

- (1) பக்கங்களின் எண்ணிக்கை 72
 (2) புதுக்கித் திருப்பிய நாள் 9-5-89
 (3) ஆதரங்குறிப்பவர் கருக்கொப்பம் 10/2

தமிழ்நாடு ஆவணக் காப்பகம்.

தமிழ்நாடு அரசு

P. W. D துறை

அரசாணை எண். மு. கோப்புத் தாள் எண்.	443-444	அச்சகம் பலவகை
நாள் :	11-2-1890	198

புக்கவோ கண்டபடி கையாளவோ கூடாது.

11TH FEBRUARY 1890, No. 443 W., PUBLIC WORKS.

GOVERNMENT OF MADRAS.
PUBLIC WORKS DEPARTMENT.

General.
Account.

READ—the following papers:—

From the Government of India, dated 5th August 1889, No. 157 A.G.
From the Examiner, Public Works Accounts, dated 17th December 1889, No. 1794.
From the " " " " " 17th January 1890, " 211.

ORDER—dated 11th February 1890, No. 443 W., Public Works.

Ordered that the Government of India be addressed.

(Here enter No. 444 W., dated 11th February 1890.)

(True Extract.)

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

To the Examiner, Public Works Accounts.

Exd. J. Moses.
Spare Copies

GENERAL.
ACCOUNT.

Govt. of {1890} Madras.
PUBLIC WORKS.

Dated February, 11th.

Recd.

Encl.

G.O., 11th Feb. 1890, No. 443 W.

FEBRUARY.

Report of the Committee on
Public Works Accounts

The Government of India addressed in
regard to a note by the Examiner, Public
Works Accounts, on the —

11TH FEBRUARY 1890, No. 444 W., PUBLIC WORKS.

PUBLIC WORKS DEPARTMENT.

General.
Account.

LETTER—from

LIEUT.-COLONEL R. R. E. DRAKE-BROCKMAN, R.E.,

Acting Joint Secretary to the Government of Madras,

Public Works Department,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,

PUBLIC WORKS DEPARTMENT.

SIR,

With reference to your letter No. 157 A.G., dated 5th August 1889, I am directed to forward the accompanying note by the Examiner, Public Works Accounts, on the report of the Committee on Public Works Accounts, and to state that in the opinion of His Excellency the Governor in Council the entire note merits the fullest consideration. The general principles involved in paras. 2, 3, 4, 8, 9, 11, 14, 17, 20 to 23, 29, 56(b) commend themselves especially to His Excellency in Council, as indicating the lines on which this Government has for the past three years endeavoured to improve and simplify its system of Public Works Accounts, which, although based upon and closely following that of the Government of India, differs from it in its code and forms of account. The general question regarding the latitude to be allowed to this Government in the matter of code and forms has already been referred to the Government of India, vide my letter No. 303 W., dated 29th January 1890, and it is obvious that the future action to be taken by this Government in the direction of simplification of accounts must depend entirely upon the decision arrived at upon that point.

2. I have further to add that after careful consideration of Major Christie's note, His Excellency in Council is firmly convinced that the views expressed in the letter of 29th January 1890 referred to above, if accepted by the Government of India, will enable the Government of Madras to continue the work of simplification and improvement of its system of accounts, and to embody in its code and forms all the suggestions of the Accounts Committee which after due consideration and criticism will assist in that object; while on the other hand the sudden introduction into the department of standing orders and forms based entirely on the recommendations of the Committee must lead to great confusion, and inasmuch as the general principles

laid down by the Committee are in many cases open to serious criticisms, it is obviously of the greatest importance that the changes required in the system of accounts should be introduced gradually.

I have the honor to be,
Sir,
Your most obedient servant,

Lt.-Col., R.E.,
Ag. Joint Secy. to Govt., P.W.D.

FORT ST. GEORGE,
11th February 1890.

Exd. J. Mosca.
Spare Copies

GENERAL
ACCOUNT.

Govt. of {1890} Madras.
PUBLIC WORKS.

Dated February, 11th.

Recd.

Encl.

11th Feb. 1890, No. 444 W.

FEBRUARY.

Report of the Committee on
Public Works Accounts.

Forwarding, with remarks, a note by the
Examiner, Public Works Accounts, Madras,
on the—

No. 157 A. G.

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.

ACCOUNT.
General.

To

THE GOVERNMENTS OF MADRAS, BOMBAY, BENGAL, THE NORTH-WESTERN PROV-
INCES AND OUDH, AND THE PUNJAB.
THE CHIEF COMMISSIONERS, CENTRAL PROVINCES, BURMA, AND ASSAM AND
COORG.
THE RESIDENT AT HYDERABAD.
THE AGENTS TO THE GOVERNOR GENERAL FOR CENTRAL INDIA, RAJPUTANA, AND
BILUCHISTAN.

Simla, the 5th August 1889.

SIR,

I am directed to forward for information 12 copies of the Report of the
Committee appointed to investigate the system of account followed in the
Buildings and Roads and Irrigation Branches of the Public Works Department,
and to state that the Government of India will be glad to receive any sugges-
tions that may be offered before orders are issued.

2. The opinions on the recommendations of the Committee should be sent
as soon as possible, as the final orders will, it is expected, issue at an early date.

3. It would be convenient to receive a separate report on the proposal for
the abolition of audit by sub-heads, subject No. X, page 39 of the Report, at
as early a date as practicable.

* Punjab, North-Western Provinces
and Bombay only.

4. I am also directed to invite your particular
attention to the remarks relating to your Province*
in Part V, page 63.

I have the honour to be,

SIR,

Your most obedient Servant,

Lieut.-Col., R.E.,

Offg. Dy. Secretary.

Documents accompanying.

12 Copies of Report of the Committee
on Public Works Accounts.

The Secretary to the
Government of Madras,
Public Works Department.

14600/3-6.89.
 6080/1-3.89
 13550/20.5.89
 21140/1-5.89
 32070/24-11.89
 7780/14-3.89
 7200/11-3.89
 35520/7-11.89

95.19600/19.89 plw

10.3.89
 87
 (2889)
 recd 15.8.89

Note by the Examiner, Public Works Accounts, Madras, on the report of the
 Committee on Public Works Accounts, 1889.

I.—PRELIMINARY REMARKS.

1. In the later paragraphs of this note—from para. 16 to the end—I have ventured to consider and criticise in detail such of the Committee's proposals and remarks as seem to require special notice, but it will, I think, be convenient to preface those detailed criticisms by a few general remarks, in the light of which they will perhaps be more readily understood.

2. First of all, however, I must explain that I have gone into the various matters much more fully than I otherwise should have, because I understand that the position of the Madras government, with reference to the Committee's report and to the conclusions adopted by the government of India, is somewhat peculiar. Madras was originally excluded from the scope of the Committee's investigations, and I understand that, as the Madras government already has its own code, and to a great extent its own forms, the conclusions adopted by the government of India for incorporation in the government of India code will not necessarily be binding on the Madras government, and that though great weight will of course be attached to such conclusions, each point will have to be independently considered. At any rate it is certain that each change will have to be separately codified with careful reference to already existing differences of rules and procedure. For this codification I shall be responsible; and I fear that the difficulty of carrying it through successfully may be seriously increased, if the resolutions of the government of India on the various matters dealt with by the Committee are accepted in every case without any consideration of local circumstances.

3. I regret that so much of my note should be devoted to criticisms and objections; but as to this I would point out that, whereas identity of opinion on any point can be expressed in two or three words, it may easily take as many pages to fully explain and justify any difference of opinion. At any rate I have thought it my duty to state my views fully and freely, and all the more so because it seems to me that the Committee's proposals have not otherwise been subjected to any criticism whatever from the point of view of those most interested in, and most affected by, many of their proposals, that is to say, examiners and accountants. No doubt each point is carefully considered before each resolution of the government of India is issued; but I submit that those who influence the decisions of the government of India, by the mere fact of their not being in actual touch with the work affected, are to a great extent disqualified from taking a complete and sufficient view of the issues in question. I believe the present opportunity is one which, properly taken, may bring about a great deal of good, much relief to executive officers—especially subordinates—and greatly improved accounting; but I am very strongly of opinion that certain of the Committee's proposals regarding really important matters are decidedly ill-advised, and that their adoption would make matters worse instead of better; and it seems to me that as regards accounts proper, they have entirely overlooked the real fault of the present system (?), that is to say the unmethodical fashion in which, professedly and according to rule, the accounts are made up.

4. One point to which I particularly wish to draw attention is the frequency with which the Committee express opinions, and make proposals, regarding rules and procedure, without any reference or relation to any definite understanding as to the object aimed at. Take for instance their remarks about vouchers (as to which see also my para. 41); their proposals about accounting by sub-heads and the procedure (muster rolls, ten-day reports, &c.) connected therewith (see my para. 43 *et seq.*); their remarks about count of cash (my 67 *et seq.*); their proposals to abolish separate forms for schedules (my 122 *et seq.*); as to treatment of

11. I do not mean to assert that the present ways of obtaining the information required are in all cases the very best that could be devised. I dare say they may admit of simplification and improvement of details; but I submit that the general principle of the present system is a sound one, and that to the utmost possible extent the audit office should relieve the executive engineer himself, as distinguished from the divisional office, from all work, the proper doing of which involves systematic examination of the divisional accounts. To sacrifice this principle for the sake of a little reduction of scriptory work in divisional offices would, I think, be a great mistake.

12. With reference to para. 9 (b) above I may instance the objectionable items statement, and the stock balance statement, suggested in my para. 88, as statements to be prepared mainly if not entirely for the assistance of the executive engineer. I do not see how the executive engineer is to come by a knowledge of irregularities committed by his sub-divisional officers and other subordinate officers, except through an objectionable items statement, and (see also para. 181 note) I do not see how the statement can be prepared in time to be of any real use unless it is prepared in the divisional office. The statement of stock balances could not be prepared elsewhere than in the divisional office. There are many other things which, as it seems to me, it is simply impossible for an executive engineer to do properly, unless he has certain facts and figures collected for him in a suitable shape, and to talk, as is often done, about such statements as if they were really prepared by the executive engineer, and as if their abolition, or their preparation elsewhere, would be any relief to the executive engineer, shows, in my opinion, a complete misunderstanding of the case.

13. Closely related to the two points last noticed is the common mistake of looking upon every objection or inquiry made by the examiner as directed more or less against the executive engineer, whereas the real object in almost every case is to assist him, by bringing to his notice some irregularity or omission, or delay, for which he is technically responsible, and which, if neglected, may afterwards give him trouble, but which it is practically impossible for him to find out for himself, without a complete and systematic examination of the accounts, such as considering the conditions under which he works, he cannot be expected to make for himself. This matter is closely connected also with the question of the relations between examiner and executive or administrative officer, as to which see para. 16 et seq.

14. Another point in respect of which I venture to think the Committee's proposals open to grave objection is, the unnecessary introduction of options, alternatives, exceptions and qualifications such as are referred to further on in my para. 22, 56b and c, 60 and 64 (f). I am concerned with these mainly in connection with cases in which the action of the audit office is involved, and I will therefore first point out that, considering the agency by which and the conditions under which the detailed operations of audit are and must be conducted, it would be a physical impossibility for an audit office to apply rules such as would result from the adoption of some of the Committee's proposals—it would be a physical impossibility for the auditor to say which of the possible combinations of variations applies to any given case. But I further wish to point out that, if the audit office can properly apply such rules, all these alternatives, exceptions and qualifications become simply so many pitfalls for the unwary executive officer.

15. I submit that, in the interests of everybody concerned, it is best to make the rules as simple as they possibly can be made, and as little as possible open to misconception and misapplication. Now and then the result may be to give somebody a little trouble that he might have been spared; but in the long run I have no doubt it will save trouble to everybody.

II.—RELATIONS BETWEEN EXAMINERS AND EXECUTIVE OR ADMINISTRATIVE OFFICERS (31 to 36).*

16. With reference to para. 31 it seems to me that "when a question arises as to whether an officer has exceeded powers entrusted to him or not" the worst

* This reference and the similar references against subsequent section headings indicate the paragraphs of the Committee's report in which the subject is dealt with.

course that could possibly be adopted is that recommended by the Committee. I cannot conceive anything more calculated to cause dissatisfaction and unpleasantness than the practice of reporting matters to the superintending engineer or to government, without first obtaining a reasonable assurance that there really is something to report. As far as my experience goes executive officers are invariably "brought to account" if at all "by their own official superiors" and not by the auditor; but it seems to me essential that, before saying anything to their official superiors, the auditor should satisfy himself as to the facts. At any rate in code para. 358 (India code, chapter III, para. 130) he is at present distinctly told to do so. If this is wrong, it is the rule, and not the examiner, that is to blame.

17. I confess that I do not quite understand paras. 32 and 34. I should say that no examiner is likely to question the ruling of an administrative officer if it is within the general powers entrusted to him; but if on the other hand the administrative officer obviously exceeds his powers, I do not see how an examiner can overlook such transgressions simply because they happen frequently.* If however the Committee merely mean that the examiner should use his own discretion in such matters, I would observe that the first step must be to abrogate the rule of code para. 354 (India code, chap. III, para. 126), according to which "in all matters relating to the audit of charges for establishment and travelling allowances, and generally in cases in which fixed rules have been laid down . . . examiners are bound rigorously to act on those rules without admitting of any exception." Here again it is the rule and not the examiner that is to blame if anything is wrong; but for my own part I have grave doubts as to the expediency of altering this rule. If you do alter it, you must either give the examiner absolute discretion, or you must give him a strictly defined and limited discretion. As far as I can see, there is no third course. If you do the first, it comes to this, that government is to make rules and the examiner is to settle whether they are to be enforced or not. If you do the second you still get the hard and fast line somewhere, and I venture to think that it would be much simpler and better to draw the hard and fast line a little higher, and to give the full benefit of the increased latitude to executive and administrative officers, and leave the examiner out of the matter altogether. Moreover it seems to me that, when once you vest the discretion in the examiner, you go very near indeed to infringing the principle that executive and administrative officers should be "brought to account by their official superiors" only.

18. It is impossible to take exception to the remark in para. 33 that "remarks upon the accounts should be carefully reduced to sensible criticisms," &c. This is an obvious truism. The real difficulty, the practical question, is, how to do it. It is a physical impossibility to have every remark "carefully considered" by the examiner himself, or even by a gazetted officer of any considerable standing or experience. Practically the great majority of the remarks have to be made as a matter of routine by a very subordinate agency—an agency which is even now considered to be too highly paid, but whose efficiency will hardly be increased by a reduction of pay—and, in the majority of cases, as the remarks are made by this subordinate agency, so they have to stand, both as to substance and grammar or intelligibility, and, being made for the most part by men who have a very imperfect command of the English language, it is no wonder if they are very often far from sensible. The practical question is how to get over this difficulty, and how to bring a superior intelligence to bear upon these routine remarks; and here the Committee do not help us at all. The plan which I have myself endeavoured to introduce is to stereotype all ordinary and recurring remarks, and to require that every remark not thus provided for shall be specially passed by some superior officer if not by the examiner himself. I believe this to be the only effectual way of securing the object in view; but the stereotyping of these routine remarks in all sections of

* It may perhaps be thought that this is a perversion of the Committee's remarks. As to this I can only say that, after careful and repeated consideration, I cannot discover any interpretation which does not ultimately imply that, in some mysterious way, it is the fault of the examiner, and not of the executive or administrative officer, if audit objections are frequent. You lay down strict rules; you tell the examiner that he is bound to go by them "without admitting of any exception"; and yet apparently it is to be deemed his fault if audit objections are numerous.

collecting the claims of two or more of them on a single bill. Moreover the importance of the voucher is very different in the two cases, owing to a difference between the legal status of a piece-worker and that of a contractor. The *bond fide* piece-worker is a labourer on public works, whose claim for wages is barred after six months by the Indian Limitation Act, whereas the contractors' claim is barred only after three years. This difference, and the comparative smallness of the piece-workers' claims, make the preservation of the voucher a much less important matter in one case than it is in the other.

32. Then as to the yellow form, I submit that anything like insistence on taking receipts for final payments in a particular form of words, or on a particular kind of paper, is trouble wasted; for the simple reason that you cannot compel anybody to give such a receipt. The law gives you no right whatever to demand such a receipt; indeed, as I believe, the law gives you no right whatever to demand a receipt of any sort or kind as a condition of payment. The Stamp Act gives you a right to demand a stamped receipt in certain circumstances after payment, and in the interests of the revenue it provides the means of enforcing that demand; and that is all. If you owe a sum, you have to pay it; when you have paid it, you may demand a stamped receipt if the amount exceeds Rs. 20; but you cannot dictate the terms of the receipt. Beyond that the payee is under no obligation, and if your tender of the sum due is accompanied by any condition, as for instance a demand for a receipt in particular terms, then, as I am advised by the government solicitor, the tender is vitiated. I take it, moreover, that even a receipt in "full of all demands" or "in final settlement" is no legal bar to any claim that the creditor may afterwards make. Nothing of course can bar him from bringing a suit; but I take it that, the suit being brought, it would not be dismissed on the mere production of a receipt "in final settlement." I take it that such a receipt would, at most, raise a presumption, which the claimant would have to rebut; which merely means that he would have to prove his claim, as of course he would.

33. I observe that in paragraph 134 the Committee suggest that a legal opinion be taken as to the value of attestation of signatures to receipts, and I would suggest that the same be done as to receipts in final settlement. I have a very strong impression that the whole thing is useless, in the sense, that is, of a thing which can be insisted on, and which may properly be made the subject of rules and obligations.

34. Then the Committee, not content even with form A and form B, suggest (paragraph 76) that in certain circumstances the receipt should optionally be taken in the hand receipt form, i.e., Madras form M217. They call it the hand receipt form, as if it would really be one with the general hand receipt form indicated in paragraph 73. But I have no doubt that, if allowed at all, it would have to become, and very soon would become, an additional form. In paragraph 77, the Committee mention five details or particulars which must in such cases be embodied in the hand receipt form, to say nothing of a further precaution in the way of cross-marking the contractors' book; and I have very little doubt that a very short experience would show that several other particulars would be necessary. Now if the particulars are necessary they ought to be provided for on the form. If they are not provided for, some of them will be omitted, and the resulting correspondence will give more trouble than will be saved by substituting a comparatively simple form in lieu of the ordinary contract certificate form. If the particulars are to be provided for, then you have an additional form, and additional opportunities for using the wrong form, as to which see again paragraphs 71 and 72.

35. Then further the Committee would allow payments to be made on the "requisition" and "petty estimate" forms, again of course "in certain circumstances."

36. I submit that all these options to suit trifling variations of circumstances (including indirectly and by implication all the variations referred to in paragraph 52, as well as those specifically mentioned in paragraph 74 *et seq.*) will prove simply so many pitfalls and opportunities for mistakes, and certain causes of troublesome correspondence, and that the Committee's proposals in this respect are

directly opposed to the principle correctly approved in paragraphs 71 and 72. I submit that the only forms really required are the following, namely:—

- (1) One form of muster roll of labourers.
- (2) One form of contractors' certificate, to be used for all cases in which payments have to be made whether for work done or for supplies delivered, according to description, quantity and rate, and to be used alike for payments on account and for final payments.
- (3) One form of piece-workers' payment roll, in which could be included all payments to all piece-workers on a single work.
- (4) One form of hand receipt or miscellaneous receipt, as it is called here (Madras form M217), for petty bazaar purchases, &c.
- (5) One form of receipt for payments to maistries and others employed in petty supervision under Madras code, paragraph 935 (India code, vol. I, chap. IX, para. 15).

I cannot see what is the use of the proposed "Casual Labour Roll" (paragraph 120). It provides for nothing that cannot be shown in an ordinary muster roll. As far as I can see, all that can be said for it is, that it will occasionally save half a sheet of common paper at about Rs. 2 a ream of 480 sheets. On the other hand it is another opportunity for mistakes. The form of petty supervision receipt (5) of my list above is required, because the present rules allow the employment of the men in question on a number of works, and it is necessary, for booking purposes, to be able to show the allocation of the charges readily on the voucher, and it is also necessary to provide for the correct recovery of income tax, not (as far as I am concerned) because of the importance of such recoveries to the revenue, but because of the trouble and correspondence which must follow when mistakes are made.

37. I submit that five forms, as indicated above, can be made to provide completely for everything that can possibly be required in connection with payments for works; and that the purposes for which the several forms are to be used, and the distinctions between them, are so obvious that it is hardly possible that any subordinate, or any subordinate's clerk, should ever make the mistake of using one form when he ought to use another.

38. With regard to the Committee's other recommendations under this head, I submit, with reference to paragraph 93, that, provided necessary information is provided for and given in the contract certificate or bill form, it is a matter of practical indifference whether it is given in the form of a "certificate" or not (see paragraph 93).

39. The question of the limit below which vouchers should be required (paragraphs 100 and 101) is hardly a question of accounts. It is for government to consider whether the alleged tendency to encourage the manufacture of spurious vouchers, or the certain tendency of any relaxation of the rule to encourage the manufacture of spurious payments, is the greater evil.

40. With regard to the proposal (paragraph 102) that certificates of payment "should be freely accepted in all cases when the executive engineer can satisfy the examiner that there is a difficulty in getting a formal voucher," I am very strongly of opinion that the examiner is not the proper person to decide whether the executive engineer's explanation should be accepted or not, and I know from experience that the cases of really insuperable difficulty are so few that they can without inconvenience be referred periodically for the orders of government.

41. It appears to me however that such an opinion as that expressed by the Committee, regarding the value of certificates of payment, is of no value whatever when given, as it is, without any relation to any definite reason for requiring vouchers at all. It may be sound sense; or it may be void of sense. It all depends on whether you look upon a voucher as a means of preventing the manufacture of spurious charges, or as a means of proving payment at some future date, i.e., whether you want it as a precaution against your own servants, or as a precaution against improper claims on the part of your creditors. In the former case a certificate by a trustworthy officer may be as good a voucher as any, but I do not see how it can ever be better than the creditors' receipt passed and initialled by

sub-divisional officer, or other responsible officer who controls the work, should be responsible for satisfying himself that the quantities of labour shown in the ten-day or other reports agree with the quantities billed for in the corresponding muster rolls (and both muster rolls and reports should be so drawn up for such corresponding periods as to make this possible) and, except in the case of the very few works for which special allocation of cost is required, the reports should not go beyond the sub-divisional officer, or other officer controlling the work, unless specially called for by the executive engineer for purposes of executive control:

- (3) that in the case of special works for which special allocation is required, the reports should be sent on regularly to the divisional office, where they would be moneyed out, and where the required allocation would be made under special arrangements, by the accountant if so desired, it being however distinctly recognized that such allocations are not accounts, and that they do not require the accuracy of accounts: a cash book, journal or ledger must balance to a pie, but in allocations of expenditure or cost to items, sub-heads, or other sub-divisions of work, no notice ought to be taken of any discrepancy which is not sufficiently large to materially affect the particular purpose for which the allocation is required, and if convenient annas and pies might always be neglected except in stating small rates: I say if convenient because such omissions not unfrequently give more trouble in one way than they save in another.

51. I have implied above (para. 47a) that money allocation may be necessary in special cases with a view to data for future rates. I have very serious doubts, however, as to whether it is really necessary to make any provision for getting at rates in this way. I have a strong impression that rates for work are much better got by applying known rates of wages and prices of materials to ascertained data as to the quantity of labour and materials that should be required for units of work; and I believe that in practice they are almost always got in this way. If it is so, I am disposed to think that allocation of cost or expenditure by items of work might safely be confined to departmental agency works estimated to cost at least Rs. 30,000, or even Rs. 50,000 each, such allocation being then only required for the purpose of affording, as regards such works, timely indications of the likelihood of any really serious ultimate excesses over an estimate. I believe, moreover, that, even as regards the very largest works, by a rational use of the so-called normal cost system (see my paragraph 149) the necessity for any continuous allocation might be entirely obviated, and that all practical purposes would be secured by utilizing existing records of quantities, in order to get out when actually wanted—and then only—any required statement of cost of important items.

52. The adoption of the above views, or their adoption to any considerable extent, would lead to the practical abolition of the register of works,* which is simply a final record of allocation by items of work. In an ordinary division there would seldom be more than half or dozen works for which any allocation of cost would be required, and having regard to the purpose in view and the degree of accuracy required, the record might be in a much simpler form than that of the register of works.

53. I may refer here to the fact that the Committee also claim, by their proposal, to abolish the register of works (see item 30A of the table in para. 472); but the claim seems to me inadmissible. What the Committee really do is to substitute for the register of works either a so-called work ledger (form 218), which is really a glorified register of works, in a shape which I venture to think is altogether impracticable, or else (paragraph 232) an abstract work ledger which apparently is only the register of works under another name. As to this see also para. 109.

* Or of any substitute for it, as for instance the Committee's proposed works ledger so far as details by items or sub-heads are concerned.

54. Even if it is not possible to go to the full length here advocated, and to completely abolish continuous moneyed allocation by items of work, I submit that, at any rate—

- (a) all moneying out by executive subordinates, or their clerks, might be abolished; any moneying out that is really required being done in the divisional office;
- (b) that the moneyed allocation by items may be absolutely divorced from the accounts properly so-called, though it may, if convenient, be done by the accountant;
- (c) that it is quite unnecessary to require in such allocations the absolute accuracy which is indispensable in the accounts proper.

As to (a) I submit again that, for purposes of current control, any comparison of actual expenditure with an ideal standard of cost is useless, if not positively misleading, when it is based on work and expenditure of such short periods as the ten-day, or even monthly, periods of the muster rolls and work reports, and the more so because such a comparison is not possible at all until the quantities and cost have been corrected with reference to outstanding dues and liabilities. I submit that, for any useful current control, the comparison ought to be between quantities of work and quantities of labour and materials; and that if executive subordinates (and their clerks) are relieved of all moneying out, and of the trouble of agreeing in work reports cost with expenditure (i.e., accounting therein for outstanding dues and liabilities), the reports, containing all that is really necessary, or even useful, for the purposes in view, could be submitted much more punctually and regularly, and that the real object would therefore be much more effectually secured, with great relief to the subordinates concerned.* I submit that when moneyed allocation is required at all, if it is to be of any use whatever, it must be an up-to-date allocation, which can only be done satisfactorily in the divisional office, or in some office when records of previous work and expenditure are accumulated, and that, having regard to the purpose for which alone such allocation can be usefully required, the delay (if any) involved in leaving this allocation to the divisional office, is of no consequence at all.

55. In any case I submit that the first thing is to settle what are the purposes for which you require allocation of any kind; what kind of allocation (moneyed or other) you require for each purpose; what are the works or classes of works in connection with which the different kinds of allocation can be usefully applied; at what times you must have them; and by what agency they must therefore be made. When that is done—but not before—the best way of attaining the objects in view may be discussed with profit.†

* Suggestions as to the procedure for the exercise of such a control will be found in paragraph 94 et seq. in connection with the subject of "Materials at site."

† What we now do is this. We know that under normal circumstances a unit of any description of work requires the expenditure of certain quantities of certain descriptions of labour and materials; and we know that under normal circumstances the prices of such labour and materials do not fluctuate very much; we therefore take the prices at a given time, apply them to the known quantities, and so construct a schedule of standard rates, and when we want to know what a work is likely to cost—when we want to make an estimate—we ascertain the probable quantities required of the several descriptions of work and apply the standard rates to the corresponding quantities. Then when we execute the work, we record the quantities of the different descriptions of labour and materials employed on each description of work, and with infinite labour we reduce them all to the common denomination of rupees, and about six weeks after the work has been done—and often later—we produce, in the register of works, a statement of the actual cost of each description of work, from which rates of actual working may be got for comparison with the rates of the estimate. And what does this comparison do for us? Of itself nothing. Under favourable circumstances it may give us an indication of something requiring further examination. I say "may," because it is quite possible that, although something may be very wrong, the actual rate worked out may give no indication of it, a permanent excess in one direction being temporarily obscured by a temporary deficiency in another direction. But under favourable circumstances, if anything is wrong, we do get an indication of it, and then we go back to the original records of quantities expended and with considerable trouble—no forms or system being provided therefor—about three months or more after the work has been done, we produce some statement which really explains the excess. Surely, from every conceivable point of view, it would be very much better to keep the records of materials and labour expended in a shape which shall admit of a direct and current comparison of quantities actually expended with quantities estimated for: and to drop altogether the troublesome reduction of expenditure to rupees, annas and pies! I do not doubt that difficulties of detail would be found in working out a system such as that suggested, but I do not think they would be insuperable or even serious.

- (a) that it is incompatible with the proposal (para. 142), in which I fully concur, to dispense with details in the cash-book; if the imprest account is sent to audit there will then be no local record of details;
- (b) that the proposal offends against the principle of Madras code, para. 1642, that whenever possible separate vouchers should be taken for separate works;
- (c) that it would be impossible to tell where any given voucher should be looked for if and when wanted, i.e., whether in the divisional or in the audit office;
- (d) that assuming the vouchers to be such as the rules would otherwise require to be sent to audit, there seems to be no logical ground for excepting them simply because the payment is made from an imprest;
- (e) that there is no practical advantage to be gained by adopting the proposal; the detailed voucher being *ex hypothesi* in existence;
- (f) that, finally, the proposed exception is one of the kind referred to in my para. 56 (b), as giving, in the long run, a great deal more trouble than they save.*

IX.—DIVISIONAL AND SUB-DIVISIONAL CASH-BOOKS (146 TO 151).

65. With reference to para. 148, it has been practically settled in Madras that the cashier, if there is one, and otherwise the head clerk, shall keep his own cash-book, and be personally responsible for all moneys passing through his hands. In my opinion this is the only reasonable principle on which to work. In most divisions an executive engineer is absent from head-quarters twenty days or more in every month, and is sometimes away for six weeks together; and in these circumstances it seems unreasonable to attribute to him any more responsibility for the cash of the divisional office than for the cash of a sub-divisional office. I submit that, in both cases, his direct responsibility should be limited to seeing that the funds advanced to the disburser are kept within suitable limits, and that suitable means are provided for their safe custody.

66. I concur in the opinion (para. 149) that alternate cash-books are undesirable. I think copies of cash-books should be submitted on uniform tri-monthly dates prescribed for general adoption. It is only on this condition that the work of a divisional office can be methodically laid out, and, within reasonable limits of punctuality, one prescribed date must be just as convenient as another for the sub-divisional officer.

X.—COUNT OF CASH AND CASH BALANCE STATEMENTS (152 TO 161).

67. I submit that a clear distinction should be drawn between count of cash by the person in actual charge of it, and count of cash by any superior officer. It should

* It has been suggested to me that the Committee's para. 141 probably means that the recouping (sub-divisional) officer may either submit to the executive engineer his imprest account with the vouchers relating thereto, initialling only the imprest account, which in this case will be considered by the executive engineer as the voucher; or retain the imprest account and submit only the vouchers relating thereto, initialling each one of the latter; in other words, the entry in the sub-divisional officer's cash book of a recongment would be supported either (1) by the imprest-holder's imprest account and vouchers attached, or (2) by the vouchers alone without the imprest account. On which the officer making the suggestion remarks: "If this be the meaning, the sub-divisional officer's cash book might contain an entry like the following:—

Paid A. B. in recongment of his imprest account dated.....						Rs.
Original works	...	...	...	...	...	220
Repairs	...	...	...	...	...	300
Tools and plant	...	...	...	...	...	50

But, in the absence of the imprest account, it would be necessary in the divisional office to wade through all the vouchers in order to ascertain what the payments were for. The arrangement will give executive engineers trouble and probably cause confusion, and I do not see what advantage is sought to be gained by it."

In any case it seems to me that proposed change must give much trouble, and I fail to see what is gained by it, except that the sub-divisional officer is saved the trouble of initialling a voucher which however he is still supposed to examine. Surely the trouble is too infinitesimal to be worth considering!

be understood, I think, that the former operation is one to be done solely in the interests of the officer himself, to secure the record in his cash-book of each and every disbursement made by him, it being distinctly understood that he is personally responsible for any missing sums. He ought to count it frequently; and a regular cashier ought to count his cash every day; he need not then count the whole of it; all that he need count every day is the working part of his balance; the rest he need only count when he draws upon it. Whether he does count it or not is, I submit, a matter of indifference to government, and rules for periodical counts by the officer himself are, I submit, unnecessary and useless. It should be sufficient to let the officer concerned know, that he will be held personally responsible for any sum not accounted for.

68. Occasional check of cash by a superior officer is desirable in order to prevent the more or less permanent alienation of any part of the book balance, but such a check is generally useless unless the count is made unexpectedly; any rules for periodical count for this purpose are therefore worse than useless. The rule, if any is laid down, should, I submit, prescribe fairly frequent counts at very irregular intervals, and the record of the count should be in a shape which will allow any inspecting officer to see whether the rule is attended to or not, and this I submit can be best secured by a form pasted inside the cover of the cash-book in which each officer (sub-divisional officer and executive engineer) can enter (each in his own column) the dates of his inspections, attesting each entry by his initials. No writing in the body of the cash-book should be required unless a discrepancy is found.

69. Any report whatever, by anybody to anybody, of count of cash, whether in a special form or by note on a form required for another purpose, seems to me useless.

70. The divisional cash balance statement (form No. M31, India form No. 20 A) should, I think, be reduced to a statement of what is necessary for agreement of P.W.D. and treasury balances, but this statement should be submitted with the monthly accounts, and not before them, as now required; or preferably it should be incorporated in some other necessary form such as the cash account current or any account that may be substituted therefor.

71. Government, I believe, attach importance to the periodical inspection of sub-divisional offices prescribed in code para. 317, this is quite a different matter from count or check of cash; but the check over the regularity of these inspections is now exercised by means of the dates reported in cash balance statements, and if the continuance of any such check is desired, it would, I think, be best to provide for reporting dates of inspections in the executive engineer's journal, when the facts would be reported under the executive engineer's own signatures and not, as is now often or generally the case, under that of the accountant.

XI.—PAYMENTS INTO TREASURY (162 TO 167).

72. I agree with the Committee in thinking that the payment of all miscellaneous receipts into treasury is a perfectly useless formality, and I think it is much more troublesome than the Committee seem to suppose, because of the necessity which the rules impose on the examiner of seeing that all such receipts are so got rid of. The retention of miscellaneous cash receipts, or their prompt payment into treasury, should be settled in each case on a consideration of the risk involved in, and of the responsibility imposed on the cashier, by the keeping of an unnecessary balance.

73. As regards India form 20 C, the remittance book (Madras form No. M 66), I am disposed to think that the convenience of all concerned would be promoted by doing away with it as well as the consolidated treasury receipt, the treasury (or sub-treasury) giving proper receipts for all payments made, which receipts should be submitted to the examiner as vouchers for the executive engineer's accounts, and by the examiner to the civil accountant-general, as vouchers in support of the total debit to him; the accountant-general being bound to accept all debits supported by such receipts.

N.B.—Issuer means the person issuing the order.

(i.e., in his office) are prepared mainly, and often entirely, for his assistance and information, to enable him to do something which otherwise he could not do properly. I may add that whilst it is hardly possible for the executive engineer to exercise an intelligent review of rates without some such statement as that suggested, it would be quite possible to make the formal adjustment required by the Committee without doing anything whatever as regards the really essential thing; it would be quite possible to write off a number of quite insignificant, and perhaps quite imaginary, differences of value, and yet to leave uncorrected the original fault—a faulty rate—which has caused some other really serious divergence of value, and which, if not corrected, will certainly cause it again.

90. I agree in thinking that the executive engineer should be able to alter his rates at any time (last line of paragraph 190); there can hardly be two opinions about that, provided the alteration is made for proper reasons, and not arbitrarily or for the benefit of some particular work; and in order to ensure that alterations shall be properly made, I would require them to be made always on the basis of a statement such as that suggested above, which would be prepared by the executive engineer; and it would, I think, be well that the statement—the original statement, ant at any time in respect of any article or articles specified by the executive engineer; and it would, I think, be well that the statement—the original statement, no copy being necessary—whether periodical or occasional, should be sent to the examiner (for perusal and return) after the executive engineer has completed his review. In the "remarks" column the executive engineer should note any anticipated considerable increase or decrease of operations, but otherwise the reasons for the modification or non-modification of any rates would generally be obvious from the statement, and would require no remark or explanation.

91. Write-offs and other adjustments necessitated by losses or detected deficiencies should, I think, be made quite independently of the review and revision of rates. Each loss should be dealt with when discovered.

92. With reference to paragraph 192, it appears to me that, as far as accounts are concerned, the classification of stock by sub-heads (building materials, timber, metals, &c.), and all the accounts procedure arising out of this classification are absolutely useless; and I very much doubt whether, except in such a division as the public works stores division, the classification is of any use for any other purpose.

93. With reference to paragraph 194, I submit that contracts for labour only can hardly ever be necessary. It may often be necessary, when the contract is for labour and materials, to stipulate that certain descriptions of materials shall be supplied by the executive engineer; but such materials should be issued to the contractor, and charged to his account, at scheduled rates; and he should be entirely responsible for them; and as far as the department is concerned, there should be no necessity for any account of materials at site when a work is executed by contract.

XIII.—MATERIALS AT SITE (197 TO 202).

94. In the Committee's remarks under this head I find a virtual recognition of the principle, on which I have insisted at length in my para. 43 *et seq.*, that the current control over work in progress should be based on quantities and not on moneyed results; and I am convinced that if the Committee had only extended to their logical conclusions the views faintly indicated in their para. 189, *et seq.*, there would be an end of all accounting by sub-heads or items. As the Committee say in para. 199, for every work* there should be worked out and recorded a statement showing the total estimated quantities of the different kinds of materials required for the work; but it should not be confined to materials; it should show the quantities of labour also. Such statements could be very easily prepared, because, as regards most kinds of work, they would be based on permanent normal data previously settled and tabulated. The rough statement would be prepared mechanically by the office estimator from the tabulated data, and modified here and there by the executive engineer (or other executive authority), with reference to the special circumstances of the particular work concerned. This statement would

* That is every work for which any detailed check is required.

form the basis of all current control over quantities of labour and materials used on the work; and, when necessary, it would be drawn up by sub-heads or items of work.

95. The information required for current control during the progress of work could then be recorded in periodical statements in a form somewhat as follows:—

Description of materials and labour.	Rate.	Total estimated quantity required.	Total used to date of last report.	Used since.	Total used to date 4+5.	Add materials lying at site.	Total material received up to date 6+7.	Deduct materials received since last report.	Balance = total to date of last report as per column 8, of that report 8-9.	Remarks.
1	2	3	4	5	6	7	8	9	10	11

Column 5 would be checked as regards labour with current muster-rolls, and column 9 could be checked with current bills and stores issues. The rates would be entered in column 2, not with a view to any moneying out, but as part indications of different classes of materials. I can see no necessity for any moneying out at all. In cases in which it is necessary to check expenditure of materials and labour by items or sub-heads of work, it would be necessary to detail the different description of materials separately under each sub-head; and with a view to reducing writing it might be convenient to arrange the form so as to show totals used up to date for a series of months (or other periods), providing on the front of the form for the account of materials, &c., used, and on the back for the account of materials at site: the statement in this form would pass backwards and forwards between the offices concerned. There would of course be a number of little details to settle in connection with the form; but I do not now propose to do more than give a general idea of the procedure suggested.

96. I submit that such a statement would furnish the means of controlling current expenditure much more effectually than any system of accounting by sub-heads; that the statements could be prepared very much more promptly than any sub-head accounts can be; and that the trouble to all concerned would be infinitely less.

XIV.—WORKS LIABILITIES (203 TO 213).

97. The Committee's proposals on the subject of works liabilities seem to me somewhat illogical. They seem to say, in effect, though of course not in so many words: "It is most important that executive officers should keep their measurements and payments closely up to date; and superintending engineers and examiners should give special attention to this matter (paragraph 212): let us therefore abolish the procedure by which alone any check over this matter is made possible." The Committee do not indicate, and I fail to discover, by what means either the superintending engineer or the examiner can exercise the contemplated check, unless there is some systematic record of the liabilities in question.

98. I fail to see anything in the least remarkable in the fact that "some of the strongest advocates of the full introduction of liabilities into the accounts are also the strongest advocates for giving up the record of outlay on works by sub-heads." The explanation is exceedingly simple. We say (1) that the only conceivable purpose for which item (or sub-head) accounts can be required is that of getting a rate, either (a) for future guidance, or (b) for purposes of immediate control, including provision of excesses; (2) that as regards (a) it is immaterial whether you do or do not take account of liabilities, because, for this purpose, you do not want to strike the rates until the account of the work is closed, and by that time the liabilities will have disappeared; (3) that as regards (b) the only control that can be usefully exercised must be based on comparisons of quantities with quantities (see also my paragraph 43, *et seq.*), and that therefore rates based on item accounts are in any case perfectly useless, whether they are accurate or not; so

all other accounts, and (2) that the system of picking out certain items from the original chronological record, and ledgering these items only, is a vicious system which is bound to cause mistakes. I say that if the ledger system is good for one account, it is good for another, and that if it is to be properly done it must be exhaustive. No doubt the posting of the cash and stock abstract books is an exhaustive process, which is to some extent a substitute for exhaustive ledgering; but I submit that this stock and cash abstracting is a back-handed process which had much better be done away with, substituting a proper system of ledgering. What we now do is this: first we extract and group the bare amounts from cash and stock books (without any details whatever), and so arrive at totals for each head in the cash and stock accounts current, and then we prepare a series of schedules working up to these several figures. I submit that the proper and business-like way of doing the work would be to ledger exhaustively day by day, or as nearly so as may be, with sufficient detail from the original chronological accounts, and so produce straight off the reel, a series of documents which would be either (1) the actual office copies of accounts to be sent to the audit office, or (2) documents from which such office copies could be produced at once by a simple process of collection. In the case of suspense accounts (most of them at any rate) and revenue heads the office copy would be produced directly by the ledgering, each separate schedule corresponding to a separate ledger head; but in the case of works the ledgering would be by works, and the totals of works would have to be collected from the ledger to produce the office copy of the schedule. The cash and stock abstract books would not be required at all. The ledger would be in a small number of separate volumes, each in a different form, to suit the classes of accounts to be included in it; works accounts in one volume; revenue heads in another; suspense accounts in a third; and manufactures in a fourth. Probably that would be all; but possibly, on working out the scheme in detail, one or two more might be found necessary.

109. I submit in the next place (with regard to (b) of para. 106) that, as applied to works, the ledger proposed by the Committee—the form is given in Appendix W—is cumbersome and inconvenient to a degree. I submit that whatever form is adopted should be based on a consideration of normal conditions, exceptional cases being separately provided for. Now works which have to be accounted for by items or sub-heads are the exception, and in future they will be more exceptional than they now are, even if they cannot be done away with altogether, as I hope they will. Why then adopt a form of works ledger which apparently assumes that accounting by sub-heads will be the rule? For at least nine works out of every ten the sub-head columns (see Appendix W of the Committee's report) would not be used at all; in fact the only columns used would be the first and last; for nine folios out of ten three-quarters of the folio would be wasted, and the book would be four times as bulky as it need be.* If there are any works which *must* be accounted for by items, I say let the detail by items be given in a separate work register; and if there is to be any distribution of outlay at all in the works ledger, let it be such a distribution as will be really useful to the accountant, i.e., a distribution directed to the localization of errors. Instead of providing columns for the different sub-heads, which in nine cases out of ten will be useless, provide separate columns corresponding to the several original chronological records from which the ledgering is done; and under cash possibly even separate columns for divisional and sub-divisional cash accounts; then, if the accountant makes a mistake in ledgering, he will at once be able to localize the error, and he will only require to revise his ledgering in respect of the particular column in which the mistake is proved to lie. Mistakes of this sort are continually occurring, and it is of great importance to be able to detect and correct them rapidly.

* The inconvenience will be intensified by the fact that, if the works ledger is to be at all convenient when the account is kept by sub-heads, it must be at least as large as the present register of works: whereas such a ledger as I would have could be and should be kept within foolscap limits. Handiness is one of the most important considerations.

XVI.—RECORDS OF SUB-DIVISIONAL OFFICES (242 TO 245).

110. I quite agree with the Committee's remarks as to the importance of reducing to a minimum the office work of sub-divisional offices, and I think the books to be kept by him might generally be reduced to—

- (1) Measurement and note-book combined.
- (2) A book, such as that described in my para. 25 above, which might be called a work-book.
- (3) A register of movements of tools and plant, such as described in para. 167 below, for tools and plant for which he is personally responsible.
- (4) A cash-book of some sort.
- (5) A stock issue and receipt book, if he has personal charge of stock.

I have already stated my objections to the Committee's so-called contractors' book (see para. 25 *et seq.*). It seems to me unnecessary for a sub-divisional officer to keep a stock ledger, or to do anything in the way of compiling accounts whether of stock or cash: anything of that sort that he requires can be supplied to him from the divisional office.

111. In my opinion, however, what is much more important than settling what records, and what only, a sub-divisional officer should keep, is to provide some means of ensuring that he really does keep only such accounts as, after careful consideration, it is thought he should keep. Even now the code theory is that a sub-divisional officer should have little or nothing to do with accounts; but everybody knows that, as a matter of fact, a great deal of his time is taken up with them. I think every executive engineer's report on the inspection of a sub-divisional office should be required to state explicitly whether the sub-divisional officer keeps any, and if so, what, accounts over and above those prescribed, and if so, why; and the necessity of any such additional accounts, and the necessity of keeping them in the sub-divisional office instead of in the divisional office, should then be carefully considered; and, if it is not definitely approved by competent authority, the keeping of the accounts should be stopped for good and all. If something of this sort is not done, it is not, in my opinion, of the slightest use to lay down rules as to the maximum of account work in sub-divisional offices, because throughout the department, from top to bottom, there is a constant tendency on the part of the subordinates of every office to get as much work as possible done for them by the next subordinate office, instead of doing it themselves, a tendency which the head of the office cannot easily counteract. There is nothing new in the Committee's opinions: they have been held and expressed, I should think, by every officer in the department for many years, but somehow without much effect. It might be well to begin to try and find out whether they really are justified, and if so how to give effect to them.

If my proposals were adopted and acted on, one of two results would follow. Either (1) the accepted views, being found to be practicable, would be enforced; or (2) we should find out why, and in what respects, they are not practicable: and in the latter case, having ascertained what additional records really are required in a sub-divisional office, we should be in a position to provide for doing the work properly and systematically. I venture to think that much of the present trouble arises quite as much from want of proper provision for unrecognized work, as it does from merely having to do the work.

XVII.—RECORDS OF THE DIVISIONAL OFFICE (246 TO 272).

112. *Cash and Stock Abstract Books.*—As already stated in my para. 108, I would do away with cash and stock abstract books, substituting a complete system of ledgering. If, however, the abstract books are retained, I would certainly keep separate books instead of combining them in one as proposed by the Committee (para. 254); indeed I should be inclined to keep a separate book for the adjustment book abstract also. Unless there is some very good reason indeed for it, it is never advisable to adopt any arrangement which makes it impossible for two men

to work simultaneously at two different parts of a job. Even if these abstracts are made in one book they must still be made in separate parts of it.

113. With reference to the Committee's para. 256, I am strongly of opinion that the process of abstracting, if it is to continue, should be done straight-forwardly, without any dodges and supposed short cuts. The essential thing is that what is done by one man should be readily checkable by another; but nothing is more difficult than for one man to follow the short cuts of another. If it is thought that entries relating to the same head of account are likely to follow one another consecutively to an extent which would make totalling in the cash-book an appreciable saving of labour, it would probably be best to provide a column in the cash-book for such totals. If it is not worthwhile to provide for doing it readily, it is not, I think, worthwhile to provide for it at all.

114. *Registers of Sanctions and Appropriations.*—I agree with the Committee's remarks regarding the registers of sanctions and of appropriations (para. 261 *et seq.*), and I may add that in each of these registry provision should be made for showing that each estimate and each appropriation, is duly posted into the works ledger, or into register of works or any other book into which it ought to be posted.

115. As regards the contractors' ledger I have already expressed my opinion in my office note no. 850 of 18th June 1889, and to that opinion I adhere. I believe the contractors' ledger to be absolutely useless, whether the contractors' book is kept or not.

116. Referring to the Committee's para. 264, I think it would be quite useless trouble to try and get from each contractor an annual certificate of the correctness of his account. The real account with a contractor is a separate account for each work, and no useful purpose is secured by making out one general account for any contractor: on the contrary it introduces a possibility of error.

XVIII.—RETURNS TO EXAMINERS (273 TO 297).

117. The Committee's proposals under this head appear to be as follows:—

- ✓(1) to substitute a classified abstract of receipts and charges for the present two accounts current, cash and stock (paragraphs 274 to 276);
- (2) to reduce the number of separate forms of schedules (paragraph 274);
- (3) to submit vouchers under separate covering dockets for each item in the classified abstract of receipts and charges;
- (4) to do away with the separate list of documents [and vouchers] now submitted (paragraphs 277 and 281);
- (5) to drop altogether the exhibition of totals to date, and totals of the year, and amounts of estimate and appropriation, in the schedule of expenditure or in its substituted equivalent (paragraph 279);
- ✓(6) to abolish the executive engineer's certificate of examination of accounts (paragraph 282);
- ✓(7) to dispense with the accountant's certificate on the present list of accounts submitted (paragraph 281);
- ✓(8) to keep suspense accounts in duplicate registers, and account monthly only for transactions of the month, leaving check of balances for test audit at inspections (paragraph 286-7); and
- (9) to modify the statement of refunds (Madras form M61, India form 37) in some way not clearly defined (paragraph 295).

Subject to the remarks made below, I agree more or less with the first, fifth, sixth, seventh, eighth and ninth proposals; I dissent from the third proposal; and I desire to protest most strongly against the second proposal, if it really means what, on the whole, it seems to mean.

118. As regards (2) I understand that the Committee would do away with anything in the shape of a summary or condensation of the abstract (or other substitute for present schedules), showing totals by heads of account only. If so, and to that extent, I protest against the proposal. I submit—

- (a) that such a summary is essential for correct and rapid booking in the examiner's office;
- (b) that though not absolutely essential to the divisional accountant it would be most useful to him and that, as a matter of fact, most divisional accountants would, for their own convenience, prepare something of the sort, in some shape or other, whether prescribed or not; and that the absence of a suitable printed form in which to do it would really increase their work instead of reducing it; and
- (c) that in any case the labour involved in the preparation of such a summary is exactly the same as that of carrying forward totals (paragraph 280) from sheet to sheet, or rather from a sheet dealing with one account to a sheet dealing with another.

I submit in short that the proposal will certainly make work in the examiner's office more difficult, whilst it cannot possibly reduce, and will almost certainly increase, work in the divisional office. I submit that what is required is—

- A. a classified summary by heads of accounts (not necessarily all the heads and sub-heads of accounts in the present cash and stock accounts current*) showing debits and credits of the month only, and supported by
- B. abstracts in suitable parts showing debits and credits of the month only to works, or other units of account.

119. The summary A might be all in one, or it might be in several parts, that is to say, it might perhaps consist of a general summary supported by several sub-summaries. The question is one to be decided with reference to the convenience of both parties concerned, i.e., the divisional accountant and the examiner's office; it does not concern the executive engineer in the slightest degree. The labour of preparation will be precisely the same either way; but for convenience of booking in the examiner's office a certain amount of sub-division, corresponding with the distribution of work in that office, is most desirable; and for convenience of preparation in the divisional office it would probably be desirable to be able, on occasion, to distribute the preparation of different parts to different clerks.

120. With proper arrangements in other respects it should not, in my opinion, be necessary to distinguish either in A or B between cash, stock and transfers, that is to say it should be sufficient to show against each head of account in A and each work or other unit in B, the gross debits and gross credits of the month.

121. With regard to the Committee's second proposal I find great difficulty in making out what the Committee mean, or whether they really mean anything at all. In paragraph 274 they apparently propose to do away with the multitude of schedules enumerated in present form M64 (India form 31A), and in their summary in paragraph 472 (page 57) they certainly claim to do away with all these forms; but in paragraph 280 they recognize that, for the convenience of both offices, the so-called *single abstract* must be broken up into a number of parts each of which, whatever you may choose to call it, is a separate schedule and nothing else. Moreover, when they say in the same paragraph that "as far as possible the headings should be printed," they seem to reconstitute these parts, not only as separate schedules, but as distinct forms.†

122. For my part I desire to protest most strongly against any proposal to do away with separate forms of schedules, simply for the sake of reducing the number of forms in use. A vast deal of nonsense is talked and written about forms, and to some officers a form of any sort is like a red rag to a bull, chiefly because people do not take the trouble to clear their ideas as to what it is that a

* See below para. 129.

† For my argument it is of no consequence that the Committee probably mean that only a word or two shall be printed on each form, the tabular arrangement—the arrangement of the columns—being the same for all parts. The inconvenience arising from multiplicity of forms (see my paragraph 124) is precisely the same whether the difference between different forms is great or small. Moreover nothing, in my opinion, could be more unwise than to court all the inconveniences of multiplicity for the sake of an utterly insignificant amount of specialization such as the printing of a word or two. If it is well to have separate forms at all, surely each separate form should be adapted as completely as possible for its special purpose.

form does, whether in the way of good or of evil, and to realize distinctly why, and under what circumstances, a form sometimes does become a nuisance.

123. There are three classes of persons, and three only, who are concerned with a form, namely—

- (a) the persons who prepare returns, or put information into forms;
- (b) the persons who check or verify the return; and
- (c) the persons who make use of the return, or extract information out of it.

The convenience of every one of these three classes of persons is distinctly promoted in certain ways by having a suitable form for the returns, or what not, concerned. The person who prepares it is saved from mistakes and omissions, by having pointed out to him the precise items of information that he ought to embody in the statement, and his work is reduced because the form generally enables him to indicate by a single word what would otherwise require the entry of three or four words or more; whilst those who have to check the return, or to extract information from it, are enabled much more readily to pick out each or any item or particular required, or to see whether the required items are given. Moreover for the last two classes of persons a *suitable* form is, always and everywhere, an unmitigated convenience, and there never is any counterbalancing inconvenience.

124. On the other hand, though the person who prepares the return always derives the full measure of advantage from the specialization of the form, he is sometimes put to inconvenience in other ways by the multiplicity or diversity which is inseparable from specialization of individual forms; but this inconvenience is absolutely confined to him, and it arises as regards him, in two ways only, namely—

- (a) because he is unable to keep all the different forms in such a way that he can at all times readily lay hands on the particular form that he wants; or
- (b) because he is unable to discriminate between the different forms, and gives trouble both to himself and to others by using the wrong form.

These two causes may of course combine, and when they do combine the inconvenience is at its greatest.

125. Now, if the above is a correct statement of the case, there are evidently two ways of obviating the inconvenience when it does arise, namely—

- (1) to abandon the advantages of specialization for the sake of the possibly greater advantage of simplicity; or
- (2) to equip your man, or train him, as the case may be, suitably; that is to say, to give him the means of keeping his forms so that he *shall* be able to lay hands readily on any one of them; or, as the case may be, to train him so that he *shall* be able to discriminate between the different forms;

and in my opinion, for reasons given below, there should be no difficulty whatever in deciding which of these two courses to adopt in any case that we are likely to have to deal with.

126. As I have pointed out above the inconvenience is one which never affects anybody excepting the person who originally uses the form for the purpose of drawing up a statement or what not; and as far as we are now concerned the only users of forms, in this sense, are—

- (1) executive subordinates who are more or less constantly on the move,* and whose real and proper business is not the drawing up of statements and returns, but the looking after the execution of works;
- (2) the clerks attached to such executive subordinates, whose business no doubt is to draw up certain kinds of returns and statements, but who, from the circumstances of their recruitment and service cannot be properly trained to the business; and
- (3) accountants and their assistants, who sit in an office,* and whose sole business is to use the forms.

* When it is a question of providing furniture, or other means of keeping forms suitably, it makes all the difference whether the user is generally in camp or works habitually in an office.

It seems to me quite obvious that, as regards the two first classes all other considerations should, as a rule, be subordinated to simplicity; but that as regards the third the proper course is to equip and train the accountants and their assistants, so as to be able to derive the utmost advantage from specialization of forms.

127. Forms are the accountant's tools and, provided he has proper means of keeping them ready for use, they are helps to him and not hindrances. I suppose that a dentist, in the exercise of his profession, uses a hundred, or a hundred and fifty, different instruments of various sorts, sizes and shapes; but, by keeping them in suitable trays, in which each has its appointed place, he is able to find each readily enough when he wants it. If, instead of this, he were to keep them in a confused heap, as for a game of spilkins, he would, I suspect, be in a position analogous to that of most of our accountants; but he would, I think, be a very indiscreet adviser, who should propose to facilitate his work by depriving him of all his instruments excepting one file and a single forceps. But this is exactly what, in the matter of these schedules, the Committee apparently propose to do by the accountants. On the other hand (see my paragraph 30 *et seq.*) when dealing with forms used by executive subordinates and their clerks, they show, as it seems to me, a decided tendency to sacrifice simplicity to specialization.

128. I submit that no greater mistake could be made than that of reducing to one uniform type all the different schedule forms now in use. A suitably specialized form ensures, as far as it is possible to do so, that all the different items of information required in connection with any class of transactions shall always be given; and to abandon such specialization would be to court mistakes and the trouble and correspondence that mistakes involve. It may, of course, be possible to simplify some of the forms, if some other proposals are adopted (*e.g.* (5) and (8) of my summary in paragraph 117 above) and it may be possible, without sacrificing any useful specialization, to make one form take the place of two or more forms thus simplified; but, in my opinion, it is far more probable that greater profit and convenience to everybody would be secured by taking advantage of the omission of some columns of the present forms in order to specialize still further in other directions; and I have not the smallest doubt, I *know* it from experience in my own office, that there need be no difficulty whatever in providing every accountant, at a comparatively trifling expense, with suitable means of keeping, so as to be always readily and immediately available, as many forms as, with the utmost specialization, he is at all likely to require.

129. I hold then very strongly to the opinion that if, and as far as, you require classification of items in the divisional office, it is a distinct advantage to everybody concerned to provide separate specialized forms for reporting transactions under different classes; but I am disposed to think* that classification of items in the divisional office is carried very much further than it need be. I think, for instance, that it is quite unnecessary that the executive engineer and the divisional accountant should have any concern with all the various remittance and transfer accounts and the numerous sub-divisions of them which are now represented by distinct heads of account in the cash account current. I think that, as far as divisional offices are concerned, nearly all of these separate accounts might with great advantage be merged in the one account "Transfers, Examiner's Division," leaving the examiner's office to carry out the necessary distribution of items. Similarly I consider that the present minute classification of expenditure on works is quite unnecessary in divisional offices; and that with suitable arrangements the necessary distribution could be very easily made in the examiner's office. The extent to which classification of works expenditure could be dispensed with in divisional offices depends, however, on two things, namely, (1) the amount of detail required by the Government of India in the monthly telegraphic summary of expenditure, and (2) the extent to which the system of appropriation for individual estimates is carried. The information required for the telegraphic summary must be given by the divisional office in all the detail required by the government of India; and accounts of works must therefore be kept in divisional offices under such account heads as will admit of ready preparation of the summary; but if the

* I am not at present prepared to express a decided opinion.

views expressed by the Committee in paragraph 303 are accepted, this detail will be very slight indeed. Also if, and as far as, the system of working against lump sum allotments or appropriations for classes of works is adopted, expenditure must be grouped in divisional offices under corresponding heads; but if the views expressed by me, in paragraphs 204 and 205 below, are accepted, appropriations for individual works will be the rule and there will be no necessity, on this ground, for any grouping or classification of expenditure in divisional offices. It seems to me almost obvious that it is easier to appropriate once or twice in the year for each work than to group or class the expenditure on every work every month; and if the executive engineer is made the appropriating authority, as suggested below in paragraph XVII. 5, appropriation will be a very simple matter. Further I am by no means sure that the number of separate suspense accounts to be recognized in divisional offices might not be reduced, as regards most divisions, to two only, namely, "Miscellaneous Advances" and "Deposits."

130. With regard to proposals (3) and (4) (as numbered in my paragraph 117 above), the proposal to submit vouchers under separate dockets for each work, instead of under one list, I submit—

- (1) that as regards the divisional office, the single list involves considerably less writing, initialling, &c., than do the separate dockets;
- (2) that the single list is very much more convenient to the examiner's office;
- (3) that the separate docket system is highly inconvenient in all cases in which one voucher is common to two or more works or other account units; such vouchers have always been common; they have increased lately in consequence of the modification of the code rules about work establishment, which now allow one man to be charged to several works; and they would be further largely increased by the adoption of some of the proposals made by the Committee under the head of vouchers, or by the adoption of what I understand to be their proposals regarding vouchers for work transfers—see Committee's paragraph 295 and my paragraph 141 below.

131. As regards the list of documents (i.e., schedules), as distinguished from the list of vouchers, I submit that it is exceedingly useful if only it is put to proper use; if, that is, the accounts as soon as received are at once subjected, as they now are here, to a preliminary examination in order to ascertain whether all documents, &c., purporting to have been sent, have really been sent. If this is not done there is no particular use in the list, but if it is done, and if missing documents are at once called for, much after-trouble is obviated. I would therefore certainly not do away with the list, the preparation of which, requiring merely the scoring out from a printed list of a few documents not submitted, gives absolutely no trouble that could be measured by the most delicate instrument for such measurements. Possibly, however, the general summary referred to in my paragraph 118 above, might be made to answer at the same time the purpose of this list.

132. As regards (5) I should have less hesitation about supporting the proposals to discontinue the exhibition of total outlay (of year and to date) in schedules of expenditure, if I were satisfied that a system of divisional accounts will be introduced which will afford a reasonable expectation that these totals shall be correctly brought out in the divisional record, whatever it may be; but at present mistakes under this head are so common that I doubt very much whether the information could be dispensed with, without seriously impairing the value of the audit against estimate and appropriation. Such mistakes must, of course, be detected in the end, but under the proposed arrangements they would be detected only as a consequence of the raising of an objection to some outlay in excess of estimate or appropriation, which might be many months after the mistakes were first made, and much too late to remedy the mischief.

133. For similar reasons I entertain very serious doubts as to the expediency of omitting information as to estimates and appropriations, unless other arrangements are made for reporting modifications of estimates and appropriations (especially the latter) actually taken to account during the month in the divisional record (whatever it may be) in which the comparison is effected between outlay and estimate

or appropriation. I think, however, that this might probably be arranged for; and I am disposed to think that the audit against estimate and appropriation might be materially facilitated by adopting an entirely new basis of comparison, namely *outlay to end of previous year plus appropriation of the year* which might be called the "limit of outlay." On the assumption that the appropriation of the year is always within the estimate, or that an appropriation in excess of estimate is equivalent to sanction to the increase of the estimate, only one comparison would then be required, namely between the outlay up to date and the limit of outlay.*

134. I must point out that the proposals referred to in the last two paragraphs in so far as they involve a diminution of the check of the audit office, necessarily imply a corresponding increase of the responsibility of executive engineers. I think it very doubtful indeed whether it is worthwhile to throw on them any such additional responsibility for the sake of a trifling saving of clerical and other inferior work in divisional and examiners' offices.

135. As regards the certificate of examination of accounts (paragraph 282) I agree with the Committee in their condemnation of the present form. It is impracticable, in that it nominally commits the executive engineer to responsibility for a great deal that he cannot possibly even look into to any useful purpose, and at the same time it is useless, in that it does not definitely commit him to any definite responsibility for specific things that he ought to see to. I think, however, that it would be a great mistake to do away with the certificate altogether, simply because the present form is not a good one. There are some things that an executive engineer most certainly ought to look into, and for which he ought to be personally responsible; for instance if the Committee's proposals in paragraph 287 should be adopted (which I hope they will not) it will be very necessary for him to keep a real watch over certain suspense accounts, and there are some matters in connection with receipts which it is very desirable for the executive engineer to look to personally; but I submit that the aim should be to indicate, in the certificate, the things that the executive engineer really ought to see to himself, and to provide for them definitely and clearly. As for the check which the executive engineer ought to exercise himself, it is essential that he should exercise it promptly and punctually; the longer it is put off the more difficult it becomes; and if the executive engineer, who ought to have done it, puts it off too long, it may fall most unfairly and with greatly increased difficulty on his successor. I submit, that in the interests of executive engineers themselves, and in the interests of the possible successor of each, it is most desirable to have some means of making sure from month to month that the executive engineer really does exercise the check that he is supposed to exercise. I venture to think it is a mistake to introduce sentiment into the matter, and to talk about zeal and honor which, I submit, are not in question at all. The executive engineers who leave these things undone are very often the most zealous, but their zeal runs perhaps in another direction, or perhaps they err simply for want of definite indication of what it is that they are really expected to do.

136. The Committee's conclusions that the executive engineer should sign the accounts, and that his signature should imply acceptance of full responsibility for the accounts; and that, when he is unable to sign them, he should separately report his acceptance of such responsibility; are, I submit, somewhat illogical, in that, if responsibility for the accounts has any meaning at all, they would commit him to responsibility for individual entries in the divisional books, as to which the Committee themselves say (paragraph 282) that check by the executive engineer appears to them neither necessary nor desirable.

137. I submit that there is no reason whatever why the executive engineer should be held responsible for anything except—

- (a) the propriety of payments authorized by himself, his executive subordinates being similarly responsible for payments authorized by them;

* I think it will really be very easy to work out arrangements by which the necessary check can be secured, without anything like the amount of detail now required (as regards expenditure on works) in the monthly schedules; but it seems to me that the Committee have entirely overlooked the necessity of some means of ensuring correspondence between results recorded in the two offices, and that it would be a mistake to adopt their proposal without very careful consideration.

- (b) getting or providing proper vouchers for cash expenditure, stock issues, and book transfers;
- (c) personal periodical examination of certain *specified* accounts or books, with the definite object of checking or ascertaining or guarding against certain specified points.

The acceptance of responsibility as regards the first two points would be indicated by his initials or signatures on vouchers, and as regards the third by a suitable certificate.

138. With regard to (6) I see no particular use in the present certificate by the accountant. If there is any particular thing which it is specially desirable that he should do periodically, and the doing or not doing of which cannot be discovered from the accounts, he might be required to submit a certificate* that these specified things *have* been done by him. The present certificate deals with nothing that is not clearly ascertainable from the accounts. However it gives no trouble.

139. With regard to (7) I entirely concur in the proposal to keep the accounts of suspense transactions in duplicate registers and to practically limit report in the monthly accounts to transactions of the month.† I think, however, that a clear distinction should be drawn between (1) items which accrue at one stroke and are eventually adjusted at one stroke, and (2) items which either accrue or are adjusted bit by bit. Practically this division corresponds with certain clearly recognized classes of transactions. Separate sets of register should, I think, be kept for these two classes, because the latter will require a somewhat elaborate register, whereas for the former, which are the most numerous, a very much simpler and less bulky register will suffice.

140. I do not think it is desirable (paragraph 287) to leave the check of outstandings for test audit and for annual report and review. It cannot be done without unnecessarily putting upon the executive engineer greatly increased responsibility for matters which can be much better looked after by the audit office. It would, I think, be very easy indeed to arrange to show the balance of any item whenever it is affected, *i.e.*, whenever there are during the month transactions affecting the item; and if every item received, as it should receive, a register number by which it could be quoted and referred to, it would be very easy to report all balances, say once a quarter for check. The pressure of extra work at the end of each year in connection with the *annual* accounts is already very great—much too great—and it is most inadvisable to increase it.

141. With regard to (8) I am not quite sure that I understood the Committee's proposal in paragraph 295. My own opinion is that any such compilation as the present refund statement is absolutely useless. What is wanted is *for each transfer* a certificate or transfer order signed by the executive engineer, or other authorized responsible executive officer, showing the value transferred by one transaction from one work to another, which certificate should be the accountant's authority for his entry in the adjustment book, and should be sent to audit with the accounts. Any compilation of these certificates is sheer waste of time. The separate certificates would be far more convenient for audit purposes, and, quite independently of audit requirements, they ought to be in existence as booking slips for the divisional accountant.

XIX.—APPLICATIONS FOR LETTERS OF CREDIT AND APPROXIMATE ACCOUNTS (298 TO 309).

142. Practically the Committee's proposals come to this—

- (a) Separate the procedure *re* application for credit from the procedure *re* approximate account required for telegraphic report to the government of India (through the accountant-general).

* Preferably in his own handwriting.

† This is in fact exactly what I referred to when, now nearly a year ago, in para. 78 of my note on contract forms, I said that I proposed to suggest modifications of the system of accounting which would make it practically immaterial for the divisional office whether the number of deposit items is large or small. I afterwards deferred submitting proposals, because I found the Committee proposing the very same thing, and I thought it better to await results.

- (b) Drop the attempt to regulate grant of credit otherwise than against total allotments or appropriations at the disposal of the executive engineer.

In these proposals I fully concur, and I may mention that I proposed practically the same thing some months ago, but the government of India expressed their inability to comply with the suggestion.

143. With regard to the details of the modified procedure *re* the approximate account, I must point out that it is useless to attempt to discuss the question at all until the government of India say how far they are prepared to reduce their demands for early approximate information. In my opinion the best plan is for the government of India to say what they want, and then leave the examiner, in concert with the local government, to devise the means of furnishing the information, and to hold the examiner responsible for its approximate accuracy.

144. With regard to the form that the application for credit should take, my own opinion is that for nine, if not ten, months out of the twelve, even the comparatively simple form suggested by the Committee (paragraph 304) is much more complicated and troublesome than is necessary. I consider that as regards credits required for expenditure from April to December, if not to January, it should be quite sufficient for the executive engineer to report monthly in one sum the amount of the additional credit required by him, without any attempt to show how the sum is arrived at. The application should be made by telegram in the case of distant divisions, and all applications should be so timed as to leave the examiner just comfortable time, with no more margin than is necessary for safety, to prepare his monthly application to the civil accountant-general. Instead of being due for despatch on the 10th of the preceding month, they might be despatched about the 24th or 25th; and the fortnight thus gained might make a considerable difference in the accuracy of the executive engineer's estimate.

145. Working, as the executive engineer does, through a number of subordinate disbursers whose disbursements he cannot possibly time; and dealing largely, as he does, with contractors whose applications for payment he can regulate only most imperfectly, if at all; it requires, in my opinion, an extraordinary degree of credulity to suppose that the executive engineer of any ordinary division really sets to work about the fifth of one month—which he must do if he is to send in his application by the tenth—to estimate minutely with reference to individual works and allotments, or even with reference to all the details provided for in the Committee's form, the expenditure to be incurred by himself and his subordinates in the month which will begin about twenty-five days later. I submit that in ninety-nine cases out of a hundred, if not in the hundredth also, what the executive engineer really does, and the only thing that he can reasonably be expected to do, is to tell the accountant to make out an application for so many thousand rupees and to manufacture the details in any way he likes.

146. I submit that for the first nine or ten months of the year or—and the examiner should see to this—until a certain considerable proportion of an executive engineer's grant is expended, the examiner can exercise no useful check over applications made in the proposed form, which he could not equally well exercise over a simple application for a specified amount of credit without any details whatever; and I submit, generally, that the best plan is to make, and hold, the examiner responsible for regulating the issue of credits, and then to leave him to work out, in concert with the chief engineer, and subject to the orders of the local government, the procedure necessary to enable him to exercise the required control.

XX.—AUDIT OF WORKS ACCOUNTS BY THE EXAMINER (310 TO 318).

147. So far as the examiner's audit by sub-heads is intended as a means of checking rates, I entirely agree with the Committee as to its absolute uselessness. It is possible that in the military works branch, where work is practically confined to a comparatively small number of stations or towns, some such check may be possible, though it is very questionable whether, even then, it is not very much better

to leave it to the superintending engineer. In Madras, where works are scattered all over large districts, the conditions of labor and of carriage, and all other factors that affect rates, vary from work to work, and in my opinion it is ridiculous to suppose that the examiner can exercise any check whatever over rates. As a matter of fact it never has been attempted.

148. The only direction in which, as far as the examiner is concerned, any attempt has ever been made, in Madras, to make any use of accounts by items or sub-heads, is that of obtaining an indication of probable large excesses over estimates. I do not think it would be advisable to relieve the examiner entirely of responsibility in this matter. There is no doubt whatever that in some respects executive engineers and superintending engineers can do it much better, and there is no doubt that they ought to do it; but experience shows that as a matter of fact they often do not do it. In my opinion, however, it is not at all necessary that the examiner should, for this purpose, be furnished with accounts by items of work, either in work voucher form or in any other form; in my opinion it is not even necessary that the accounts should be kept by items anywhere. I believe that all that is necessary or useful is that, as regards large and costly works, when the expenditure has gone on for a considerable time, or when it has reached a certain considerable proportion of the estimate, the superintending engineer or the examiner should from time to time call for a statement, very easily prepared, showing, in a form something like that of the work voucher, the quantities executed up to date, and the value of executed quantities at estimate rates. If this statement showed that the work, as far as executed, was costing a good deal more than the estimate, the superintending engineer would take such action as he thought proper, calling on the executive engineer for explanation, or possibly requiring a more detailed statement to be made out showing the actual approximate cost of important items, which could easily be done with all necessary accuracy, from the existing records of quantities of labor and materials employed. The examiner in like circumstances would simply draw the superintending engineer's attention to the matter, leaving it to him, at his discretion, to take or not to take action in the way of calling upon the executive engineer for explanation, or for more detailed statements of cost. This would be simply making use of the so-called normal cost system; but it would be making use of it in a way which would, I believe, be generally admitted to be really useful.

149. I submit, however, that the cases must be very few indeed in which the officer in responsible executive charge of a work, if he is any good, cannot, with sufficient accuracy for all practical purposes, explain all really material excesses over items of estimate without making up a detailed account at all. An estimate is presumably based on standard rates, which again are based on certain assumptions—which ought to be known and on record—as to the quantities of labor and materials required for certain descriptions of work, and on certain assumed rates of wages and prices of materials; and the explanation of any excess is always, either a deviation from the plan, &c., on which the estimate is based, or that higher wages or prices have to be paid, or that, for some reason or other, it is necessary to employ more labor or more materials. I submit that elaborate accounts, balancing to a pic, are seldom, if ever, necessary, or even useful for such explanations, and that if one-half of the time now wasted in keeping such accounts, and in correcting them, and in corresponding about mistakes in them, were devoted to real check over quantities of labor employed and materials used, the results would be very much more satisfactory.

XXI.—OBJECTIONABLE ITEMS (319 TO 325).

150. With the single exception of the proposal to deal individually with the personal claims of certain officers, the Committee's opinions and proposals under this head are, in my opinion, ill-advised. I submit that in this, as in many other things, it is necessary to distinguish. There are objectionable items and objectionable items; and the procedure which is best for one kind may be very bad for the other. To a certain extent each class must be considered by itself.

151. I submit that the objectionable items statement in its present form, or something like it, should be retained for, but confined to, objections in respect of estimate and appropriation; and that as regards these objections it is most desirable that the objectionable items statement should be prepared in the divisional office, and come, as recently arranged here (in Madras), through the superintending engineer to the examiner (instead of through the examiner to the superintending engineer) with the executive engineer's and superintending engineer's remarks on it. Irregularities of these kinds differ from all others—at any rate from all other that I can think of just now—in that they are, and must be, committed sometimes more or less knowingly and intentionally, on the ground that a slight breach of technical rule is the less of two inconveniences, and also in that they are irregularities which necessarily continue and grow from month to month. If the thing is done knowingly and intentionally, there seems to be no reason whatever why the officer who does it should not then and there give his explanation. If on the other hand the thing is done inadvertently, or if, though done intentionally by a subordinate officer, it is done without the knowledge or approval of the executive engineer, it seems very desirable that he should have the earliest possible means of stopping it or regularizing it. Preparation of the objectionable items statement in the divisional office brings the irregularities promptly to the knowledge of the executive engineer if they are done without his knowledge, and also serves to bring them promptly under the notice of the superintending engineer.

152. It may be perfectly true (para. 325) that the objectionable items statement, even if prepared in the examiner's office, should reach the executive engineer in a month after submission of the executive engineer's accounts; but even this may easily be three months after the irregularity began, and, if the executive engineer is in camp and unable to deal promptly with the objectionable items statement, the delay in some of the more distant divisions may easily reach four months. I entirely fail to see what is gained by this procrastination, unless it is that the executive engineer is saved the trouble of jotting down a few words of explanation as regards such irregularities as have been committed with his knowledge and approval; and something of this sort the Committee must have had in their minds when they remarked (again paragraph 325) that: "Most of the causes of objection would probably by that time have been removed." But if this is to be seriously counted as an advantage to be set against the delay in bringing to the executive engineer's notice things done without his approval, and to the superintending engineer's notice things which when done he may not approve of, then I would ask, why not procrastinate a little more, why not allow another month for removal of more causes of objection; why in fact object at all; and why lay stress (paragraph 323) on the fact that the objectionable items statement, if prepared in the examiner's office, should reach the executive engineer within a month, &c.

153. The Committee say (para. 321) that it must "be borne in mind that when an executive engineer incurs any liability for which he has not sufficient authority, he should not wait, and *probably does not wait*, for the objectionable items statement to remind him of the necessity of regularizing the outlay." The italics are mine, and experience, I submit, shows that in far too many cases the expectation is not fulfilled. Moreover the Committee entirely ignore the fact that in many divisions—probably in nine out of ten Madras divisions—the executive engineer has only a very distant and second-hand control over outlay, and that the objectionable items statement, or something like it, is the only means of bringing systematically under his (the executive engineer's) notice irregular outlay by his subordinates.

154. Other kinds of objections are, in a different case: or perhaps I should rather say that there are kinds of irregularities which are in a different case; because, possibly, there may be one or two kinds which it would be desirable to treat in the same way as those referred to above. With these other kinds the only result of delay is that the irregularity is a little longer unremedied: it grows no bigger. An irregularity in respect of appropriation, which is a few hundred rupees at the end of January, may be a good many thousands by the end of March; but if a completion report is overdue on a given date, then a month later it is one month more overdue, and that is all; it is still only one completion report overdue. In

dealing with such objections there is no material advantage in hastening the initiation of the objection by a month or six weeks: and, on the other hand, there is a very decided advantage in leaving the initiation to the examiner's office, in that (1) in a central office it is possible to organize *systematic* check to an extent which is quite impossible in each divisional office, and (2) that in a large central office the facility for distributing different kinds of work to different individuals admits of very great specialization of forms, without causing any inconvenience from the multiplicity of forms which necessarily accompanies such specialization: you may have five hundred forms altogether, but no individual need have to use more than fifteen or twenty different forms.

155. In my opinion the curse of present system—or rather of the system which, I believe, is still uniformly followed elsewhere, but has now been to a great extent abandoned in Madras—is that there are practically only two instruments—the objectionable items statement and the audit note—for dealing with every kind of objection. Every objection has to be dealt with in one or other of these two monthly documents, with the result:—

- (1) That no objection whatever is dealt with in a form which is really suitable and convenient for bringing out clearly and easily the particular points that have to be attended to in connection with objections of the particular kind concerned.
- (2) That the initiation and disposal of every objection *have to run one prescribed course*—from the executive engineer through the examiner to the superintending engineer, and back through the examiner to the executive engineer or whatever it may be—without the slightest regard to what may really be the most expeditious and convenient way of disposing of the particular kind of objection in question.
- (3) That objections, &c., are presented to everybody (executive engineer, superintending engineer, examiner, chief engineer or government) who has to deal with them at any stage, in a bewildering mass which makes it a physical impossibility for anybody to deal with them properly, or to give to any single item more than the most perfunctory and hasty notice, unless he is prepared to delay the complete disposal of the whole mass for weeks or even months.
- (4) That in the examiner's office any rational distribution of work according to its kind is made impossible, and every single matter connected with any one division, or small group of divisions, has to be dealt with by a single accountant who, if he is to do it properly, must be, or at any rate ought to be, an universal genius, who must be paid at a very much higher rate than would be necessary in order to get the work done, *a great deal more thoroughly, and with far less inconvenience to all concerned*, by a number of individuals, each of whom, using special forms and appliances, and guided by special and very complete instructions, would deal with one or more specific kinds of business, either for all divisions or for a larger number of divisions.
- (5) That it is a practical impossibility for the examiner, or any one else, to know, either for any division or for the whole presidency, what is, during or at the end of any given period, the extent of irregularity of any given kind.
- (6) That any personal control by the examiner himself over the objections raised, whether as regards the kinds of things objected to or the manner of disposing of them, is made almost impossible.

156. I submit that the reform most required, and that which would be attended with the most beneficial results, is the separate treatment of different kinds of objections.* Here in Madras the government have already to a great extent

* I take for granted that the principal objects are, to prevent the occurrence of irregularities, and to reduce their duration to a minimum when they do occur. If there is anything to be said for the Committee's suggestion of procrastinating, so that irregularities may die a natural death (see para. 152 above), the reasonable course would seem to be to say plainly that an irregularity is not an irregularity until it has continued for certain length of time, and not to raise any objection until the period of grace expires.

accepted these views, and a good deal has already been done,—quite enough to prove, to me at any rate, the advantages of the system; but whether executive engineers and superintending engineers would express a similar opinion, if consulted *now*, is very doubtful; but the time has not, I think, arrived when executive engineers can be expected to give an unbiassed opinion on the question.

157. In Madras at any rate, and I believe careful enquiry would show that it has been the same elsewhere, the result, and in my opinion the inevitable result, of the old system has been the accumulation of a great mass of unremedied arrears of irregularity. I would say nothing about these arrears if I were not conscientiously able to assert at the same time my absolute conviction that they are the necessary and inevitable result of the old system, and not at all the result of personal neglect. Now the first result of the attempt to introduce the system of dealing separately with different classes of irregularities has been, to bring out more or less clearly the extent of the accumulated arrears of each kind; and the first efforts have necessarily been directed to clearing off those arrears. This has certainly entailed very heavy work in my own office; and I cannot doubt that it has given much trouble, and caused a good deal of annoyance, to executive engineers.

158. As an instance I may refer to the matter of overdue completion reports. Up to this time I have never been able to ascertain definitely the actual number of overdue completion reports at any definite date; all that I have been able to do, as yet, is to ascertain limits between which the numbers must lie. I have however not the slightest doubt that eighteen months ago there were over twelve hundred completion reports overdue more than six months. The number has already been very largely reduced; at the beginning of July it was somewhere between 500 and 1000, and probably about 700; and I hope that when the next quarterly report is submitted, when the number will I hope be accurately known, it will have been reduced to about 300, at the outside. Now it stands to reason that these arrears of completion reports cannot have been cleared off without a great deal of extra work in divisional offices, and a great deal of extra trouble to executive engineers themselves. Many of the works in question have been completed for years, and probably in every single case the difficulty of preparing the completion report has been very much greater than it would have been if done at the proper time.

159. Again when I came to apply a similar method to the suspense accounts, including under this head the contract and piece-work accounts, I found that in many divisions they were loaded with items, mostly very petty, outstanding without the smallest likelihood of adjustment, for months and months and even years. The clearing off of these items; in some few cases by searching out the creditors and paying them; in others by getting sanction of the superintending engineer or of government to credit them to deposits (under Code 1828), or to revenue (under Code 1750 or 1828); has necessarily given a great deal of trouble to executive engineers, and some also to superintending engineers.

160. It is the same with every other class of irregularity. The immediate result of applying the separate system is increased trouble and annoyance. Moreover any new procedure is necessarily in a great measure tentative and experimental. It is not possible in every case to hit at once on that way of doing the thing which is most convenient to everybody. Possibly also in some cases the irregularity may be noticed a little earlier than is absolutely necessary, and experience may show that a little more delay would be an advantage. For these reasons I submit that the time has not come when an impartial opinion could be obtained from executive engineers; but I believe that if the question is put to them eighteen months or two years hence, when the initial trouble, and the consequent irritation, have passed away, a large majority of them will admit that it is a great advantage to them to have all kinds of irregularities pointed out to them promptly, in reasonable doses and in suitable vehicles; and I have no doubt that those officers who are the most painstaking in such matters will thankfully acknowledge that the system largely relieves them of the troublesome task of periodically clearing off piles of arrears left by their predecessors.

161. Here I may be allowed to protest against the common, but, as I submit, quite erroneous view that every objection raised by the examiner is directed against the executive engineer. I do not believe that there is more than one objection in twenty of which this can be truly said. I believe that, in at least nineteen cases out of twenty, what the examiner's objection really does is, to bring to the notice of the executive engineer some irregularity on the part of some subordinate, for which the executive engineer is technically responsible, and which, according to the theory of the present system, ought to be detected by the executive engineer himself, or perhaps brought to his notice by his accountant, but which, as a matter of fact, the executive engineer cannot reasonably be expected to detect himself,* and in connection with which the divisional accountant's action cannot be relied upon.

162. Holding the views expressed above as to the necessity for separate treatment of different kinds of objections, I must protest most strongly against the proposal (paragraph 322) to add establishment objections to the mass of other objections dealt with in general objectionable items statements. The proposal has a very direct bearing on the economical working of the examiner's office. In my opinion, which such economy can be secured is by specialization of duties. As far as audit is concerned the only specialization yet attempted is the separation of establishment audit from works and other audit. If the Committee's proposal to deal with establishment objections in the general objectionable items statement is adopted, either this specialization must be dropped, or there must, I am convinced, be a very great duplication of work in the examiner's office. The former would, without question, be fatal not only to economy but to efficiency. It is not only that the multitude and complexity of the rules regarding establishment matters essentially require, for their proper administration, an establishment specially educated questions, and of the latter with questions relating to leave, service (promotion, &c.) and pension make it absolutely necessary that all these matters shall be dealt with in one self-contained branch. There must be a complete separation of establishment audit from other audit. If therefore all establishment objections are to be included in one general objectionable items statement, there must be a continual transferring by the establishment audit branch to the work audit branch of objections raised by the former for inclusion by the latter in the objectionable items statement and a retransferring of the executive engineers' replies by the latter to the former for disposal, and so on. I fail to see what possible advantage can be gained by the amalgamation, and I am sure that it will be the very reverse of a convenience to executive engineers or to divisional offices.

163. It is also necessary to remember that there are a considerable number of offices which are independent of any executive engineer. The heads of these offices must be directly dealt with.

164. I agree with the Committee in thinking that nothing is gained by passing such items through the miscellaneous advance account; but the labor at present entailed by this procedure is very trifling, the very great majority of such items being disallowed in the course of pre-audit, and therefore never paid. The trouble would however be very greatly increased if the Committee's proposals for the entire relinquishment of pre-audit were adopted, as I sincerely trust they will not be.

165. The essential thing seems to be that each storekeeper, or works subordinate, should have the means of keeping a *provable or checkable account* of the number and distribution of tools under his charge. This too is the only thing that presents any difficulty; and I submit that it is mere evasion of the question to say (as in paragraph 327) that "he should keep a *simple* list showing the distribution of his tools and plant in the custody of contractors or subordinates." I submit

* I mean that he cannot reasonably be expected to make such a complete and systematic examination of the accounts as would be necessary in order to discover all of them with certainty.

that this is just the very thing that cannot be done. The distribution is always altering; the simple list must be continually corrected, and in a very short time it becomes impossible to show and prove the correctness of the finally recorded distribution.

166. With such a system, it would be practically impossible for the subordinate to reconcile, at the end of the year, his own statement with that furnished from the divisional office (paragraph 329), and the difficulty of effecting such reconciliations would, I think, lead to great difficulty and delay in the submission of the annual divisional statement to the audit office. It is obvious that a statement simply showing what *should be*, according to the divisional office, is quite useless for audit purposes.

167. I would suggest that every subordinate should be given a book in some such form as the following:—

Register of movements of Tools and Plant.

From					To				
Person, Work, Store, Depot, &c.	Pickaxes	Felling axes	Machettes	Bill-hooks	Person, Work, Store, Depot, &c.	Pickaxes	Felling axes	Machettes	Bill-hooks
Balance	250	300	500	450	Here enter first of all the original distribution of the opening balance.	250	300	500	450
Divisional Store	50	...	25	...	A. Depot	30	...	10	...
A. Depot	30	...	...	...	B. Work	20	...	15	...
Contractor, C. D.	...	100	...	...	Contractor, A. B.	30	...	...	...
C. Work	13	...	...	25	B. Depot	...	100	...	...
D. Work	14	...	...	...	Lost, destroyed, worn out or sold.	27	...	...	25

* Total number for which he is responsible on first starting the book.

The form should of course provide for quoting receipts of contractors and others, item numbers and other reference particulars. Beyond (1) keeping this original record of all movements, (2) sending a copy of it once a month to the divisional office *direct*, i.e., not through the sub-divisional officer in the case of subordinates, and (3) checking once a month the distribution statement prepared in the divisional office, the sub-divisional officer or subordinate concerned need have nothing whatever to do.

168. In the divisional office a similar record should be kept, and also a ledger, the latter being in separate volume for each sub-divisional officer or other subordinate recognised as in responsible charge. Every entry in the divisional record, or in the monthly copy of a subordinate's record, should be posted into the corresponding ledger to debit or credit of some work, depot, subordinate or contractor, for each of which and for each of whom a page, or more probably a section of a page, should be set apart.

169. When the ledgering is completed cross postings should be checked; that is to say debits to A. depot, as per divisional volume of ledger, would be compared with credits to divisional depot as per A. depot volume of ledger, and so on, and any discrepancies would then be posted to debit as "error" head in the ledger in which deficient.

170. A statement of distribution (including "error") would then be prepared from each office and sent to the subordinates concerned for check. This statement should be in a form which would admit of posting the distribution for a number of months without re-writing the descriptions of depots, individuals, works, &c., and it should go backwards and forwards between the divisional office and the subordinate concerned.

171. Each officer should of course explain at once any discrepancy carried to "error," and make any necessary entry in the next return.

172. The different descriptions of tools with which subordinates habitually deal are very few indeed, and there would be no difficulty whatever in providing columns for all of them in all the forms required. A single column for special plant with a "remarks reference" column would enable all operations on special tools and plant to be dealt with by remarks giving details, for which reasonable provision could be easily made. Movements of such plant are very few and far between.

173. Articles lost, worn out, destroyed or sold would remain at debit of the responsible officer until receipt of sanction of competent authority for writing off, or of purchaser's receipt for articles sold, when the write-off would be passed through the divisional office register of movements. Similarly with articles transferred to other divisions, which would be passed through the divisional register on receipt of acknowledgment. The monthly statement of receipts and issues would be posted from the divisional volume of the ledger, the latter (issues) from the page on which transfers and writes-off are posted.

174. It would save a great deal of trouble at the end of the year if each monthly return of receipts and issues were made to show the net increase or decrease to date since last annual return; and, especially if the descriptions of articles in ordinary use were printed, the monthly trouble to the divisional office would be very slight indeed.

XXIII.—ROAD METAL (332 to 339).

175. In Madras the department has little to do with roads, which are almost entirely under the local fund engineers. Any special consideration of road metal accounts is therefore unnecessary.

XXIV.—SALARY, TRAVELLING ALLOWANCE AND CONTINGENT BILLS (340 to 356).

176. As regards salaries the Committee propose—

- (1) The abolition of pre-audit.
- (2) The amalgamation of the salary bill and the acquittance roll.
- (3) The preparation of salary bills in convenient sub-divisions, according to payment groups, instead of in one bill for each division.

177. I submit that the entire abolition of pre-audit will simply throw a serious responsibility on executive engineers without any adequate necessity, and that what is really necessary, in order to remove any existing causes of hardship or inconvenience, can be effectually secured by improving the method of pre-audit. Putting aside divisions whose head-quarters are at the examiner's station, pre-audit is confined to cases of (1) promotion in all its phases, (2) return from leave, (3) transfer, and (4) new appointments. As regards the first it will not, I think, be seriously contended that an officer suffers any real hardship if he is kept for a few days more, say even a fortnight more, without the additional pay due to his promotion; provided he continues to draw, without interruption, the same pay as before; and as regards (2) and (3) the advances admissible in such cases under code rules are, I submit, a complete protection against any inconvenience that can arise under a rational system of pre-audit.

178. With new appointments the case is different, a newly appointed man is kept out of the whole of his pay. But if the appointment is a proper one, if the rules have been conformed to, and the claim is admissible, the delay, under a rational system of pre-audit, should not exceed a few days, say a week, or at the outside a fortnight in the case of distant divisions. If the appointment is not a proper one, and the claim is not admissible, then the case becomes a little difficult. There will then be no salary from which to recover the overpayment on next pay-day. How then is the recovery to be enforced? Is it to be made without question from the salary of the officer who is responsible for the payment? Or is it not to be made

at all? And how about any further claim that has accrued in the meanwhile? I take it for granted that when a claim for one period has been disallowed as inadmissible under the rules, the executive engineer is *ipso facto* precluded from paying any further claims that are subject to the same disqualification.

179. By a rational system of pre-audit I mean one under which claims requiring pre-audit are separately and promptly submitted for such audit, instead of being postponed in order that they may be submitted at the same time as a number of other claims which do not require pre-audit. I submit that the proper plan is to do as a matter of course in all such cases—cases mentioned in paragraph 177—what the Committee suggest *might* be done, at the discretion of the executive engineer, in doubtful cases; that is to say, to submit each such claim separately for pre-audit as soon as it becomes known that the claim will arise. Unless the case is one of quite unusual difficulty, a claim thus separately submitted need never be delayed in the examiner's office more than three days including the days of receipt and issue, always supposing that the claim is submitted in a complete and proper shape, which should be secured by the use of a proper form providing for everything that can be required. In cases of exceptional delay, or in dealing with the more distant northern divisions, authority to pay could be communicated by wire when necessary. Under such a system the delay need never exceed a fortnight at the outside. In the great majority of cases there would be no delay whatever, the authority to pay reaching the divisional office before pay-day; and the extreme delay of a fortnight could occur only in the case of the most distant division submitting a claim on the very last day of the month.

180. If this system were adopted all divisions should of course be put on the same footing. There would be no need to make any difference between those whose head-quarters are, and those whose head-quarters are not, at the examiner's station.

181. As regards the responsibility which the Committee's proposal would impose upon the executive engineer of a division, I submit that there is no necessity whatever for inflicting upon him any such burden. If you have an audit office, why not make a proper and sensible use of it?

182. I do not think the Committee have at all considered the difficulties that would follow from amalgamating the salary bill and the acquittance roll; or they would hardly say that there is no advantage in having separate forms (paragraph 342). In the first place the amalgamation would at once make the audit against authority (rule, sanction, or scale) inseparable from the audit against vouchers, with the secondary results that (1) the difficulty of retaining any specialization of audit in the examiner's office (see paragraph 162 above) would be enormously increased, and (2) that the audit against authority would always and necessarily be dependent on the receipt of the voucher, and would therefore be subject to all the delay—the very serious delay—frequently inevitable in the case of a voucher which has to circulate to a number of more or less peripatetic payees, scattered all over a division or sub-division.

183. I must point out that, even in the case of a division within one or two days' post of Madras, and assuming the punctual submission of accounts with vouchers (including acquittance rolls) complete, the audit can never by any possibility be completed in time to prevent an irregular payment of salary from running on into the third month. Thus in the case of an irregular payment made on the 1st of January, the audit objection could not by any possibility reach the executive engineer by the 1st of March, or anything like it, and on the 1st March the third payment would be made. Much more frequently irregular payment would run on to the fourth month; in the case of distant divisions it would *always* run on to the fourth month; and with a little unpunctuality in the submission of the voucher (salary bill *cum* acquittance roll) it would run on to the fifth month. This, I need hardly point out, means a very serious increase of the responsibility of the disbursing officers, and of the trouble of effecting recoveries, whereas, even with post-audit, but with prompt submission of a separate salary bill as at present, no improper payment need ever extend beyond the second month; and under a rational system of pre-audit, which need cause no inconvenience to anybody, and which

would relieve the executive engineer from all responsibility, no improper payment need ever be made at all.

184. I submit moreover that it is no kindness, but very much the reverse, to pay wrongly to anybody, and especially to an impecunious subordinate, a sum which is very likely a considerable one for him, to go on overpaying this sum for two, three, four and even five months, and then, when perhaps he has not only spent every pie of it but has incurred prospective liabilities in the reasonable expectation that the payment will continue, suddenly to call upon him to refund forthwith the whole amount overdrawn.

185. Therefore as against the Committee's assertion that there is no advantage in having separate forms for salary bills and acquittance rolls, I contend that there are the very gravest objections to combining the two, and that, so far apparently, nobody has even attempted to show that any advantage worth a thought is to be gained by it.

186. With reference to paragraph 343, I see no particular objection to the preparation of salary bills in parts, if it really would be any convenience to anybody. It would add a good deal to the work of the examiner's office and would complicate the audit registers by multiplying transfers, because the payment groups would in this connection practically take the place of the present divisions. However, if it would be any substantial convenience to any considerable body of officers, I do not think that this objection should stand in the way.

187. I doubt very much however whether the proposal will be pressed apart from the proposal to combine the salary bill and acquittance roll. I take it that what is really wanted is to have the acquittance roll in parts. This can be, should be, and as a matter of fact generally is, done at present.

188. With regard to travelling allowances the Committee propose—

- (1) To deal with each officer's claims on individual or personal bills.
- (2) To abolish pre-audit except by the controlling officer.

189. I think the first proposal (paragraph 346) is a good one. It will of course to some extent increase work in the examiner's office; but it will make a greater corresponding reduction in divisional offices, and will no doubt be a convenience to the individuals concerned. As the Committee say, the individual's claim must at some stage or other be separately stated by himself; to which I may add that the audit objection, if any is made, must also, at some stage and in some form, be separately presented to him. It is therefore desirable to avoid the double transcriptions.

190. I protest, however, against the proposal to do away with pre-audit. I submit that, as in the case of salaries, it would throw, quite unnecessarily, a most undue responsibility on an officer—in this case the controlling officer—who need have nothing whatever to do with the matter—all the trouble and responsibility which ought to fall, and in the end will still fall—for the thing will have to be done twice over—on the audit office. It will oblige the controlling officer to check the correctness of claims in respect of matters with which he ought not to be required to exercise any responsibility whatever. And, as in the case of salaries, I submit that it is no kindness to pay a sum which is not due, and then to demand its return.

191. I submit moreover that the change from a general divisional bill to personal bills will of itself very greatly reduce the delay in payments. At present the submission of the general bill in the first instance by the executive engineer to the superintending engineer must of necessity await the receipt of the last individual statement of claims; the despatch of the general bill by the superintending engineer to the examiner must similarly await the consideration and disposal by the superintending engineer of every claim in the bill; and finally in the examiner's office a dozen claims, as to which there is no question whatever, may be, and often are, unavoidably delayed on account of some difficulty about another claim. With personal bills these delays would disappear, and the average date of audit and, therefore of payment, would be very considerably advanced, more especially if controlling officers could be got to understand that they need not, and should not,

concern themselves at all with anything except the propriety of this or that journey or halt or other act, leaving entirely to the audit office the check with reference to rules, rates and arithmetic.*

192. It must also be remembered that pre-audit of travelling allowances is a perfectly well known condition of service; and therefore does not constitute any real grievance, unless the pre-audit and the procedure in general habitually produce unnecessary delay. At present I think it does do so; but with personal bills it should not. If, however, it is considered that officers have a claim to immediate reimbursement of their actual travelling expenses, or that it is desirable to concede such a claim as regards any class of officers—subordinates for instance—then I submit that the proper plan is to give them standing advances for the purpose, so long as they remain in posts involving a considerable amount of travelling and in divisions where delay of payments is at all considerable. The Committee's proposal that subordinates who happen to have imprests should be allowed to pay their travelling expenses out of such imprests is, I submit, objectionable and illogical. It is objectionable in that it must very seriously complicate imprest accounts by introducing recoverable charges, and I have no doubt that this would give much trouble to executive engineers; and it is illogical, in that it admits the justice of the claim to immediate reimbursement, but in practice makes the concession of the claim dependent on a mere accident,—the accident of whether the officer concerned has or has not been entrusted with an advance of public funds for a totally distinct purpose. If the circumstances of any officer's case are such that he really ought to have such an advance, then give him a standing one for the purpose, and let him keep it until he is transferred to an employment in which it is no longer necessary, or until he goes on furlough or retires.

193. In this presidency the number of separate disallowances made and sustained every month is now about three hundred. With irregular salary payments running on month after month (see paragraph 182 above) it would I think be at least four hundred. The recovery of all these disallowances, the watching of them and the correspondence about them, will give a great deal of trouble to all concerned. At present they give hardly any trouble, because only very few of them are paid at all.†

194. I am fully alive to the importance of accelerating payments by all practicable and judicious means. I have every desire to accelerate them; but I submit that the gain of a few days now and then in the case of salaries, or even every month in the case of travelling allowances, should not overbear all other considerations. I submit moreover that, when it comes to a question of accelerating the payment of allowances, there is a matter which is even more worthy of serious consideration, and that is the inconvenience to which many subordinates at outlying stations, and especially members of work establishments, are put month after month. Pre-audit of salaries probably does not, on an average, affect any given individual more than once in eighteen months or two years; pre-audit of travelling allowances only delays the payment of a comparatively small proportion of his aggregate allowances; but there are many subordinates who month after month receive the whole of their allowances a month, and often six weeks, after due date. Month after month many of these men have to wait until the sub-divisional officer, or whoever it is that actually disburses their allowances, happens to come their way.

195. I believe that this might be completely obviated by making a sensible use of the existing widespread agency for such payments, i.e., the postal department. I believe that by this means it would be easy to make all such payments promptly and securely, and with a minimum of trouble to all concerned, directly from the divisional office. The money orders might be signed by the head clerk or cashier

* There would in most cases be a further saving of time owing to the fact that, with separate bills no bill need pass through the superintending engineer at all unless he is the controlling officer of the person submitting it.

† The number paid, the number of items whose recovery has to be watched, probably does not reach twenty-five in a month; and the increase of trouble must be measured by the difference between 400 and, say, 25, not between 400 and 300.

as "remitter," and the executive engineer would have to sign only a single cheque for the total in favor of the postmaster.

196. Some time ago I suggested the establishment of a system of official money orders, at reduced rates of commission, for remittances from subordinates to executive engineers; and I cannot help thinking that if the postal department would be satisfied with a minimum profit on this business, which, being additional business, would cost them next to nothing, they could do it at a charge not exceeding 2 annas for Rs. 50. Such a charge, or even one considerably larger, would not be more than the fair interest on deferred payments, to which the payees might very reasonably assert a moral claim, and the charge might, I think, very well be borne by the department as an office contingency.

197. The only difficulty would be as to the voucher. The money order form does not afford any means of showing on what account the payment is made. But this difficulty might I think be very easily got over by suitably modifying the coupon part of the form. On the *black* side of the coupon,* the upper part (now headed "coupon to be retained by payee") should be used for entry by the remitter of the necessary particulars on account of which the payment is made. The whole of the coupon should of course be returnable to the remitter, the dividing lines on both sides being omitted. Receipts endorsed by the payees on postal money orders are exempt from stamp duty, under a notification of 1880; and all that is necessary in order to make such a receipt a complete and sufficient voucher, is provision for entry of the particulars of the liability discharged by the payment.

198. There would seem to be no reason why, under suitable arrangements with the postal department, the forms should not be printed departmentally, in which case the upper part of the *black* side might be printed to suit the particular class of payments for which the forms would be intended; and the name of the "remitter" might be printed as "the executive engineer of ——— division."

199. With regard to contingent bills (paragraph 354), I think the sending of divisional bills through the superintending engineer might be dispensed with, and also the classification of charges; but any other change seems to me undesirable.† Contingent charges are dealt with under special and distinct rules, and the economical working of the examiner's office requires that such charges shall be separately audited by a special establishment. Moreover the present system, or something very like it, must be followed as regards contingent bills of all offices other than divisional offices, unless these offices are to be dealt with through the executive engineer who recoups their standing advances, an arrangement which, I have no doubt, would be highly inconvenient to all concerned. I think therefore it would be very much better to adhere uniformly to the present system, except as regards classification and sending divisional bills through superintending engineers.

200. With regard to paragraph 356, I think not only the rules regarding travelling allowance, but also the rules affecting salaries, might very easily be reduced to a small compass and supplied in handy sheets. The system recently begun here of printed standing remarks on disallowance lists is a step in this direction; and I have always intended, as soon as the printed remarks have become fairly complete, to see what can be done in the way of translating them into handy guides for the use of those who prepare and submit the bills. I think that in most cases it will only be a question of modifying the wording to suit the altered point of view; but the completion of these standing remarks is necessarily a work of time. It is almost impossible to do it otherwise than by taking note of remarks actually made in manuscript, as not provided for in the printed form for the time being in use, putting these remarks into suitable standing form, and then printing them in the next issue of the form.

* One side of the form is printed in black ink and the other in red.

† Contingent charges must be collected in some document or other, and whether you call that document a "schedule" or a "contingent bill" the labour of preparation will be precisely the same. I do not myself think that the classification of the charges is worth the trouble that it gives; but I ought to point out that the government in the financial department have recently directed the adoption of a classification uniform with that of the civil department. Apparently, therefore, the government attach some importance to it.

XXV.—WORKSHOPS (357 TO 366).

201. The subject is, in my opinion, too large a one to be discussed as a mere section of public works accounts. I may, however, say that I think it is essential that the details of the accounts procedure *within the shops*, and not merely the returns to be submitted to audit should be prescribed, and that the practice in different shops of the same class should be uniform. If there is any point in respect of which a distinction can, with any *real* advantage, be made between large shops and small shops, by all means let it be made; but I think there should be at the outside two recognized classes, large shops and small, and the procedure for each class should be uniform. Whether the cost of any manufactured article can, as the Committee assert, "when necessary, be taken out specially from the records," will depend entirely on what records are prescribed and kept. If the records to be kept are not carefully regulated with reference to this contingency, the chances are that it will not be possible to get out the cost when wanted.

202. The question whether private work should be allowed or not, or encouraged or not, is hardly a question of accounts; but it has a very direct bearing on the question of the latitude to be allowed to superintendents of workshops in the matter of charges, percentage or other; and of the two questions, the former should, I think, be settled first. If government wish to attract work to their workshops, it would seem to be essential that the superintendents should have *absolutely free hands in the matter of charges*. A workshop cannot be conducted on commercial principles if it takes a month or six weeks to get authority to quote a rate. If, on the other hand, government desire, as I understand they at present desire, to scrupulously avoid competition with private enterprise, it would seem to be equally essential to allow little or no latitude, because the superintendent of a workshop is pretty certain to endeavour to attract work if he can.

XXVI.—ESTIMATES (367 TO 378).

203. The manner in which estimates should be prepared does not seem to me in any sense an account question. Accounts should follow estimates, not estimates accounts.

XXVII.—APPROPRIATIONS FOR WORKS AND REPAIRS (379 TO 386).

204. I do not think that anything would be gained by adopting the Committee's proposal to appropriate lump sums for major works, or for other groups of individual works, and to conduct the appropriation audit against divisional totals; for the simple reason that appropriation for each account unit is, after all, the only practicable way of securing that current comparison of your coat with your cloth by which alone adherence to budget limits can be ensured. If you give the executive engineer lump sums, and make him responsible, he will have to break up the lump sums into individual appropriations. There is no other way in which he can really act up to his responsibilities in the matter. You may ignore it, if you like; but you cannot get over it; and any resulting saving of labour will simply be a delusion. The only seeming alternative is to have additional group-accounts corresponding to the appropriation unit; but the difficulty then would be that there might be half a dozen practically independent subordinate disbursers all operating on the same group, and the increase of labour of accounting would be much greater than the reduction of labour of appropriating.

205. In my opinion, therefore, the best plan is to stick to individual appropriations, but to place the lump sum (from which appropriations are to be made) at the disposal of the executive engineer making him the appropriating officer, instead of the superintending engineer or government. This would do away with most of the correspondence and difficulty. If this were done, there would be no necessity for deferring audit objections until after July.

XXVIII.—COMPLETION REPORTS AND CERTIFICATES (387 TO 392).

206. I fail to see the logic of the Committee's proposals (paragraph 391) that "it should not be necessary . . . to submit a detailed completion report . . . if the total cost be within 5 per cent. of the estimate." As I

understand the matter the object of a detailed completion report is to show whether the work has or has not been executed in accordance with the sanctioned plans and estimates; and if that is so, I fail to see what the amount, more or less, of the excess, if any, over estimate, has to do with the matter. Moreover, I fail to see why, because the estimate is exceeded by 5 per cent., it should be necessary to submit a detailed report explaining the savings and excesses on every item when the significant excess may be all in one item. The accounts of one work, completed within the estimate, may, when examined in detail, show much more irregularity than those of a work of which the estimate has been exceeded by 6 per cent. In the latter case, the excesses may all be satisfactorily explainable; in the former, large savings on the estimate may have been improperly devoted to additional work not provided for in the estimate, and which should never have been executed at all.

207. It seems to me that, if it is necessary that the superintending engineer should have an assurance that a work is executed in accordance with the details of plan and estimate—and that, I take it, is, according to the presently accepted theory, the object of a completion report—then he should get it in every case, for all works not within the executive engineer's own powers of sanction, and he should get it whether the estimate is exceeded or not; and it should not then be necessary to explain any difference, unless an explanation is called for by the superintending engineer. But if, on the other hand, this is not the object of the completion report—if the completion report is required only in connection with excesses—then a detailed completion report ought, I think, to be submitted whenever any item of an estimate is exceeded by more than a certain amount; because the net excess on the total of the estimate is no guide whatever to the extent of irregularity. The first step, however, ought to be to settle what is the purpose and object of completion reports.

208. I think the proposal (paragraph 392) to omit from completion certificates of departmental officers all reference to plan and estimate is a mistake. It may be, and probably is, desirable to make the intention somewhat clearer, either by amplifying the certificate itself, or by adding a foot-note indicating the points with reference to which the departmental officer is expected to certify or remark; but it seems to me that general agreement with the plan and estimate, as approved by the department concerned before putting the work in hand, is just the very thing that the departmental officer ought to certify to. For instance if the department wanted, and the sanctioned estimate provided for, a building with a tiled roof, and containing four rooms of specified dimensions, it would certainly be the business of the departmental officer to see that he did not get a thatched building containing three rooms only, or four rooms of considerably less than the specified dimensions, which is essentially a question of agreement with plan and estimate. In the Madras form of certificate there is no reference to agreement with plan and estimate, and the vagueness of the certificate certainly does not prevent departmental officers from enlarging upon matters which do not concern them. Here it helps them to understand what are the points that do concern them. Here again, however, the first question ought to be: *What is the object of a completion certificate?*

209. I think the points to be considered by the departmental officer should be made clear, and perhaps it might, with advantage, be ruled, that if the departmental officer cannot sign the certificate, he should at once report the matter for inquiry and orders, through the head of his department, to the chief engineer, informing the executive engineer accordingly. It is not an uncommon thing that the departmental officer will not sign the completion certificate, and this sort of deadlock is apt to last for an indefinite time, without any indication of who is right and who is wrong. I cannot imagine how it can be expected, that the prevention of unnecessary or improper remarks by the certifying officer, can be secured by deliberately excluding words of which the intention, at any rate, is to indicate what he has to certify to. If the words are wrong, alter them by all means; but surely there should be something in the certificate to show what is wanted.

GOVT.
OF MADRAS.

1889.

P. W.
DEPT.

EXAMINER, P. W. ACCOUNTS.

Madras, 17 December 1889.

OFFICE NOTE No. 1794.

To

E1

W.

With reference to G.O.No.2964W dated 19th.October 1889, I send you a proof of a note on the report of the Committee on P.W.Accounts.It seems useless to wait any longer for the appendices; and moreover the resolution of the Government of India communicated in G.O.No.345I W.has,I thin made it absolutely necessary to take some immediate action,with a view ascertaining whether the latitude hitherto allowed to the Madras Government in the matter of code rules forms is to be definitely withdrawn.

2. I do not now send the note for disposal,my immediate object simply to ask you how many copies the note you would wish me to send you when it is struck off,what I sending now being only a proof. I the note printed because,at the time it seemed certain that I and others would have to refer to very frequently.

KEEP-WITH

Genl. No.

dated

188

in the course of consideration of necessary modifications of code and forms. Perhaps this may no longer be the case, but I hope it will be otherwise; and anyhow as the matter is set up, it will be just as well to strike it off.

3. I am referring separately the question raised by G.O.No.345I W.dated 5th.December 1889, and I may mention that if my action in drawing up the note require any further justification beyond what I have said in the note itself, it will be found either in that reference, or in such further remarks as I may make when finally submitting the note for disposal.

4. Please say how many copies you would like me to send.

W

C.

M. J.
D. W.
(enclosed)

of 11 C. d. 11 Dec 1889

C

*Please send 20
copies of the note.*

P. W. S.

10.12.89

P. W. S. 10.12.89

To W.

No 211 d/17-1-90

*Twenty copies of the note
are herewith sent.*

W

(Enc. 20)

10.12.89

10.12.89

No. 303 W. 29-1-90
 " 302 W. 29-1-90
 " 4423 C. 2-10-89
 " 3912 C. 2-9-89
 " 3814 C. 24-8-89
 " 745 W. 23-8-89
 " 3451 W. 5-12-89
 " 1479 W. 5-6-89
 " 2069 C. 26-4-89
 " 609 W. 1-3-89
 " 156 W. 21-1-89
 " 3806 W. 3-12-88
 " 3315 W. 18-10-88
 " 1587 W. 31-5-88
 " 1460 W. 3-6-89
 " 1355 W. 20-5-89
 " 2114 C. 1-5-89
 " 3207 W. 24-11-87
 " 608 W. 1-3-89
 " 798 W. 14-3-89
 " 730 W. 11-3-89
 " 3552 W. 7-11-88

22-1-90

2

(1950)

No.

Government of Madras.

PUBLIC WORKS DEPARTMENT.

To

The Secretary to the
Government of India,
P. W. D.

Ootacamund, 188

Sir,

This seems an inadequate
disposal. I shall not be
able to obtain on the result
of this important enquiry.

W. S.
21 Aug.

I am directed
to acknowledge the
receipt of your letter
No. 157 A.G. dt 5th Aug. 1889
forwarding for perusal
copies of the report of
the Committee on
reduction of account
work in Executive
Engineers' offices.

23

443 }
444 } ✓
591

443-444 ✓

DW

The Examiner has
now submitted a
printed note contain-
ing his views on the re-
commendations of
the P.W. Accounts
Committee.

In letter No 15749
of 5.8.89, the Govt. of
India asked for
suggestion on the subject
from this Govt., & the
letter has up to this
time been ~~held~~ held
over pending receipt
of appendices J. to W.
to the Committee's report.
The appendices have
not yet been received.
They contain the reports
made by individual
officers when the Committee
was travelling from
place to place, &

Recommendations

10/11/89
1/11/89

DW

Please see the Hon.
remarks -

Perhaps the Appendices
may be awaited, as
before proposed.

C.
25-10-89

For Wait for the
Appendices -

It is no doubt ~~very~~
have his ~~pro~~ ^{2nd W. 89}
seems to place before, and then
we can make a decision

note in the Hon. Remarks

W & I wished to see
what they had written
before they proceeded
to vote on the Report.

The question now
is whether C's note shall
be sent on to L. of J.
if so, what shall be
said about his views.

It will be seen
from the L.O. slip
of 29-10-89 in the
file that W proposed
to make a decided
note after seeing
C's proposals.

Cu
30-1-90

DW

Ple

rem

Pa

may

be

Yes

App

has his
seems to be
we can

I think it would not be
creditable to the Govt to send up
such a letter as that before drafting.
Simply without making an ex-
haustive review of the Committee's
recommendations - which is not
at all called for - something
might be found to be laid on large
points of principle which would
be worth saying. But if the Chief
Engineer can find nothing to say
it would be better to say there
are no remarks.

W.S.
28 Oct.

Ms. 25. x 89
B29

144
95
Note for the Hon Member

The report of the
Public Works Accounts
Committee has been standing
over pending receipt
of Appendix J to K
which the Govt. of India
promised to supply, but
which have not yet been
received. Mr. Walch's
pencil note on the
draft letter to India
written in August last
will explain why these
appendices are required
before any detailed
criticism of the Committee's
suggestions is attempted.

It seems evident
from the ^{four} printed
Circulars enclosed
(Nos 6, 7, 8 & 9 P.W.) that
the Govt. of India is
proceeding to dispose
of the Committee's re-
commendations one by
one.

one, without waiting
for the views of this Govt.

It is submitted
therefore that an exhaustive
review of the Committee's
recommendations would
probably be labour
thrown away, and it
is suggested that a
brief reply be sent
to the Govt. of India as
before proposed.

The following sentence
might be added to the
letter previously drafted:

"That subject (No. 1)
has now been finally
disposed of by Govt. of India
Circular No. 9 P.W. of 9 Oct-
1889, and as it is derived
from the further Circulars
Nos. 6 & 8 P.W. of 3 Oct-1889,
that the Govt. of India is
proceeding to deal in detail
with the Committee's recom-
mendations, this Govt. does
not consider it desirable
to enter into any detailed
criticism of the Report."

W.C.P.
25.10.89 *Paulth*
25.10.89

gent
of
36
PUBLIC WORKS DEPARTMENT.

PROCEEDINGS OF
THE MADRAS GOVERNMENT.

Read the following

Letter from the Govt. of India
to the Examiner P.W. Dept.
From Madras

Letter No. 107 of 5 Aug 1889
No. 1794 of 17 Dec 1889
No. 211 of 17 Jan 1890.

To
The Examiner P.W. Dept.

W.C.P.

Ordered that the
Government of India
be addressed.

W.C.P.
9 Feb

He noted with
to the Secy. to the
Govt. of India
No. 211 of 17 Jan 1890.

Sir,

With reference
to your letter of 107 of 5 Aug 1889, I am
directed to forward
the accompanying note
by the Examiner P.W. Dept.
on the report of the Com-
mittee on P.W. accounts,
and to state that in
the opinion of H.E. the

Governor

38
Governor in Council the
entire note merits the fullest
consideration. The general
principles involved in
paras 2, 3, 4, 8, 9, 11, 14, 17, 20 to
23, 29, 56 (b) commend them-
selves especially to H. C. in
Council, as indicating the
lines on which this Court
has for the past three years
endeavored to improve
and simplify its system
of Accounts, which
although based upon and
closely following that of the
Court of India, differs from
it in its Code and forms
of account. The general
question regarding the
latitude to be allowed to this
Court in the matter of Code
and forms has already
been referred to the Court of
India; vide my letter of
30th of 29 January 1890,
and it is obvious that
the future action to be
taken by this Court in
the direction of simplifi-
cation of accounts must
depend entirely upon the
decision arrived at upon
that point.

I have further to add
that after careful considera-
tion of Messrs Christie's
note, H. C. informed

39
is firmly convinced that
the views expressed in the
letter of 29 January 1890
referred to above, if ac-
cepted by the Court of
India, will enable the
Court of Madras to con-
tinue the work of sim-
plification and im-
provement of its system
of accounts, and to
embody in its Code
and forms all the sug-
gestions of the Accounts
Committee which after
due consideration and
criticism will assist in
that object, while on the
other hand the sudden
introduction into the
repartement, of Standing
orders and forms based
entirely on the recommen-
dations of the Committee
must lead to great con-
fusion, and inasmuch
as the general principles
laid down by the Com-
mittee are in many cases
open to serious criticism,
it is obviously of the
greatest importance that

the

the changes required in the
system of accounts should
be introduced gradually.

Shaw's

Wm

5.2.90

Recd 5.2.90

1872

~~Wm~~

[Torn piece of paper]

Govt. of 1890 Madras.

PUBLIC WORKS.

1-2-27/11 ✓

11-11-90
11-2-90

G.O. 11-2-90 No. 443
444

Report of the Committee
on P.W. Accounts

The Govt. of India add
in regard to a note
in the Ex. P.W. Accounts
on the ¹¹/₂ 30
no collection ^{with return}
Forwarding a note
in the Examiner P.W. Acc.
Madras, on the report
of the Committee on
Public Works Acc.

11/2