(1) பக்கங்களின் எண்ணிக்கை 34

(2) புதுக்கித் திருப்பிய நாள் July. 88

(3) ஆதாரங்குறிப்பவர் கருக்கொப்பம்

தமிழ்நாடு ஆவணக் காப்பகம்.

தமிழ்நாடு அரசு

P.W.D துறை

அரசாணை எண். 2566.W
மு. கோப்புத் தாள் எண்.

அச்சகம்
பலவகை

நாள் : 20.8.1988

198 .

மடிக்கவோ கண்டபடி கையாளவோ கூடாது

இவண. கா-1—18,000—15-6-87.

2566/1

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

General.
Account.

READ—the following paper :—

Office Note from the Examiner, Public Works Accounts, dated Madras, 7th August 1888, No. 2023.

In paras. 19 to 24 of his notes of inspection of the office of the Executive Engineer, Trichinopoly Division, in January last, the Deputy Examiner brought to notice certain irregularities connected with the receipt and accounting for security deposits and earnest money of contractors, and against item 9 of the summary of the report I remarked that the matter would be taken up separately. The report and summary were forwarded to you under my endorsement No. 1337, dated 13th April 1888.

2. In my No. 389 S. E., 16, dated 1st May 1888, I drew the Executive Engineer's attention to the Deputy Examiner's remarks and requested him to report fully as to the practice in connection with such transactions, and I now submit a copy of that officer's reply, No. 10 Exr., dated 8th June 1888.

3. The Executive Engineer's letter deals with several distinct subjects, namely—

(*a*) the time of taking security from contractors ;
(*b*) the system of accounting for earnest money received ;
(*c*) the failure of the head clerk to bring promptly to account certain specific items received as security of contractors.

The first of these subjects will be dealt with, if necessary, in connection with the general question of contracts. Regarding the second I shall shortly address you separately, but in the meanwhile I have drawn the Executive Engineer's attention to Code para. 1897 and have requested him to conform to the Code rules pending further orders of Government.

4. As regards the third point, with reference to the Executive Engineer's remark that he does not see "that any fault can be found with the action of either the Executive Engineer or the head clerk," I have informed the Executive Engineer that in my opinion the failure of the head clerk to enter in the cash book until the 11th January, if not later, sums admittedly received on the 20th and 21st December, if not earlier, was a grave irregularity. With regard to these specific items it does not seem necessary to say any more ; but the inquiries which I have thus been led to make into the system in force in divisions generally has strongly impressed me with the necessity of more clearly defining the duties and responsibilities of head clerks in connection with the receipt and disbursement of cash, and of providing some means—however imperfect—of ensuring that all sums received shall be brought to account, and that promptly.

5. Taking the rules and practices as they now are, it seems to me—

(*a*) that there is no sufficient recognition of the necessity for the continuous presence in every divisional office of some responsible individual to receive and make payments ;
(*b*) that when such an individual is provided there is no provision for the proper enforcement of his responsibility by a separate account of his dealings ; and
(*c*) that, as regards such account as is required to be kept, there is no provision whatever for securing the completeness of the account in respect of sums received.

6. With regard to the first point, Code para. 1638 says: "Cashiers may be appointed under the orders of Government whenever the cash transactions of a division are considered sufficiently extensive to require it;" and then continues: "*if the Executive Engineer desires it*, the head clerk of the office *may* carry on the duties of cashier and have charge of the cash chest." Also Code para. 1628 says: "in the absence of any precise orders of Government, the Executive Engineer will make such arrangements for the custody of the keys and the proper disbursement of all moneys as he considers requisite." If the Executive Engineer's absence from head-quarters were a rare event, the provisions might be quite sufficient; but seeing that in almost every division the Executive Engineer is absent from head-quarters the greater part of the month, and is continually coming and going; seeing that even if disbursements, other than very petty ones, can be suspended during the Executive Engineer's absence, the receipt of sums tendered cannot well be so suspended; and having regard to the trouble involved in a transfer of responsibility on every occasion of the Executive Engineer's departure and return, it seems to me that it would be much better to rule that in all divisions to which no cashier is appointed, the head clerk *shall* perform the duties of cashier, unless, for some special approved reason, the Executive Engineer considers it unnecessary or undesirable to allow any receipt or disbursement of money during his absence.

7. With regard to the second point, whether the duties of cashier are performed by a cashier specially appointed as such, or by the head clerk under orders of the Executive Engineer, or by no one in particular, only one account is kept of receipts and disbursements of the divisional office—at least only one account is recognized, and I understand from Mr. Rainier that, as far as his observations go, only one account is kept—and this account is the Executive Engineer's cash book. I question very much whether this is a desirable arrangement for the enforcement of responsibility for the dealings of the cashier, or of the individual carrying on the duties of cashier. I think that every individual separately entrusted with the receipt, custody, or disbursement of cash should be required to keep a separate account of his own dealings. In circular memorandum from the Chief Engineer, Public Works Department, No. 1670, dated 16th July 1881, as originally issued, this was provided for in the case of a head clerk carrying on the duties of a cashier during the Executive Engineer's absence, and perhaps it was supposed (though it is not the case) that a cashier appointed as such does keep his separate account. The proposal was that the head clerk should keep his own cash book and that the accountant should post the Executive Engineer's cash book therefrom.

8. Exception was taken to this proposal by my predecessor on what seems to me very mistaken grounds; and the circular was modified to read that "when the appointment of a special cashier has not been sanctioned, the head clerk may be entrusted with the duties of cashier;" and this is the basis of the present Code rule quoted above.

9. My predecessor apparently argued—

(*a*) that cheques drawn for cash would be dealt with by the accountant as cheques and by the head clerk as cash, and that receipts in cash (coin?) would be under the head clerk's responsibility and receipts by cheque under that of the accountant, and that, consequently, there would be a division of the duties and responsibilities of the cashier; and

(*b*) that as the accountant would have to repost the whole of the cashier's transactions in the Executive Engineer's cash book, the relief to the accountant would be very slight.

I am quite unable to follow the first of these arguments, and there seems to me to be very little force indeed in the second. Receipts realized *must* be technically *cash*, whether received in coin or by cheque; the accountant could have nothing whatever to do with these *qua* cashier, nor could he have anything to do, as cashier, with cheques drawn for cash; he need not even see them or handle them, his duty being confined to bringing their issue to account from the counterfoils, or from information furnished by the Executive Engineer.

10. With regard to the second argument, it is not at all necessary that the accountant should repost all the cashier's transactions *in the Executive Engineer's cash book*; the cashier (or head clerk) can be treated like any other subordinate disburser, and his transaction posted directly *into the cash abstract book* as provided in Code para. 1841 for sub-divisional cash transactions, the only difference being that the posting would be from the original instead of from a copy or extract.

11. Subject to the slight modification indicated in the last paragraph, the course prescribed in original memorandum from the Chief Engineer, Public Works Department, No. 1670 of 1881, is, I think, unquestionably the proper one as far as the circular went, but the circular should, I think, have gone a little further and laid down that this course should invariably be followed by the cashier or his substitute, and that where no cashier is appointed the head clerk must always perform the duties of cashier. I would suggest that this procedure should now be prescribed.

12. With regard to the third point (*c*) of para. 5, there is only one way of providing a check over the accounting for receipts, that is by insisting on receipts being invariably given in a suitable printed form, supplied to the cashier in press-numbered books like cheque books, and notifying that no receipt will be recognized unless given in that form; a duplicate should be recorded at the time on a counterfoil, or, still better, produced simultaneously by means of carbonized paper. An additional security can, if desired, be obtained by providing for endorsement of cash receipt by the Executive Engineer before the book is made over to the cashier, the form making it clear (by the position of the signature) that the Executive Engineer is not signing the receipt in blank but simply completing it to make it a valid receipt form. Absolute control over the accounting for receipts is of course impossible, but that is no reason why the best means of control that can be devised should not be provided. In reply to my inquiries, Mr. Rainier, giving the result of his observations during inspections, describes the present system or want of system as follows: "Sometimes a receipt is given; sometimes not: when a receipt is given it is sometimes initialled on the counterfoil by the Executive Engineer, sometimes by the accountant only. Sometimes Form No. 217 (Miscellaneous Receipt) is used when giving such receipts, but not always; this is the only book form, it is never press numbered." I do not think such absence of system should be tolerated.

13. Closely connected with the question of the conduct of the duties of cashier when no cashier is appointed is the question of whether there are any cases in which it is necessary to appoint a cashier as such. This is a question that can hardly be usefully considered without a clear understanding of what is meant by a cashier, and what the duties of a cashier are. The term cashier seems to me to be applied to two totally different classes of servants, whose duties can seldom, if ever, be properly discharged by one and the same individual, and I am disposed to attribute to this confusion much of the failure to derive proper advantage from the services of the individuals who have been appointed in several divisions under the designation of cashiers.

14. Code para. 790 mentions three classes of servants, namely cashiers, pay clerks and paymasters; but in all paragraphs (1639 and 1770—75) dealing with the duties of such servants the single term "cashier" is used. This is to be regretted because the duties of a cashier and of a pay clerk are in one most important respect essentially different, and, ordinarily speaking, cannot practically be discharged by one individual. At any rate there are two distinct kinds of duties to be considered; and the servant who discharges one set of duties is usually called a cashier, whilst he who discharges the other set is usually called a pay clerk.

15. A cashier, in ordinary parlance, is one who remains at a fixed place to receive sums tendered at that place, and to make payments to creditors coming to that place for payment. A pay clerk, on the other hand, is one who goes about from place to place for the purpose of paying creditors at the places where they are. A paymaster is the supervising head of an establishment of cashiers or of pay clerks or of both combined, and probably all mention of him might be omitted from the Code, there is no apparent likelihood of such a functionary being required except on a

railway staff. We have to deal only with cashiers, whose duties are essentially stationary, and with pay clerks whose duties are essentially peripatetic.

16. Using the terms "cashier" and "pay clerk" in the senses defined above, there is nothing to prevent the cashiers from keeping the Executive Engineer's cash book, if, which however I question, it is desirable that he should do so, instead of keeping his own cash book; but it is, I think, impossible for a single individual to perform satisfactorily the combined duties of pay clerk and cashier, unless his duties as cashier are to be entirely suspended during his absences, which can seldom be otherwise than highly inconvenient, and even if this is admissible, it can hardly be possible for a pay clerk to perform satisfactorily the further duty of keeping the Executive Engineer's cash book. A cashier might perhaps act also as pay clerk within the station at which his cash chest is located, but that is probably the limit of the satisfactory combination of the two functions.

17. There are at present six sanctioned cashiers, one in each of the following divisions, sanctioned in the Government Order quoted against each, namely:—

Godávari Central ...	...	G.O., No.	186 W.,	dated	23rd Jan. 1885.
Godávari Eastern	...	„ „	2816 W.,	„	8th Oct. 1883.
Kistna Eastern ...	...	„ „	1165 W.,	„	10th Sept. 1881.
Presidency ...	...	„ „	2048 W.,	„	19th Aug. „
Nellore (Sangam)	...	„ „	185 W.,	„	25th „ 1884.
Ganjam	...	„ „	1489 W.,	„	3rd June 1887.

There was also for some time a cashier in the Nílgiri Division, sanctioned in G.O., No. 2430 W., dated 2nd October 1884. The Nellore Division cashier was sanctioned for the Sangam Project and transferred to the Nellore Division on the amalgamation of the two divisions.

18. In the Godávari Central Division the cashier's appointment was expressly asked for in order that he might *make payments throughout the division* and so relieve executive officers; in the Godávari Eastern Division the cashier was asked for in order that he might make payments in the head works sub-division and the divisional office and keep the Executive Engineer's cash book; the Sangam (now Nellore) cashier was asked for for the purpose of relieving executive officers of payments in the Kanigiri Sub-division; in the other cases I can find no mention of the duties the cashier was intended to perform, but it may, I think, be presumed that the cashier was in every case appointed for the purpose of relieving executive officers of the duty of making payments. As far as I can discover, however, it does not seem that cashiers generally perform the duties for which they were presumably appointed. It appears from the vouchers received with accounts that in the Godávari Central Division the cashier makes payments only in the divisional office and in the head-quarters sub-division, not throughout the division as intended; in the Godávari Eastern Division it seems that he pays in the head works sub-division as intended; in the Kistna Eastern Division it seems that he makes only petty payments in the divisional office and work-shop payments (Bezváda Workshops), but this is quite a recent development, and correspondence with the Executive Engineer shows that until quite recently he was regarded as a sort of special assistant to the accountant; in the other divisions as far as can be gathered from the vouchers, and in the case of the Presidency Division from personal inquiry, he only makes petty payments in the divisional office. Also with regard to the Nílgiri cashier (now abolished) it appears from the correspondence recorded in the marginally-noted Government Orders that it was a very long time before the cashier began to perform his proper duties, if indeed he ever did do so.

No. 2430 W., dated 2nd Oct. 1884.
„ 1043 W., „ 4th May 1885.
„ 1340 W., „ 29th „ 1886.

19. I am disposed to think that the failure to utilize the service of the cashier for the purpose for which they were presumably appointed is entirely due to the incompatibility of the several functions which the Code ascribes to a cashier, the one duty most distinctly laid down, that of keeping the Executive Engineer's cash book, being almost of necessity incompatible with the duty of making payments throughout

a division or even a sub-division, and I think it might be worthwhile to ask Superintending Engineers to consider the necessity of continuing the appointments of cashiers and the expediency of substituting in certain cases pay clerks.

20. My own opinion is that there is probably not a single division in which, under present condition, there is the slightest necessity for the appointment of a cashier, in the sense in which I use the term; that is to say remembering that it is number rather than amount of payments that should be considered, I think there is probably no division in which the transactions, whether receipts or disbursements, of the divisional cash chest are so frequent and numerous that the duties of cashier cannot be very well performed by the head clerk.

21. I will not venture any opinion as to the scope for the employment of pay clerks; personal knowledge of the condition of each division can alone enable any one to form a useful opinion on that point; but I may point out that, since officers of experience and judgment have on several occasions endeavoured to introduce the system of payment by a separate staff, there is at least *primâ facie* ground for thinking that the system might with advantage be introduced in a good many divisions, to the great relief of the executive staff, and though there might not be at first any obvious economy in such a system, it is probable that the saving in travelling allowance of officers, by obviating journeys useless except for payments, would go a long way to meet the cost of the pay clerks, whilst the balance would be more than met by the increased efficiency of the executive staff for their proper work of professional supervision. I put it in this way because too often it is only the obvious money cost and the obvious money saving that are considered, but the saving of the time of executive officers would really be a much more important consideration than the saving of their travelling allowances.

22. I am also inclined to think that, under altered conditions, there might be plenty of room for the continued employment of a cashier in the Presidency Division. There are at present eight offices located in the Chepâk buildings each with a separate cash chest. This seems a wasteful system. With a little arrangement it would be easy for the cashier of the Presidency Division to make all the petty payments of the eight offices, on pay orders signed by the responsible officers, as would be done at the head-quarters' offices of any railway.

23. This is not the place to go into the question of the security to be required from cashiers, or from clerks discharging the duties of cashiers, but it may be well to mention that, in connection with the preparation of forms of agreement of deposit, one of the points on which stress is laid by the Government Solicitor is the necessity of correctly describing the duties of the servants concerned, and this is an additional reason for clearly recognizing the distinction here pointed out between cashiers and pay clerks.

ENCLOSURE.

From Captain L. LANGLEY, R.E., Executive Engineer, Trichinopoly Division, to the Examiner of Public Works Accounts, Madras, dated 8th June 1888, No. 10 Exr.

In reply to your No. 389 S.E./6, dated 1st ultimo, I have the honor to state as follows: In the first place, referring to the extract from Mr. Rainier's inspection notes forwarded with your letter under reply, I have to inform you that the agreement with the contractor alluded to says nothing whatever about the *immediate* deposit of Rs. 100. The works are "Rs. 100 to be deposited as security." The amount was deposited on 21st December last. The contractor (Kuppuswami Naidu) states, that at the time he executed the agreement abovementioned, a much larger sum than Rs. 100 was due to him for certain work, so he did not think it necessary to pay the deposit before.

It is supposed that the Executive Engineer did not think it necessary to call upon him for the deposit before, for the same reason. In the early part of December last, the contractor's claims were adjusted, and the doors and windows made by the contractor under the above-mentioned agreement, which had been previously in the charge of the Executive Engineer, were handed over to the contractors for delivery at Ammayanáyakanúr. It was then necessary to take the security, and this was done on 21st December. On the 22nd, the office was closed for the Christmas holidays. During the holidays, the contractor petitioned the Executive Engineer for

the return of the deposit on the ground that the work was finished. The latter replied that the deposit must be retained till the Executive Engineer, Periyár Division, for whom the work was done, acknowledged its receipt. The deposit should of course have been taken when the agreement was signed, and the delay in not paying the deposit into the treasury on 5th January, was also irregular. Otherwise, I do not see that any fault can be found with the action of either the Executive Engineer or the head clerk. I have thought it necessary to go into this matter because Mr. Rainier's account of the transactions is both inaccurate and misleading, and because this appears to have been an exceptional case.

The practice obtaining in this office regarding the depositing of securities up to January last was as follows :—

Cash securities were duly entered in the cash book as they were received, except in cases in which the amounts had to be refunded within a very short time; in such cases the amounts were kept in the cash chest and returned to the depositors. Earnest moneys received with tenders were returned to the contractors. Although securities were entered in agreements, they were not taken in some cases where contractors had large balances due to them on other works.

Since January last, all securities deposited by contractors have been paid into the treasury at once, after record in the cash book. Earnest moneys are received and returned then and there, so that there is no necessity for mentioning them in the cash book. In future, all securities mentioned in agreements will be taken at the time that the agreements are signed.

ORDER—dated 20th August 1888, No. 2566 W., Public Works.

Communicated to Superintending Engineers for an expression of their views.

(True Extract.)

Captain, R.E.,
Under Secy. to Govt., P.W.D.

To Superintending Engineers.
To the Consulting Architect to Government.
" Examiner, Public Works Accounts.

Exd. E. A. Hankins.
Spare Copies

2566/4

GENERAL.
ACCOUNT.

Govt. of {1888} Madras.

PUBLIC WORKS.

Dated August, 20th.

Recd. *Encl.*

G.O., 20th Aug. 1888, No. 2566 W.

AUGUST.

Security from Contractors

Office Note from the Examiner, Public Works Accounts, remarking on the failure of the Head Clerk, Trichinopoly Division, to bring promptly to account certain specific items recovered as —, as shown in a letter from the Executive Engineer reporting on certain irregularities noticed in the procedure in connection with the receipt and accounting for security deposits and earnest money of contractors, communicated to Superintending Engineers for an expression of their views.

[C. No. 8.]

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GOVT. OF MADRAS. } 1888. { P.W. DEPT.

EXAMINER, P. W. ACCOUNTS.

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Madras, 7 August 1888.

OFFICE NOTE No. 2023

Enc: 1

To

W.

In paras 19 to 24 of his notes of inspection of the office of the Executive Engineer Trichinopoly Division, in January last, the Dy. Examiner brought to notice certain irregularities connected with the receipt and accounting for security deposits and earnest money of contractors, and against item 8 of the summary of the report I remarked that the matter would be taken up separately. The report and summary were forwarded to you under my endorsement No. 1337 dated 13th. April 1888.

2. In my No. 386 S.E.C dated 1st. May 1888, I drew the Executive Engineer's attention to the Dy. Examiner's remarks and requested him to report fully as to the practice in connection with such transactions, and I now submit a copy of

KEEP-WITH Genl. No.

dated 188 .

B. 1767. 1.8.88
Put up for use 76/87
2nd Book 10.8.88

1,000—7-2-88.

that officer's reply,No. 10 Exr. dated 8th. June 1888.

3. The Executive Engineer's letter deals with several distinct subjects,namely:-

(a)the time of taking security from contractors ;

(b)the system of accounting for earnest money received;

(c)the failure of the head clerk to bring promptly to account certain specific items received as security of contractors.

The first of these subjects will be dealt with if necessary in connection with the general question of contracts. Regarding the second I shall shortly address you separately,but in the meanwhile I have drawn the Executive Engineer's attention to Code para 1867 and have requested him to conform to the Code rules pending further orders of Government.

4. As regards the third point, with reference to the Executive Engineer's remark that he does not see" that any fault can be found with the action of either the Executive Engineer or the Head clerk",I have informed the Executive Engineer that in my

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opinion the failure of the head clerk to enter in the cash book until the 11th. January,if not later, sums admittedly received on the 20th. and 21st. December,if not earlier, was a grave irregularity. With regard to these specific items it does not seem necessary to say any more; but the inquiries which I have thus been led to make into the system in force in divisions generally has strongly impressed me with the necessity of more clearly defining the duties and responsibilities of head clerks in connection with the receipt and disbursement of cash,and of providing some means — however imperfect — of ensuring that all sums received shall be brought to account,and that promptly.

5. Taking the rules and practices as they now are,it seems to me

(a) that there is no sufficient recognition of the necessity for the continuous presence in every divisional office of some responsible individual to receive and make payments;

(b) that when such an individual is provided there is no provision

for the proper enforcement of his responsibility by a separate account of his dealings; and

(c) that, as regards such account as is required to be kept, there is no provision whatever for securing the completeness of the account in respect of sums received.

6. With regard to the first point Code para 1638 says : "Cashiers may be appointed under the orders of Government, whenever the cash transactions of a division are considered sufficiently extensive to require it", and then continues: "if the Executive Engineer desire it, the head clerk of the office may carry on the duties of cashier, and have charge of the cash chest". Also Code para 1628 says : "in the absence of any precise orders of Government, the Executive Engineer will make such arrangements for the custody of the keys and the proper disbursement of all moneys, as he considers requisite". If the Executive Engineer's absence from head quarters were a rare event the provisions might be quite sufficient; but, seeing that in almost every

division the Executive Engineer is absent from head quarters the greater part of the month, and is continually coming and going; seeing that, even if disbursements, other than very petty ones, can be suspended during the Executive Engineer's absence the receipt of sums tendered cannot well be so suspended; and having regard to the trouble involved in a transfer of responsibility on every occasion of the Executive Engineer's departure and return; it seems to me that it would be much better to rule that, in all divisions to which no cashier is appointed, the head clerk shall perform the duties of cashier, unless for some special approved reason the Executive Engineer considers it unnecessary, or undesirable, to allow any receipt or disbursement of money during his absence.

7. With regard to the second point, whether the duties of cashier are performed by a cashier specially appointed as such, or by the head clerk under orders of the Executive Engineer, or by no one in particular, only one account is kept of receipts

and disbursements of the divisional office — at least only one account is recognized, and I understand from Mr Rainier, that, as far as his observations go, only one account is kept — and this account is the Executive Engineers' cash book.

I question very much whether this is a desirable arrangement for the enforcement of responsibility for the dealings of the cashier, or of the individual carrying on the duties of cashier. I think that every individual separately entrusted with the receipt, custody, or disbursement of cash should be required to keep a separate account of his own dealings. In circular memorandum from the Chief Engineer P.W.D. No. 1670 dated 16th. July 1881, as originally issued this was provided for in the case of a head clerk carrying on the duties of a cashier during the Executive Engineer's absence, and perhaps it was supposed (though it is not the case) that a cashier appointed as such does keep his separate account. The proposal was that the head clerk should keep his own cash book and that the accountant should post

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the Executive Engineer's cash book therefrom.

8. Exception was taken to this proposal by my predecessor, on what seem to me very mistaken grounds; and the circular was modified to read that "when the appointment of a special cashier has not been sanctioned, the head clerk may be entrusted with the duties of Cashier"; and this is the basis of the present Code rule quoted above.

9. My predecessor apparently argued

(a) that cheques drawn for cash would be dealt with by the accountant as cheques and by the head clerk as cash, and that receipts in cash (coin ?) would be under the head clerk's responsibility and receipts by cheque under that of the accountant, and that, consequently, there would be a division of the duties and responsibilities of the cashier; and

(b) that as the accountant would have to repost the whole of the cashiers' transactions in the Executive Engineer's cash book,

the relief to the accountant would be very slight.

I am quite unable to follow the first of these arguments, and there seems to me to be very little force indeed in the second. Receipts realized must be technically cash whether received in coin or by cheque: the accountant could have nothing whatever to do with these qua cashiers: nor could he have anything to do, as cashier, with cheques drawn for cash: he need not even see them or handle them, his duty being confined to bringing their issue to account from the counterfoils, or from information furnished by the Executive Engineer.

10. With regard to the second argument, it is not at all necessary that the accountant should repost all the cashiers' transactions in the Executive Engineer's cash-book: the cashier (or head clerk) can be treated like any other subordinate disburser, and his transaction posted directly into the cash-abstract book as provided in Code para 1041 for sub-divisional cash transactions, the only difference

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being that the posting would be from the original instead of from a copy or extract.

11. Subject to the slight modification indicated in the last para, the course prescribed in original memorandum from the Chief Engineer P.W.D. No. 1070 of 1881, is, I think, unquestionably the proper one, as far as the circular went, but the circular should, I think, have gone a little further and laid down that this course should invariably be followed by the cashier or his substitute, and that, where no cashier is appointed the head clerk must always perform the duties of cashier. I would suggest that this procedure should now be prescribed.

12. With regard to the third point (c) of para 5, there is only one way of providing a check over the accounting for receipts, that is by insisting on receipts being invariably given in a suitable printed form, supplied to the cashier in press numbered books like cheque books, and notifying that no receipt will be recognized unless given in

that form; a duplicate should be recorded at the time on a counter-foil, or, still better, produced simultaneously by means of carbonized paper. An additional security can, if desired, be obtained by providing for endorsement of cash receipt by the Executive Engineer before the book is made over to the cashier, the form making it clear (by the position of the signature) that the Executive Engineer is not signing the receipt in blank but simply completing it to make it a valid receipt form. Absolute control over the accounting for receipts is of course impossible, but that is no reason why the best means of control that can be devised should not be provided. In reply to my inquiries Mr Rainier, giving the result of his observations during inspections, describes the present system or want of system as follows: " Sometimes a receipt is given, sometimes not: when a receipt is given it is sometimes initialled on the counterfoil by the Executive Engineer, sometimes by the accountant only. Sometimes form No. 217 (miscellaneous receipt) is used when giving such receipts,

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but not always: this is the only book form; it is never press numbered". I do not think such absence of system should be tolerated.

13. Closely connected with the question of the conduct of the duties of cashier when no cashier is appointed is the question of whether there are any cases in which it is necessary to appoint a cashier as such. This is a question that can hardly be usefully considered without a clear understanding of what is meant by a cashier, and what the duties of a cashier are.

The term cashier seems to me to be applied to two totally different classes of servants, whose duties can seldom, if ever be properly discharged by one and the same individual, and I am disposed to attribute to this confusion much of the failure to derive proper advantage from the services of the individuals who have been appointed in several divisions under the designation of cashiers.

14. Code para 760 mentions three classes of servants, namely cashiers, pay clerks and paymasters;

but in all paragraphs (1638 and 1770-75) dealing with the duties of such servants the single term "cashier" is used. This is to be regretted because the duties of a cashier and of a pay clerk are in one most important respect essentially different, and ordinarily speaking, cannot practically be discharged by one individual. At any rate there are two distinct kinds of duties to be considered; and the servant who discharges one set of duties is usually called a cashier; whilst he who discharges the other set is usually called a pay clerk.

15. A cashier, in ordinary parlance, is one who remains at a fixed place to receive sums tendered at that place, and to make ~~such~~ payments to creditors coming to that place for payment. A pay clerk, on the other hand, is one who goes about from place to place for the purpose of paying creditors at the places where they are. A paymaster is the supervising head of an establishment of cashiers or of payclerks or of both combined, and

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probably all mention of him might be omitted from the Code, as there is no apparent likelihood of such a functionary being required except on a railway staff. We have to deal only with cashiers, whose duties are essentially stationary, and with pay clerks whose duties are essentially peripatetic.

16. Using the terms "Cashier" and "payclerk" in the senses defined above, there is nothing to prevent the cashiers from keeping the Executive Engineer's cash book, if, which however I question, it is desirable that he should do so, instead of keeping his own cash-book; but it is I think impossible for a single individual to perform satisfactorily the combined duties of pay-clerk and cashier, unless his duties as cashier, are to be entirely suspended during his absences, which can seldom be otherwise than highly inconvenient, and, even if this is admissible, it can hardly be possible for a pay clerk to perform satisfactorily the further duty of keeping the Executive Engineer's cash-book. A cashier might perhaps act also as pay clerk within the station at

which his cash chest is located, but that is probably the limit of the satisfactory combination of the two functions.

17. There are at present six sanctioned cashiers, one in each of the following divisions, sanctioned in the G.O. quoted against each, namely;

Godavari Central G.O. No. 186 W. dated 23rd. January 1885.

Godavari Eastern G.O. No. 2816 W. dated 8th. October 1883.

Kistna Eastern G.O. No.* 1165 W. dated 10th. September 1881.

* simply quoted for 2458 W. 6.10.81

Presidency G.O. No. 2048 W. dated 19th. August 1881.

Nellore (Sangam) G.O. No.* 185 W. dated 25th.* August 1884.

* simply quoted for 2760 W. 4.6.11.84

Ganjam G.O. No. 1489 W. dated 3rd. June 1887.

There was also for some time a cashier in the Nilgiri Division, sanctioned in G.O. No. 2430 W. dated 2nd. October 1884. The Nellore Division cashier was sanctioned for the Sangam Project, and transferred to the Nellore Division on the amalgamation of the two divisions.

18. In the Godavari Central

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Division the cashier's appointment was expressly asked for in order that he might make payments throughout the division, and so relieve Executive Officers; in the Godavari Eastern Division the cashier was asked for in order that he might make payments in the head works sub-division and the divisional office and keep the Executive Engineer's cash-book; the Sangam (now Nellore) cashier was asked for for the purpose of relieving executive Officers of payments in the Kanigiri sub-division; in the other cases I can find no mention of the duties the cashier was intended to perform, but it may I think be presumed that the cashier was in every case appointed for the purpose of relieving Executive Officers of the duty of making payments. As far as I can ~~discover~~, however, it does not seem that cashiers generally perform the duties for which they were presumably appointed. It appears from the vouchers received with accounts that in the Godavari Central Division the cashier makes payments only in the divisional office, and in the head quarters sub-division, not

throughout the division as intended; in the Godavari Eastern Division it seems that he pays in the head works sub-division as intended; in the Kistna Eastern Division it seems that he makes only petty payments in the divisional office and workshop payments (Bezwada Workshops) but this is quite a recent development, and correspondence with the Executive Engineer shows that until quite recently he was regarded as a sort of special assistant to the accountant; in the other divisions as far as can be gathered from the vouchers, and in the case of the Presidency Division from personal inquiry, he only makes petty payments in the divisional office. Also with regard to the Nilgiri cashier (now abolished) it appears from the correspondence recorded in the marginally noted G.Os., that it was a very long time before the cashier began to perform his proper duties, if indeed he ever did do so.

No. 2430 W. dated 2nd. October 1884
No. 1043 W. dated 4th. May 1885.
1340 W. dated 29th. May 1886.

19. I am disposed to think that the failure to utilize the service of the cashier for the purpose for which they were presumably appointed

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is entirely due to the incompatibility of the several functions which the Code ascribes to a cashier, the one duty most distinctly laid down, that of keeping the Executive Engineers' cash book, being almost of necessity incompatible with the duty of making payments throughout a division or even a sub-division, and I think it might be worth while to ask Supg. Engineers to consider the necessity of continuing the appointments of cashiers, and the expediency of substituting in certain cases pay clerks.

20. My own opinion is that there is probably not a single division in which, under present condition, there is the slightest necessity for the appointment of a cashier, in the sense in which I use the term, that is to say remembering that it is number rather than amount of payments that should be considered, I think there is probably no division in which the transactions, whether receipts or disbursements, of the divisional cash chest, are so frequent and numerous that the duties of cashier cannot be very well performed

by the head clerk.

21. I will not venture any opinion as to the scope for the employment of payclerks: personal knowledge of the condition of each division can alone enable any one to form a useful opinion on that point; but I may point out that, since officers of experience and judgment have on several occasions endeavoured to introduce the system of payment by a separate staff, there is at least prima facie ground for thinking that the system might with advantage be introduced in a good many divisions, to the great relief of the executive staff; and though there might not be at first any obvious economy in such a system, it is probable that the saving in travelling allowance of officers, by obviating journeys useless except for payments, would go a long way to meet the cost of the pay clerks, whilst the balance would be more than met by the increased efficiency of the executive staff for their proper work of professional supervision. I put it in this way because, too often, it is only

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the obvious money cost and the obvious money saving that are considered, but the saving of the time of executive officers would really be a much more important consideration than the saving of their travelling allowances.

22. I am also inclined to think that, under altered conditions, there might be plenty of room for the continued employment of a cashier in the Presidency Division. There are at present eight offices located in the Chepauk buildings each with a separate cash chest. This seems a wasteful system. With a little arrangement it would be easy for the cashier of the Presidency Division to make all the petty payments of the eight offices, on pay orders signed by the responsible officers, as would be done at the head quarters offices of any railway.

23. This is not the place to go into the question of the security to be required from cashiers, or from clerks discharging the duties of cashiers, but it may be well to mention that, in connection with the preparation of forms of agreement

of deposit, one of the points on which stress is laid by the Government Solicitor is the necessity of correctly describing the duties of the servants concerned, and this is an additional reason for clearly recognizing the distinction here pointed out between cashiers and pay clerks.

(6)

W.C. No 7829

vide Cw 7827

Rec'd 8-8-88

Genl Dept

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Q.C. 1340 W. 29-5-86
" 1043 W. 4-5-85
" 2430 W. 2-10-84
" 1489 W. 3-6-87
B.No 2760 W. 6-11-84
" 2048 W. 19-8-87
" 2458 W. 6-10-87
" 2576 W. 8-10-83
Q.C. 186 W. 23-1-85

Communicated to Executive Engineer for information and guidance in future cases.

Secy to Govt
16.8.88

Dy 19

Trichinopoly Division Office.
Trichinopoly 8th June 1888.

No. 10 Exr

From

Captain L. Langley R.E.
Executive Engineer
Trichinopoly Division

To

The Examiner
of Public Works Accounts
Madras.

Sir

In reply to your No. 389 SE/6 dated 1st ultimo I have the honor to state as follows. In the first place, referring to the extract from Mr. Rainier's Inspection Notes forwarded with your letter under reply, I have to inform you that the agreement with the Contractor alluded to, says nothing whatever about the immediate deposit of Rs 100. The words are "Rs 100 to be deposited as security" The amount was deposited on 21st Sept. last. The Contractor (Kuppuswami Naidu) states that at the time he executed the agreement above mentioned, a much larger sum than Rs 100 was due to him for certain work, so he did not think it necessary to pay the deposit before.

It is supposed that the Executive Engineer

did not think it necessary to call upon him for the deposit before, for the same reason. In the early part of December last the Contractor's claims were adjusted, and the doors and windows made by the Contractor under the above mentioned agreement, which had been previously in the charge of the Executive Engineer, were handed over to the Contractor for delivery at Annayamaikanur. It was then necessary to take the security and this was done on 21st December. On the 22nd the office was closed for the Christmas holidays. During the holidays the Contractor petitioned the Executive Engineer for the return of the deposit on the ground that the work was finished. The latter replied that the deposit must be retained till the Executive Engineer Periyar Division, for whom the work was done, acknowledged its receipt. The deposit should of course have been taken when the agreement was signed, and the delay in not paying the deposit into the treasury on 5th January was also irregular. Otherwise I do not see that any fault can be found with the action of either the Executive Engineer or the Head Clerk. I have thought it necessary to go into this matter because Mr. Rainier's

account of the transactions is both inaccurate and misleading, and because this appears to have been an exceptional one case. 98 & 16

The practice obtaining in this office regarding the depositing of securities up to January last was as follows.

Cash securities were duly entered in the cash book as they were received, except in cases in which the Amounts had to be refunded within a very short time, in such cases the Amounts were kept in the Cash chest and returned to the depositors. Earnest moneys received with tenders were returned to the Contractors. Although securities were entered in agreements; they were not taken in some cases where Contractors had large balances due to them on other works.

Since January last all securities deposited by Contractors have been paid into the treasury at once, after record in the Cash book. Earnest moneys are received and returned then and there, so that there is no necessity for so mentioning them in the Cash book. In future all securities mentioned in agreements will be taken at the time that the agreements are signed.

I have the honour to be
Sir
Your most obt. servt
Ed. L. Langley Capt. R.E.
Ex. Engineer

(True copy) L. E. Salter
Superintendent
Correspondence Branch.

Mr. 7/8. P 6/8

Govt. of Madras. 1888

PUBLIC WORKS.

(1)

Dated 22 Aug 1888

Read. Encl.

No. 20 Aug 1888, No. 2586 W

Security from Contractors

Office note from the Examiner Accts remarking on the failure of the head clerk Trichinopoly Division to bring promptly to account certain specific items received as ——— as shown in a letter from the Ex Engr reporting on certain irregularities noticed in the proceedings in connection with the receipt and accounting for Security deposits and Earnest Money of contractors, and to apply Engineers for an explanation of their views.

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