dt/11th May 1888

APRIL.

Local & Munl. Dept
Exr. Br. No.

Municipal Accounts.

Recording, with remarks, report on the audit of the accounts of the Salem Municipality for 1886-87.

GOVERNMENT OF MADRAS.

LOCAL AND MUNICIPAL DEPARTMENT.

Read—the following papers :—

From M.R.Ry. P. RAJAGOPAL MUDALIAR, Assistant Inspector of Local Fund Accounts, to the Inspector of Local Fund Accounts, Madras, dated Karúr, 10th November 1887.

I have the honor to submit the following report on my recent audit of the accounts of the Salem Municipality for the year 1886-87.

2. *Balanced Statements of Receipts and Expenditure.*—The total receipts and expenditure of the Municipality during the year under report, together with the opening and closing balances, are shown in Statements 1 and 2 appended.

3. *Explanation of Discrepancies.*—The figures as appearing in these statements do not materially differ from those in the statements prepared by the Municipality for submission to Government, such differences as there are being shown in red ink in the statements.

The subjoined statement shows the few alterations introduced on audit :—

Budget head.	As per municipal statement.	As per the accompanying statement.	Difference (more or less).	Remarks.
Receipts.	Rs. A. P.	Rs. A. P.	Rs. A. P.	
2. Contribution from Provincial Funds—				
Commission payable for the collection of license-tax	159 12 0	..	— 159 12 0	Errors in classification rectified.
Penalties on account of license-tax ..	111 4 0	..	— 111 4 0	
3. Realization under Special Acts—				
Commission payable for the collection of license-tax	..	159 12 0	+ 159 12 0	
Penalties on account of license-tax ..	..	111 4 0	+ 111 4 0	
12. Miscellaneous—				
(*d*) Private contributions, donations, &c.	8 8 0	47 8 0	+ 39 0 0	Do. do.
(*e*) Petty items	60 8 0	21 8 0	— 39 0 0	
Charges.				
Grant I—				
1. New Works—				
(*d*) Water-supply	3,472 11 3	..	— 3,472 11 3	Do. do.
Grant IV—				
8. Water Works	..	3,472 11 3	+ 3,472 11 3	

4. *Remarks on Receipts—Check of Receipts.*—As regards items having fixed demand, the figures in the Demand, Collection and Balance Statement (accompanying) were verified by reference to demand registers, actual collections, remission orders, &c., and the uncollected bills on hand; while the collections under the items for which there are no fixed demand have been proved by reference to counterfoils of licenses, receipts, &c. The several entries in the chitta were traced into the cash-book and the ledger, and their totals examined.

5. *Demand, Collection and Balance Statement.*—A statement showing the demand, collection and balance of revenue for the year under the following heads is appended :—

(1) Rate on Houses.	(3) Tax on Arts.
(2) Rate on Lands.	(4) Tolls.

The figures entered in the statement were duly verified by reference to the demand registers and the balance by reference to uncollected bills and subsequent collections.

The Chairman revises the demand figures throughout the year, the demand not being held as finally settled at any time before the close of the year.

6. *Check of Expenditure.*—It has been seen that the cash-book entries are duly supported by proper vouchers, that they have been correctly carried into the ledger, having been correctly classified throughout, and that the totals in the cash-book and the ledger have been correctly made.

6A. (*a*) *Remarks on Expenditure.*—One consolidated bill is prepared every month for the pay of the several schools payable by the Municipality both on the salary and combined system (there being about a dozen schools of the kind) and a cheque is drawn in the name of the municipal office cashier, who receives the money from the treasury and remits the same to the head masters of the schools concerned. The same course is followed in regard to the school contingencies and house-rent. It would seem to be desirable that separate cheques should be issued in the name of the schoolmasters concerned.

(*b*) Contingent charges met from the permanent advance allowed for the purpose to the cashier of the municipal office are entered in a separate register, and a consolidated bill is prepared at the close of each month, which is passed by the Chairman ; but supporting vouchers are not obtained and filed in all cases. Charges appertaining to other than office contingencies also are met from the permanent advance and billed for as above. For items for which separate vouchers are not easily procurable, the cashier or other municipal servants who incur the charges may be called upon to put in a memorandum of such charges, these memoranda being treated as sub-vouchers.

(*c*) A sum of Rs. 100 was paid to a councillor on a memorandum signed by the Chairman for the purchase of bullocks for municipal latrine carts, no receipt or other document having been obtained from the councillor to support the payment when a bill was submitted in support of the purchase.

(*d*) Charges for repairing conservancy carts, &c., being cost of materials purchased for the work done in the municipal workshop, are supported by receipts signed by the carpenter in charge of the workshop (a municipal servant) and not by receipts signed by the supplier of the materials.

(*e*) Increase of pay to the manager of the municipal office and to certain teachers of the primary school sanctioned in the budget for 1886-87 was paid with effect from 1st March 1886 instead of from 1st April 1886, the reason assigned being that the budget provision was for twelve months inclusive of the pay for March due in April.

(*f*) A man employed to bring water and to distribute the same in the municipal watershed is paid Rs. 10 a month. The appointment was sanctioned by the Council, but the required sanction of Government was not obtained under the erroneous impression that no such sanction was needed, the payment being considered to be a contingent rather than an establishment charge.

(*g*) Owing to the appointment of District Medical and Sanitary Officer having been vacant for a great portion of the year under report, the Assistant Surgeon who attended to the work of inspecting municipal vaccination cases was unable to attend to that work in his capacity of Officiating District Medical and Sanitary Officer and he had therefore to depute an hospital assistant of the reserve medical staff doing duty in the municipal dispensary, Salem, to inspect vaccination cases within the municipal limit. This entailed an extra charge on the Municipality in the way of cart-hire at annas 12 per diem and a total cost not exceeding Rs. 3 per diem paid to the above

hospital assistant. The arrangement continued for about eight months, and the total sum paid on this account was Rs. 22-8-0.

6B. *Water-supply.*—Under G.O., dated 7th August 1886, No. 1972, Public Works Department, the services of Mr. C. A. B. Target, Executive Engineer, 1st grade, were temporarily placed at the disposal of the Municipal Council, Salem, for the investigation of the various schemes proposed for supplying the town of Salem with water. The salary of the officer was to be met by Government and the travelling expenses during the period by the Municipality.

In the regular estimate for 1886-87, Rs. 2,400 was provided for the cost of investigating the various schemes for the water-supply. But the actual cost of the investigation was Rs. 3,472-11-3, as particularized below :—

	RS.	A.	P.
Establishment charges	2,375	15	9
Travelling allowance to Mr. Target	907	9	5
Erecting temporary shed for office near Chaulk Hills	6	8	0
Sinking trial pits	34	7	7
Value of stationery	75	2	0
Fee paid to the Chemical Examiner for water analysis	40	0	0
Sundries	31	8	6
Total	3,471	3	3

The entertainment of the establishment, which consisted of one surveyor on Rs. 150, two on Rs. 100 each, three draughtsmen on Rs. 80 each, one tracer on Rs. 40, one clerk on Rs. 10, and 20 to 32 lascars on Rs. 6 each for a period of six months from October 1886 to March 1887, did not receive the sanction of Government. The Chairman was authorised by the Council to entertain such temporary hands as may be required by the Executive Engineer and to defray all the necessary charges inclusive of authorised travelling allowances. Mr. Target drew daily batta at Rs. 5 all round the period he was employed on the special duty, notwithstanding that the distance he had to travel was only 4 miles, viz., from Salem to Chaulk Hills. The daily allowance drawn by him, except for the days he had occasionally travelled beyond 5 miles, would seem to be inadmissible and should be recovered from Mr. Target. Mr. Target would seem to have been under the erroneous impression that Coimbatore (where he was employed immediately before his special duty) was his head-quarters, and drew travelling batta while employed in Salem. As his services were temporarily placed at the disposal of the Municipal Council, Salem, it is not apparent how he can count Coimbatore as his head-quarters while on the special duty at Salem, nor do the rules allow travelling batta for more than ten days at one place (Salem) while away from headquarters, even holding Coimbatore as his head-quarters.

7. *Closing Balance.*—The closing balance as per municipal books was as under :—

	RS.	A.	P.
Municipal	1,523	1	3
Deposit	5,637	6	0
	7,160	7	3

	RS.	A.	P.
The balance as per treasury accounts was	3,878	2	4
Deduct uncashed cheques	2,110	5	1
	1,767	13	3
Add collections of the 31st March 1887 remitted to the treasury on the 2nd April 1887	1,441	10	0
	3,209	7	3
Post Office Savings Bank	3,951	0	0
	7,160	7	3

8. *Advances.*—The following statement shows the "Advances" for the year:—

		Rs.	A.	P.
(1)	The total amount outstanding at the beginning of the year .	566	4	0
(2)	The amount advanced during the year	435	0	0
	Total ..	1,001	4	0
(3)	The amount received during the year—			
	(*a*) On account of the year itself 290 4 0			
	(*b*) On account of previous years 235 0 0			
		525	4	0
(4)	The total amount outstanding at the end of the year ..	476	0	0

The following are the particulars of the outstanding advances:—

	Rs.	A.	P.	Rs.	A.	P.
Advanced to the Chairman for town decoration				200	0	0
Advanced to a contractor for numbering houses				80	0	0
Do. to the owner of the land used for jutka stand ..				75	0	0
Permanent advances—						
With the Surgeon	50	0	0			
Office manager	50	0	0			
Workshop carpenter	12	0	0			
Head Master, Salem School	2	0	0			
Do. Sevapet School	2	0	0			
Do. Salem College	5	0	0			
				121	0	0
Total ..				476	0	0

8A. Toll contractors' deposits for 1885-86 were invested in Government promissory notes. The last three kists, that is, those for January, February and March, though they fell due on the first day of each of those months, were not paid or adjusted from the deposit account till May 1886, as the promissory notes were not sold till then. As the contractors' money equal to three months' kists was with the Municipality in the shape of Government promissory note, no interest was charged for the non-payment of the kists. But the interest accruing on the promissory note till May 1886 was realized and paid in full to the contractor by adjusting the same towards the kists due by him for 1886-87. The Municipality would seem to be entitled to the interest which accrued on the promissory note from the date on which the kists became due to that on which they were actually paid.

9. *Deposits.*—A duly-audited statement of deposits is appended. The following are the particulars of the closing balance under Deposits:—

	Rs.	A.	P.	Rs.	A.	P.
Contractors' Deposit—						
Toll and other contractor for 1887-88	4,135	0	0			
Gravel contractor for 1886-87	400	0	0			
Amount due to a contractor on account of interest realized on Post Office Savings Bank deposit..	122	12	0			
				4,657	12	0
Appellants' Deposits—						
Professional tax for 1885-86	8	0	0			
Do. for 1886-87	897	0	0			
House tax for 1886-87	74	7	0			
				979	7	0
Miscellaneous Deposits—						
Surplus sale-proceeds of attached property				0	3	0
				*5,637	6	0

	Rs.	A.	P.
*Cash	1,686	6	0
Post Office Savings Bank	3,951	0	0

10. *Miscellaneous.—Collection Arrangement*—(*a*) Bills for house, land and trade tax are delivered to the bill collectors all at once or as they become ready; but not in small batches to be accounted for at short intervals. The uncollected bills in the hands of the bill collectors are returned to the office only at the close of the year. The manager is said to examine the uncollected bills at frequent intervals, that is, once a month or so. Bill collectors pay the collections into the office once in two or three days. Other collections are made in the office, the amounts being invariably paid direct to the shroff. Collections are entered in the chitta then and there, except in the case of license fees, which are first entered in the separate register of licenses.

(*b*) *Monetary Arrangements.*—Daily collections are remitted to the treasury every following day with a challan and remittance book signed by the manager and the shroff.

(*c*) *Payments.*—Payments are invariably made by means of cheques, however small the amounts may be. The cheques are issued in the name of the payees except in the case of school bills and other establishment bills, such as conservancy establishment, &c., under the immediate charge of the Chairman. In the excepted cases, the cheques are in the name of the shroff, who disburses the amounts to the parties concerned in the presence of the sanitary inspector in the case of conservancy establishment, and in the presence of the manager in all other cases.

11. *Accounts and Registers.*—The accounts and registers maintained are in accordance with those recommended in Mr. Stokes' memorandum and they call for no remark except that no treasury pass book has been maintained, the present practice being to prepare a statement of cheques issued in the municipal office and to send it to the treasury, where cashed and uncashed cheques are marked, the balance according to the treasury books being also noted. This is done monthly immediately after the close of each month.

The maintenance of a regular pass book in the treasury would seem to be necessary if the Municipality is to be in a position to see how its balance is arrived at, receipts not being exhibited under the present arrangement.

12. *General Result of the Audit.*—The accounts and registers have, on the whole, been satisfactorily kept; and the manager and the head clerk in immediate charge of the accounts have done their work properly.

13. *Points to be noted by the Chairman.*—The following are the points needing special attention:—

		Para.
(1)	Demand not held as finally settled at any time before the close of the year	5
(2)	Remarks on expenditure	6A
(3)	Travelling allowance overdrawn by Mr. Target, the Executive Engineer, on the special duty in connection with water-supply scheme ..	6B
(4)	The desirability of handing over bills to the bill collectors in small batches for the future	10(*a*)
(5)	The absence of a treasury pass book	11

Forwarded to the Accountant-General.

Tellicherry, 21*st November* 1887.

(Signed) R. C. CHAPMAN,
Inspector of Local Fund Accounts.

No. 389-L.F.D.

Forwarded to the Chief Secretary to Government, Local and Municipal Department, through the Chairman, Municipal Council, Salem.

Fort St. George, 15*th December* 1887.

(Signed) H. F. CLOGSTOUN,
Accountant-General.

From Surgeon-Major A. N. ROGERS-HARRISON, Chairman, Municipal Council, Salem, to the Chief Secretary to Government (through the Divisional Officer), dated Salem, 23rd January 1888, No. 58.

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2. An extract from the Proceedings of a general meeting held on the 19th instant is also appended.

Submitted to the Chief Secretary to Government, Local and Municipal Department.

27*th January* 1888.

(Signed) G. McWATTERS,
Collector.

ORDER—dated 14th April 1888, No. 350 M., Local and Municipal.

Recorded, with the following remarks:—

(1) The sanction of Government which should have been obtained for the employment of a man on Rs. 10 per mensem in connexion with the municipal watershed is now accorded.

(2) With reference to paragraph 6B of the audit report, it is observed that the sanction of Government is not required for the entertainment of temporary establishments, but application should have been made to Government for the necessary allotment of funds. The allowance wrongly drawn by Mr. Target will be recovered from him and credited to Municipal Funds. The Accountant-General will furnish the Public Works Department with full particulars of the amounts to be so recovered.

(3) The interest on the promissory note referred to in paragraph 8A should be recovered from the contractor and credited to Municipal Funds, if the contract provided for payment of interest on outstanding instalments.

(4) Bills should be delivered to the bill collectors in small batches.

(5) Explanation should be furnished regarding the advance of Rs. 200 for town decoration.

(True Extract.)

H. E. STOKES,
Chief Secretary.

To the Chairman, Municipal Council, Salem,
through the Collector.
„ Accountant-General.
„ Public Works Department.

Exd. A. Raitt.

Re. 1383 w d/11 - 2nd May 1888

On receipt of a report from the Accountant General as to the amount to be recovered from Mr. Target, the Board's Administration will be requested to take the necessary action.

(Sd) J. O. M.

Govt. of {1888} Madras.

LOCAL AND MUNICIPAL.

Issued

Recd. *Encl.*

G.O., 14th April 1888, No. 350 M.

No. 1383 w d/11 - 2nd May 1888

APRIL.

Local & Munl. Dept.
Exr. Board.

Municipal Accounts.

Recording, with remarks, report on the audit of the accounts of the Salem Municipality for 1886-87.

GOVERNMENT OF MADRAS.

LOCAL AND MUNICIPAL DEPARTMENT.

Read—the following papers :—

From M.R.Ry. P. RAJAGOPAL MUDALIAR, Assistant Inspector of Local Fund Accounts, to the Inspector of Local Fund Accounts, Madras, dated Karúr, 10th November 1887.

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2. *Balanced Statements of Receipts and Expenditure.*—The total receipts and expenditure of the Municipality during the year under report, together with the opening and closing balances, are shown in Statements 1 and 2 appended.

3. *Explanation of Discrepancies.*—The figures as appearing in these statements do not materially differ from those in the statements prepared by the Municipality for submission to Government, such differences as there are being shown in red ink in the statements.

The subjoined statement shows the few alterations introduced on audit :—

Budget head.	As per municipal statement.	As per the accompanying statement.	Difference (more or less).	Remarks.
Receipts.	Rs. A. P.	Rs. A. P.	Rs. A. P.	
2. Contribution from Provincial Funds—				
Commission payable for the collection of license-tax	159 12 0	..	— 159 12 0	Errors in classification rectified.
Penalties on account of license-tax ..	111 4 0	..	— 111 4 0	
3. Realization under Special Acts—				
Commission payable for the collection of license-tax	..	159 12 0	+ 159 12 0	
Penalties on account of license-tax ..	..	111 4 0	+ 111 4 0	
12. Miscellaneous—				
(*d*) Private contributions, donations, &c.	8 8 0	47 8 0	+ 39 0 0	Do. do.
(*e*) Petty items	60 8 0	21 8 0	— 39 0 0	
Charges.				
Grant I—				
1. New Works—				
(*d*) Water-supply	3,472 11 3	..	—3,472 11 3	Do. do.
Grant IV—				
8. Water Works	..	3,472 11 3	+3,472 11 3	

4. *Remarks on Receipts—Check of Receipts.*—As regards items having fixed demand, the figures in the Demand, Collection and Balance Statement (accompanying) were verified by reference to demand registers, actual collections, remission orders, &c., and the uncollected bills on hand; while the collections under the items for which there are no fixed demand have been proved by reference to counterfoils of licenses, receipts, &c. The several entries in the chitta were traced into the cash-book and the ledger, and their totals examined.

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The figures entered in the statement were duly verified by reference to the demand registers and the balance by reference to uncollected bills and subsequent collections.

The Chairman revises the demand figures throughout the year, the demand not being held as finally settled at any time before the close of the year.

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6A. (*a*) *Remarks on Expenditure.*—One consolidated bill is prepared every month for the pay of the several schools payable by the Municipality both on the salary and combined system (there being about a dozen schools of the kind) and a cheque is drawn in the name of the municipal office cashier, who receives the money from the treasury and remits the same to the head masters of the schools concerned. The same course is followed in regard to the school contingencies and house-rent. It would seem to be desirable that separate cheques should be issued in the name of the schoolmasters concerned.

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(*f*) A man employed to bring water and to distribute the same in the municipal watershed is paid Rs. 10 a month. The appointment was sanctioned by the Council, but the required sanction of Government was not obtained under the erroneous impression that no such sanction was needed, the payment being considered to be a contingent rather than an establishment charge.

(*g*) Owing to the appointment of District Medical and Sanitary Officer having been vacant for a great portion of the year under report, the Assistant Surgeon who attended to the work of inspecting municipal vaccination cases was unable to attend to that work in his capacity of Officiating District Medical and Sanitary Officer and he had therefore to depute an hospital assistant of the reserve medical staff doing duty in the municipal dispensary, Salem, to inspect vaccination cases within the municipal limit. This entailed an extra charge on the Municipality in the way of cart-hire at annas 12 per diem and a total cost not exceeding Rs. 3 per diem paid to the above

hospital assistant. The arrangement continued for about eight months, and the total sum paid on this account was Rs. 22-8-0.

6B. *Water-supply.*—Under G.O., dated 7th August 1886, No. 1972, Public Works Department, the services of Mr. C. A. B. Target, Executive Engineer, 1st grade, were temporarily placed at the disposal of the Municipal Council, Salem, for the investigation of the various schemes proposed for supplying the town of Salem with water. The salary of the officer was to be met by Government and the travelling expenses during the period by the Municipality.

In the regular estimate for 1886-87, Rs. 2,400 was provided for the cost of investigating the various schemes for the water-supply. But the actual cost of the investigation was Rs. 3,472-11-3, as particularized below :—

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Sinking trial pits	34	7	7
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Fee paid to the Chemical Examiner for water analysis	40	0	0
Sundries	31	8	6
Total	3,471	3	3

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7. *Closing Balance.*—The closing balance as per municipal books was as under :—

	Rs.	A.	P.
Municipal	1,523	1	3
Deposit	5,637	6	0
	7,160	7	3

	Rs.	A.	P.
The balance as per treasury accounts was	3,878	2	4
Deduct uncashed cheques	2,110	5	1
	1,767	13	3
Add collections of the 31st March 1887 remitted to the treasury on the 2nd April 1887	1,441	10	0
	3,209	7	3
Post Office Savings Bank	3,951	0	0
	7,160	7	3

8. *Advances.*—The following statement shows the "Advances" for the year:—

		Rs.	A.	P.
(1)	The total amount outstanding at the beginning of the year	566	4	0
(2)	The amount advanced during the year	435	0	0
	Total	1,001	4	0
(3)	The amount received during the year—			
	(*a*) On account of the year itself	290 4 0		
	(*b*) On account of previous years	235 0 0		
		525	4	0
(4)	The total amount outstanding at the end of the year	476	0	0

The following are the particulars of the outstanding advances:—

	Rs.	A.	P.	Rs.	A.	P.
Advanced to the Chairman for town decoration				200	0	0
Advanced to a contractor for numbering houses				80	0	0
Do. to the owner of the land used for jutka stand				75	0	0
Permanent advances—						
With the Surgeon	50	0	0			
Office manager	50	0	0			
Workshop carpenter	12	0	0			
Head Master, Salem School	2	0	0			
Do. Sevapet School	2	0	0			
Do. Salem College	5	0	0			
				121	0	0
Total				476	0	0

8A. Toll contractors' deposits for 1885-86 were invested in Government promissory notes. The last three kists, that is, those for January, February and March, though they fell due on the first day of each of those months, were not paid or adjusted from the deposit account till May 1886, as the promissory notes were not sold till then. As the contractors' money equal to three months' kists was with the Municipality in the shape of Government promissory note, no interest was charged for the non-payment of the kists. But the interest accruing on the promissory note till May 1886 was realized and paid in full to the contractor by adjusting the same towards the kists due by him for 1886-87. The Municipality would seem to be entitled to the interest which accrued on the promissory note from the date on which the kists became due to that on which they were actually paid.

9. *Deposits.*—A duly-audited statement of deposits is appended. The following are the particulars of the closing balance under Deposits:—

	Rs.	A.	P.	Rs.	A.	P.
Contractors' Deposit—						
Toll and other contractor for 1887-88	4,135	0	0			
Gravel contractor for 1886-87	400	0	0			
Amount due to a contractor on account of interest realized on Post Office Savings Bank deposit	122	12	0			
				4,657	12	0
Appellants' Deposits—						
Professional tax for 1885-86	8	0	0			
Do. for 1886-87	897	0	0			
House tax for 1886-87	74	7	0			
				979	7	0
Miscellaneous Deposits—						
Surplus sale-proceeds of attached property				0	3	0
				*5,637	6	0

	Rs.	A.	P.
*Cash	1,686	6	0
Post Office Savings Bank	3,951	0	0

10. *Miscellaneous.—Collection Arrangement*—(*a*) Bills for house, land and trade tax are delivered to the bill collectors all at once or as they become ready; but not in small batches to be accounted for at short intervals. The uncollected bills in the hands of the bill collectors are returned to the office only at the close of the year. The manager is said to examine the uncollected bills at frequent intervals, that is, once a month or so. Bill collectors pay the collections into the office once in two or three days. Other collections are made in the office, the amounts being invariably paid direct to the shroff. Collections are entered in the chitta then and there, except in the case of license fees, which are first entered in the separate register of licenses.

(*b*) *Monetary Arrangements.*—Daily collections are remitted to the treasury every following day with a challan and remittance book signed by the manager and the shroff.

(*c*) *Payments.*—Payments are invariably made by means of cheques, however small the amounts may be. The cheques are issued in the name of the payees except in the case of school bills and other establishment bills, such as conservancy establishment, &c., under the immediate charge of the Chairman. In the excepted cases, the cheques are in the name of the shroff, who disburses the amounts to the parties concerned in the presence of the sanitary inspector in the case of conservancy establishment, and in the presence of the manager in all other cases.

11. *Accounts and Registers.*—The accounts and registers maintained are in accordance with those recommended in Mr. Stokes' memorandum and they call for no remark except that no treasury pass book has been maintained, the present practice being to prepare a statement of cheques issued in the municipal office and to send it to the treasury, where cashed and uncashed cheques are marked, the balance according to the treasury books being also noted. This is done monthly immediately after the close of each month.

The maintenance of a regular pass book in the treasury would seem to be necessary if the Municipality is to be in a position to see how its balance is arrived at, receipts not being exhibited under the present arrangement.

12. *General Result of the Audit.*—The accounts and registers have, on the whole, been satisfactorily kept; and the manager and the head clerk in immediate charge of the accounts have done their work properly.

13. *Points to be noted by the Chairman.*—The following are the points needing special attention:—

		Para.
(1)	Demand not held as finally settled at any time before the close of the year	5
(2)	Remarks on expenditure	6A
(3)	Travelling allowance overdrawn by Mr. Target, the Executive Engineer, on the special duty in connection with water-supply scheme	6B
(4)	The desirability of handing over bills to the bill collectors in small batches for the future	10(*a*)
(5)	The absence of a treasury pass book	11

Forwarded to the Accountant-General.

Tellicherry, 21*st November* 1887.

(Signed) R. C. CHAPMAN,
Inspector of Local Fund Accounts.

No. 389-L.F.D.

Forwarded to the Chief Secretary to Government, Local and Municipal Department, through the Chairman, Municipal Council, Salem.

Fort St. George, 15*th December* 1887.

(Signed) H. F. CLOGSTOUN,
Accountant-General.

From Surgeon-Major A. N. ROGERS-HARRISON, Chairman, Municipal Council, Salem, to the Chief Secretary to Government (through the Divisional Officer), dated Salem, 23rd January 1888, No. 58.

I have the honor to forward herewith the audit report of the Salem Municipality for the year 1886-87.

2. An extract from the Proceedings of a general meeting held on the 19th instant is also appended.

Submitted to the Chief Secretary to Government, Local and Municipal Department.

(Signed) G. McWATTERS,
Collector.

27*th January* 1888.

Order—dated 14th April 1888, No. 350 M., Local and Municipal.

Recorded, with the following remarks:—

(1) The sanction of Government which should have been obtained for the employment of a man on Rs. 10 per mensem in connexion with the municipal watershed is now accorded.

(2) With reference to paragraph 6b of the audit report, it is observed that the sanction of Government is not required for the entertainment of temporary establishments, but application should have been made to Government for the necessary allotment of funds. The allowance wrongly drawn by Mr. Target will be recovered from him and credited to Municipal Funds. The Accountant-General will furnish the Public Works Department with full particulars of the amounts to be so recovered.

(3) The interest on the promissory note referred to in paragraph 8a should be recovered from the contractor and credited to Municipal Funds, if the contract provided for payment of interest on outstanding instalments.

(4) Bills should be delivered to the bill collectors in small batches.

(5) Explanation should be furnished regarding the advance of Rs. 200 for town decoration.

(True Extract.)

Chief Secretary.

To the Chairman, Municipal Council, Salem,
through the Collector.
„ Accountant-General.
„ Public Works Department.

Exd. A. Raitt.

No. 1772 W dy 7-8-86.

No. 1383 W. dy 11th May 1888

10

On receipt of a report from the Accts. General as to the amount to be recovered from Mr. Sargent, the Burmah administration will be requested to take the necessary action.

MCR 1.5.88

Jyn 3/5/88.

S 8/11/5

DO 11/5

Local & munl. Dept.

Expr. W.D. decl. receipt to ack 12/5

O 11/5 Dft. 9/V. M. 3/5/88. R. 5-5-88 Dft 14/5 V 4-5

Mdu 3902

Govt. of {1888} Madras.

LOCAL AND MUNICIPAL.

S.D.C

Issued

Recd. 27/4/88 *Encl.*

G.O., 14th April 1888, No. 350 M.

No. 1383 W dy 11th May 1888

APRIL.

Municipal Accounts.

Recording, with remarks, report on the audit of the accounts of the Salem Municipality for 1886-87.

W Mr Order