(1) பக்கங்களின் எண்ணிக்கை 72

(2) புதுக்கித் திருப்பிய நாள் 4/89

(3) ஆதாரங்குறிப்பவர் சுருக்கொப்பம்

தமிழ்நாடு ஆவணக் காப்பகம்.

தமிழ்நாடு அரசு

P.W துறை

அரசாணை எண். —
மு. கோப்புத் தாள் எண். 639- 640 W

அச்சகம்
பலவகை

நாள் : 28-2-1890 198 .

மடிக்கவோ கண்டபடி கையாளவோ கூடாது

ஆவண. கா-1—18,006—15-6-87.

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1

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

General.
Account.

READ—the following papers :—

From Colonel R. C. B. PEMBERTON, R.E., Secretary to the Government of India, Public Works Department (Account—General), to the Secretary to the Government of Madras, Public Works Department, dated Calcutta, 10th December 1889, No. 210 A.—G.

In section I-A of part IV of its report the recent Committee on Public Works Accounts recommended the introduction of a Contractors' Book or Bill Book, in which to record all transactions with contractors or suppliers. I am directed to state that the Government of India desires to submit this recommendation to the test of practical experience, and to request that the system may be introduced in one or two selected divisions, and a report on its working furnished after a trial of three months. The system may be extended to other divisions if it prove successful.

2. This recommendation of the Committee is in furtherance of the principle advocated by the Committee to the effect that Engineering officers should be held fully responsible for cash, stores, measurements, and payments—*vide* paras. 36, III, and 37 of the Committee's report. By means of the Contractors' Book transactions with contractors and suppliers may be recorded in a systematic and permanent manner, on the personal responsibility of the officer of suitable status in the department, who is best acquainted with the facts, and responsible for the execution of work. This book will afford him a means of seeing how each contractor's account stands to date, and of efficiently controlling the payments made.

3. The foregoing is the argument in favor of the Contractors' Book to which the Government of India is disposed to attach most importance. Other considerations are that the Contractors' Ledger will not be required when the new record is introduced, and that in certain cases clerical labor will be saved in copying bills. In addition to the section quoted above, paras. 76, 77, 78 and 81 of the report may be read, as elucidating the principles on which the system will be worked. Against the Committee's proposal it has been suggested that an Executive officer might be tempted to postpone measurements, whereas the present system necessitates his making them before payments can be made.

4. Two forms are attached with sample entries showing alternative methods of posting the book, and explanations are subjoined in relation to certain points of practice.

5. The book should be always kept by the officer authorized to pay bills; this decision varies the proposal in para. 67 of the report, in those cases only in which the officer authorized to draw up the bill has not authority to pay it. The remaining recommendations in section I-A should be adhered to.

6. The signature of the contractor or supplier should invariably be obtained to an entry, and every account should be closed once a year, as recommended in para. 264 of the report.

7. The separation referred to in para. 63 may be extended, at the Executive Engineer's discretion, to the extent of setting apart separate portions of the book for different contractors or suppliers, or of leaving sufficient space to admit of different payments on account of one work being brought together.

8. Payments "on account" may be made on the miscellaneous voucher form, no details being sent to the Examiner; but if the Contractors' Book be not kept at head-quarters, details must, in the case of works the accounts of which are kept in the divisional office by sub-heads, be sent to the Executive Engineer to enable him to post his register of works. The final settlement of a running account must be vouched for in full detail, and Examiners should be instructed that such vouchers are all to be arithmetically checked without reference to circular No. 4 P.W. of 1889.

9. Pending the issue of orders on the Committee's poposals in regard to the forms for payment vouchers, P.W.D. Forms Nos. 14, 15 and 16 should be used in place, respectively, of the Committee's Forms designated A, B and hand receipt.

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ENCLOSURES.

CONTRACTORS' BOOK.

No. 1 SAMPLE.—Account of Messrs. Collins and Co., Contractors.

(*Report, para.* 62.)

FORM No. 2.

Page of measurement book, &c.	Work and Sub-head of Work.	Quantity.	Rate.	Amount (a).	Acknowledgment of Contractor to correctness of details.	Deductions. Previous payments.	Deductions. Recoveries on account of stock, bad work, &c.	Deductions. Total (b).	Balance due (a—b).	Amount to be now paid.	Initials of Officer and date.	Note of recoveries, &c., to be made.
			Rs. A. P.	Rs. A. P.		Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.		
	TOTAL WORK DONE											
	ALIGARH JAIL.											
No. 5 ..	Earthwork in excavation ..	34,635	0 8 0	173 2 8								
	Do. (beyond 3' in depth) ..	32,153	2 8 0	803 13 2								
	Concrete work	11,070	23 4 0	2,573 12 3								
	Masonry	95,098	22 8 0	21,396 9 4								
				24,947 5 5	(Sd.) Collins & Co.				24,947 5 5			
No. 4 ..	Earthwork in excavation ..	34,635	0 8 0	173 2 8								
	Do. (beyond 3' in depth) ..	32,153	2 8 0	803 13 2								
	Concrete work	11,070	23 4 0	2,573 12 3								
	Masonry	106,728	22 8 0	24,013 12 3								
	Iron beams, carted and hoisted ..	3,405	0 6 0	1,276 14 0								
	Iron gratings	1,247·8	10 0 0	12,472 0 0								
	Removing earth	1,000,000	1 0 1	1,000 0 0								
	Plinth filled in	13,294	0 8 0	66 7 6								
				42,579 13 10	(Sd.) Collins & Co.	24,000 0 0	..	24,000 0 0	18,379 13 10	12,800 0 0	(Sd.) T.B., dated 29th Jan. 1880.	
No. 3 ..	Earthwork in excavation ..	34,635	0 8 0	173 2 8		..	1,400 0 0	1,400 0 0	..	..	*Vide* hand receipt No. , dated 31st Dec. 1879.	
	Do. (beyond 3' in depth) ..	32,153	2 8 0	803 13 2		..	..	..	..	..		
	Concrete work	11,070	23 4 0	2,573 12 3		..	100 0 0	100 0 0	..	..	(Sd.) T.B., dated 31st Dec. 1879.	
	Masonry	106,728	22 8 0	24,013 12 3		..	..	..	..	..		
	Iron beams, carted and hoisted ..	3,405	0 6 0	1,276 14 0		..	..	..	..	..		
	Iron gratings	1,247·8	10 0 0	12,472 0 0		..	..	..	..	..		
	Removing earth	2,600,000	1 0 0	2,500 0 0		..	..	..	..	..		
	Plinth filled in	13,294	0 8 0	66 7 6		..	..	..	..	..		
				43,879 13 10	(Sd.) Collins & Co.	24,000 0 0	1,500 0 0	25,500 0 0	18,379 13 10	6,579 13 10	(Sd.) T.B., dated 28th Feb. 1880.	*Stock supplied*— 10,000 cubic feet surkhi, at Rs. 14. 20,000 bricks, at Rs. 6.

CONTRACTORS' BOOK.

(*Report, para.* 62.) No. 2 SAMPLE.—Account of Messrs. Collins and Co., Contractors. FORM No. 2.

Page of measurement book or other reference.	Work and Sub-head of Work.	Quantity.	Rate.	Amount (*a*).	Acknowledgment of Contractor to correctness of details.	Deductions. Previous payments.	Deductions. Recoveries on account of stock, bad work, &c.	Deductions. Total (*b*).	Balance due (*a*—*b*).	Amount to be now paid.	Initials of officer and date.	Note of recoveries, &c., to be made.
	TOTAL WORK DONE. ALIGARH JAIL.		RS. A. P.	RS. A. P.		RS.	RS.	RS.	RS. A. P.	RS. A. P.		
No. 1/1 ..	Earthwork in excavation ..	34,635	0 8 0	173 2 8		..	..	..	..	..		
	Do. beyond 3' in depth ..	32,153	2 8 0	803 13 2		..	..	..	..	..		
	Concrete work	11,070	23 4 0	2,573 12 3	..	..	..	..	..	..	*Vide* hand receipt No. , dated 31st Dec. 1879.	
	Masonry	95,098	22 8 0	21,396 9 4		..	..	..	..	..		
				24,947 5 5	(Sd.) Collins & Co.	..	..	..	24,947 5 5	24,000 0 0	(Sd.) T.B., dated 31st December 1879.	
No. 1/2 ..	Masonry	11,630	22 8 0	2,617 2 11	..	..	..	..	..	..		
	Iron beams carted and hoisted ..	3,405	0 6 0	1,276 14 0	..	..	..	..	..	..		
	Iron gratings	1,247·8	10 0 0	12,472 0 0	..	..	..	..	..	..		
	Removing earth	1,000,000	1 0 0	1,000 0 0	..	..	..	..	..	..		
	Plinth filled in	13,294	0 8 0	66 7 6	..	..	..	..	..	..		
				42,379 13 10	(Sd.) Collins & Co.	24,000	..	24,000	18,379 13 10	12,800 0 0	(Sd.) T.B., dated 29th January 1880.	
No. 4 ..	Removing earth	1,500,000	1 0 0	1,500 0 0	..	..	..	..	..	..	..	*Stock supplied*— 10,000 cubic feet surkhi, at Rs. 14. 20,000 bricks, at Rs. 5.
						..	1,400	..	..	..		
						..	100	..	..	..		
				43,879 13 10	(Sd.) Collins & Co.	36,800	1,500	38,300	5,579 13 10	5,579 13 10	(Sd.) T.B., dated 28th February 1880.	

Office note from the Examiner, Public Works Accounts, dated Madras, 1st February 1890, No. 516.

It seems to me that the matter requires to be carefully considered before the proposed Contractors' Book is introduced even experimentally; and that, if it is introduced, the order introducing it must give plain instructions both as to the manner of its use, and as to the points to be eventually reported upon.

2. It is in the first place to be observed that the book is to be "always kept by the officer authorized to pay bills" and, moreover, that it is to be kept "*by him personally or under his direct supervision*," remaining always, "like the measurement book," "in the personal custody of the officer using it" (see para. 5 of Government of India Resolution and paras. 62 and 67 of the Committee's report). The first question then is—by whom is the record to be kept in a Madras division if now introduced experimentally?

3. Hitherto it has been one of the fundamental rules of procedure that payments to contractors shall be made by cheques from *the divisional office* (see Madras Code para. 1371 and Government of India Code, volume I, chapter VIII, para. 28), that being the office in which, as far as possible, all accounts are kept in accordance with the principle that a Sub-divisional officer should, to the utmost possible extent, be relieved of accounts work, and that his sole record of work done should be his measurement book (see Madras Code para. 1818 and Government of India Code, chapter XII, para. 145). It is true that in Madras this rule has not hitherto been observed, either in the letter or in the spirit, owing principally to the fact that the rule (Madras Code para. 1371, note, and Government of India Code, chapter XII, para 84) prohibiting delivery of cheques through subordinates other than Sub-divisional officers has made it practically impossible, without great inconvenience to contractors, to comply with the letter of the rule, whilst no serious attempt seems to have been made to discover whether the spirit of the rule at any rate could not be complied with. After considerable discussion, however, it has now been settled here that, with trifling exceptions, such payments shall be made only after check of claims and proposed payments in the divisional office. I understand that this decision is cordially concurred in both by yourself and by the Chief Engineer for Irrigation, and I take it that this decision is not now likely to be reversed.

3½. I take it, therefore, that for the purpose of settling who is to keep the proposed Contractors' Book, the Executive Engineer must be considered the officer authorized to make payments, because under the arrangements which it has been decided to introduce—the orders are now being codified—though the Sub-divisional officer will actually draw the cheques by which payment will be made, he will not be allowed to make payments until after check of claims by the divisional office, that is, he cannot make them entirely on his own responsibility, and is not therefore *fully authorized* to make payments. My further remarks will then be based entirely on this assumption, and if it should be thought that this Contractors' Book ought perhaps to be kept by the Sub-divisional officer, it will be probably necessary to consider the matter again from the altered point of view.

4. I find it very difficult—indeed to tell the truth I find it impossible—to discover any single advantage that can be gained by the introduction of this book. I cannot see what there is that it will enable anybody to do that cannot be done as well, or better, and with less trouble, with the existing machinery properly used. In para. 25 *et seq.* of my general note on the Accounts Committee's report, forwarded with my office note No. 211 of 17th January 1890, I remarked at some length on this proposed book; but it was not then at all clear to me what the purpose of the book was. It then seemed that it might be intended either (1) as a sort of note-book, or rather an orderly collection of notes, or (2) as a book of account; and looking on it in the former light, I suggested how something of the sort may probably be usefully introduced. Now, however, it seems quite clear that what is intended is simply a book of account, and looking at it in this light, whilst I see some serious objections to it, I entirely fail to see any possible advantage to be derived from its use.

5. The supposed advantages, as stated in the Resolution of the Government of India, are—

(*a*) that in certain cases clerical labor will be saved in copying bills;
(*b*) that the contractors' ledger will not be required when the new record is introduced, and
(*c*) that the facts being recorded, on his personal responsibility, by the officer best acquainted with them, the book will afford him the means of seeing how each contractor's account stands to date, and of efficiently controlling payments made;

the last being stated to be the most important.

6. Now as regards the alleged saving of clerical labor in certain cases, I have completely failed to discover how it is to be gained. I have very little doubt myself that, no matter where the book is kept, it will increase clerical labor. Certain documents will come to the divisional from the sub-divisional office, and they either will or will not have to be copied in the divisional office, but if they must be copied it can make no difference as regards the quantity of copying whether they are copied into a book or into a loose form. On the other hand it may, and almost certainly will, make a very serious difference as regards the convenience of work and as regards the convenience of contractors waiting for payment, whether half-a-dozen long bills can be given to two or three men to copy separately, and to a certain extent simultaneously, or whether they must all be given to one man to copy consecutively into one book. Also if, as seems to me quite certain, a copy will be required *in the divisional office* in addition to the copy in the book kept in the personal custody of an officer who is perhaps away from the office for three days out of four; then it seems clear that there will be an increase instead of a reduction of clerical work.

7. At any rate the more or less of clerical work is, I presume, one of the points to be reported upon after the proposed experimental trial; and it seems therefore very necessary that the means of securing the alleged saving of clerical labor should be clearly indicated. For my own part I can see no prospect of any such saving.

8. The claim of saving of labor because the Contractors' Ledger will no longer be necessary, is to me equally unintelligible. The two records do not at all fulfil the same purpose. The Contractors' Ledger collects all transactions with a given contractor in respect of *all* the works on which he is employed. The proposed Contractors' Book does nothing of the sort. I am not arguing in favor of the retention of the Contractors' Ledger. I have always said, and I still say, that it is a perfectly useless record; nobody really wants to know, except perhaps once in a thousand years, how any contractor's account stands *as a whole;* and when he does want to know this he can always get the account made up, and getting it made up specially for the occasion it will probably be made up correctly, whereas the Contractors' Ledger is a record on the accuracy of which it is impossible to rely. The Contractors' Ledger might be abolished to-morrow, and nobody would be any the worse; but if this useless record is done away with the saving of labor should certainly not be credited to the introduction of the Contractors' Book.

9. I come now to the third and most important argument (*c*) of para. 5 above. The idea is that this account record is to be kept by, or under the personal supervision of, some one person who is best acquainted with the facts, and the idea would perhaps, in some respects, be a good one, were it not that it is in practice impossible, as I submit, to find any one person who answers to this description.

10. In dealing with the claim of a contractor, or with a proposal to pay him, there are two distinct things to be considered, two distinct classes of facts acquaintance with which is necessary, namely:—

(*a*) facts as to the quantity and value of work done, or of supplies delivered, and
(*b*) facts as to the amount of payments already made and of claims of sorts against the contractor.

11. Now as regards the first, the only person who can have any first-hand knowledge about the matter is the subordinate who is in immediate charge of the work, and who measures it, and who in nine cases out of ten is neither the Sub-divisional officer, nor the Executive Engineer, nor any person authorized, in any sense whatever, to make the payments in question. If anybody else has any knowledge of the matter, it is, as a rule, only second-hand knowledge derived from the measurement list submitted by the subordinate in charge of the work, and any person whatever, be the Sub-divisional officer, or Sub-divisional clerk, or Executive Engineer, or divisional accountant, or divisional head-clerk, into whose hands such a measurement list comes, is *quoad* the matter in hand as well acquainted with the facts as any other person except the subordinate in charge. No one of them can be said to be acquainted with the facts any better than any other of them; and therefore, the subordinate in immediate charge of the work being out of the question, as the person to keep this account record, it cannot be said that there is any other officer "who is best acquainted with the facts." There is no room for any "better" or "best" in the matter.

12. And as regards the second set of facts, I submit that there is nobody in the division, excepting only the divisional accountant, who, under any system of accounts whatever, can be reasonably expected to have the means of keeping up properly such a record, or such records, as may be necessary for a complete or sufficient acquaintance with these facts. It is not necessary to say anything here about the Sub-divisional officer, because, for the present at any rate, he is assumed, on other grounds, to be out of the question; but I put it to you, as a practical man, with large experience of the conditions under which the work of a division, is carried on, to say whether it is even remotely possible that an Executive Engineer, who for three days out of four or five, and sometimes for a month or six weeks at a stretch, is away from his head-quarters and from all his records and accounts, can personally keep, or supervise the keeping of, such a record as the proposed Contractors' Book.

13. Putting aside all consideration of the additional work which would thus be thrown upon the Executive Engineer—which additional work must, however, very seriously interfere with his more legitimate duties—it will of course be *possible* for him to keep the record posted as regards the first five columns (*i.e.*, up to "amount"); but I submit that it is quite impossible for him to keep it *correctly* posted up to date—and it is quite useless if not accurate—in respect of miscellaneous deductions on account of materials supplied to the contractor, payments made not to him but on his account, &c, &c., even if, and even this seems to me very doubtful, he can keep it properly posted as regards direct payments to the contractor, payments which at most would be authorized by him and not actually made by him. It seems to me perfectly obvious that only the divisional accountant, with the whole of the accounts of the division constantly at his disposal, can be in a position to keep any such record properly posted in respect of such items as are mentioned above. The Government of India seem altogether to overlook the fact that the person who *authorizes* or *controls* the payments, and the person who *makes* the payments need not be the same; but when they are not the same person it is not really possible for either of them to keep the record properly posted, even as regards columns other than that for recoveries on account of stock, &c. I submit in fact that the record cannot be completely and accurately kept by anybody who has not constant access to the whole of the cash and stock and other suspense accounts of the division; and the only person who has such access is the accountant.

14. It is necessary, however, to say something about the mere clerical labor of writing up this record. Two ways of posting it are indicated. In sample No. 1, all the items, and the whole of the work done on each, are entered at each posting, and it looks very simple and easy on the printed form, when the details of three bills, with only a few items in each, are got into one page; but as you are well aware in our practice it would much more frequently happen that a single bill would occupy three pages. I cannot say how it may be elsewhere, but from my experience of what contract certificates are here, I am sure that this method of posting the book would be out of the question here.

15. In sample No. 2 only three items are entered on which additional work has been done since the last posting, and only the additional work is entered, and this no doubt *seems* less troublesome; but I venture to think that the saving of trouble is only apparent, whilst the details when thus reduced are, as far as I can see, of little or no use. If the book is to be posted according to sample No. 2 it certainly cannot be posted directly from a measurement list. In order to get at the figures to be posted in the third, fourth and fifth columns, it is first necessary to prepare a statement of quantities executed in precisely the same detail as would be required for posting according to sample No. 1, then the quantities as per previous certificate must be entered in a parallel column, and the differences worked out, the rates applied, and the values calculated. I submit at least that this is the only way of doing the work unless the book is to be chock-full of mistakes and corrections; and I submit that when this is done the trouble of posting according to sample No. 2 will probably be even greater than that of posting according to sample No. 1. I may be wrong. I do not think I am. But whether I am right or wrong, it seems clear that the precise method of posting the book is a point on which instructions must be given. The trouble involved in the posting is a point that must be reported upon, and no report upon this point will be of any value unless we know that the posting has been done systematically in the best way for securing accuracy of posting with the minimum of labor.

16. And, as I have said above, when the details are reduced as in sample No. 2, it is difficult to see of what use they are to anybody, unless it is for the purpose of getting from the contractor an acknowledgment of the correctness of the statement of work done, as to which more hereafter (see para. 19). This again is a point which ought to be cleared up. I do not say that these reduced details *are* useless; I say that, as at present informed, I do not see what use can be made of them. Waiving all argument as to whether it is necessary or desirable to keep up the proposed "Contractors' Book" for the purpose, I can quite understand that it may be useful to an Executive Engineer to have the means of readily turning up a statement showing the details of work done up to date; but I cannot see what use can be made of a series of statements each of which only shows the quantities executed since the previous one, and from which the totals up to date can only be reconstructed with labor and difficulty; and I submit that the supposed object of recording these details at all ought to be ascertained and stated; because the utility of details which can only be got with great trouble is surely one of the most important points to be reported upon after the proposed experimental trial.

17. For my own part, I feel very strongly that, for the purpose of controlling payments—and that is the professed object of the book—a permanent record in any shape whatever of the details of work done according to each certificate, is of no use at all; and that all that is really required for the purpose, can be provided for by a record in some such shape as the register of contract certificates suggested in para. 13 *et seq.* of my office note No. 850 of 18th June 1889, a record in which the entry relating to each bill would occupy one line only; but as to the precise form of the record, or as to the person by whom it should be kept, I would not venture to express any opinion unless a good many necessary points are first settled, as to which see also para. 28 below. If, however, there is any use in having a permanent record of these details, it must be very easy for those who have devised this form to state plainly what the use is, in order that those who have to report upon it may be able to do so intelligently.

18. In para. 6 of the Government of India Resolution it is stated that "the signature of the contractor or supplier should *invariably* be obtained to an entry;" but I submit that if there is one thing which has been clearly proved by the experience of many years, it is the absolute impossibility of getting such acknowledgments from contractors, at any rate if they have to come to the divisional office or to the Executive Engineer's camp to give such acknowledgments. We know quite well, without any experiments, that it would be exceedingly difficult to get such acknowledgments even if the book were kept by the Sub-divisional officer; but if the getting of a contractor's acknowledgment in this book is to be insisted on, it will, I submit, be

absolutely necessary to have this book kept at least by the Sub-divisional officer and very probably by some officer subordinate to him, and I would ask you to consider seriously whether it is really worth while, for such an object, to abandon the hitherto accepted principle of relieving Sub-divisional officers and other subordinate officers to the utmost possible extent of all account keeping.

19. After all what is to be gained by taking the contractor's signature in this book. The settlement recently arrived at here is that a contract certificate shall be recognised as simply a departmental valuation, against which a contractor may protest or not as he likes, and that acceptance of payment on account, against such a valuation, shall not be held to commit the contractor in any way to recognition of the correctness of the valuation. The contractor retains full liberty to protest, and in the meanwhile you pay him what *you* admit to be due, without prejudice to his further claims. I confess that I am quite unable to see what more can be wanted, or what is to be gained by insisting that the contractor shall *invariably* sign this book. It seems to me going out of the way to make things difficult. At any rate I submit that the bearing of this question upon the use of the form is of such importance, that the object of this requirement should be plainly stated, so that it may be possible to consider whether the object cannot be secured with less inconvenience to all concerned, and without compelling the keeping of all contractors' accounts by Sub-divisional officers or other subordinates. And, finally, what is to be done if the contractor declines to sign the book?

19-A. I do not understand the remark, in para. 6, that "every account should be closed once a year." Apparently the only accounts to be kept in the proposed Contractors' Book are accounts of individual contracts, which, as far as I can see, can only be *closed* by paying up the balance due, a thing which cannot be seriously contemplated. If, however, the accounts referred to (as to be closed) are the accounts of each contractor in respect of all his works jointly, it seems to me that you cannot close an account that is not kept, and I can find no trace of any suggestion of keeping an account with each contractor in respect of all his works jointly; nor do I see how it can be possible to keep such an account, except in a record which must be, in all essentials, the same as the present Contractors' Ledger, which ledger, according to para. 3 of the Resolution, will not be necessary if the Contractors' Book is kept.

20. With regard to the permission given, in para. 8 of the Resolution, to make payments on account on the miscellaneous voucher form (Form No. M 217) no details being sent to the Examiner, I venture, with due respect, to submit that the question here involved is too large and too important to be disposed of as an insignificant detail in connection with the introduction of the Contractors' Book. I submit that the keeping, or not keeping, of the Contractors' Book has no visible connection with the necessity of sending, or not sending, to the Examiner's office details of payments on account; unless it is that it is desired to claim for the Contractors' Book the saving of work which will result from dispensing with these details and with the check of them. If the details are necessary in any case, then they are necessary in all cases. If they are not necessary in any case, then, I submit, they are never necessary, and it would seem to be mere wanton waste of labor to continue sending them, and to continue checking them.

21. I submit, moreover, that there are details and details; and that it is necessary to discriminate, because some details may be necessary, whilst others are not. If you will examine the sample contract certificate form (No. 5-A) circulated with Government of India circular No. 37 P.W. of 1889, you will see that, over and above the receipt proper, which is in the middle of the last page, it makes provision for exhibiting the following details, namely:—

(*a*) on the docket page certain reference particulars and clues including the name of the work;

(*b*) on the 2nd and 3rd pages details of quantity and value of work done on each estimate item both up to date and since last certificate, together with units and rates, and also for the name of the officer receiving supplies;

(*c*) at the bottom of the 3rd page, a reference to measurement book, and certain signatures (two), either or both of which, according to circumstances, appears from the notes to be considered essential ;

(*d*) a memorandum of payments made, connecting the last certificate with the previous one, and giving details of the last payment;

(*e*) remarks by the Executive Engineer, and

(*f*) our own contract certificate form also provides for certain information, hitherto considered very necessary, regarding security taken.

If now you will then turn to the sample hand-receipt (Form No. 6) circulated with the same circular you will see, that it—that is not the counterfoil but the portion of the form which will come to the Examiner—provides for only one single item under one of the above-mentioned heads, namely, the name of the work under (*a*).

22. Now it seems to me that the necessity of giving, on vouchers for payments on account, details under each of these six heads (*a* to *f*), is a matter to be carefully and separately considered with reference to each head (*a* to *f*), and not only with reference to each such head, but probably also with reference to each item under each of such heads as include more than one item; and also that the matter has in each case to be considered not only as a question of giving information to the audit office, but also as a question of giving information to the divisional office. It seems to me that the question is hardly one to be disposed of off-hand as a mere detail in connection with the introduction of the Contractors' Book. But in any case I submit that if there is any one item of detail which is unnecessary for one payment on account, then that particular detail is unnecessary in the case of any payment on account; and that if all the details are unnecessary in any one case then they are all unnecessary in every case; so that it is waste of labor to give the details in any case; and there is no use in having any such form as 5-A except for final payments. If it is really unnecessary to send any details to the Examiner in cases of payment on account, then there is room for great simplification of forms, and great reduction of work in the check of vouchers; but the question is one to be carefully considered, and to be settled on other grounds than that of reduction of work.

23. It may be argued that Form 5-A will be necessary or useful when accounts have to be kept by items in the divisional office (see para. 78 of the report and para. 8 of the Resolution) but any document which will enable the Executive Engineer to post the Contractors' Book, in the detail indicated in either sample, will enable the accountant to post the register of works. If the Contractors' Book were to be kept by the Sub-divisional officer the case would be slightly different; but then it would be very much better to give the details separately, on a sort of progress report passing backwards and forwards, in which the items and rates would have to be entered once only for a considerable period, or to use forms of reports with the items and rates printed on. The truth, however, is that no one system will really suit both cases—that of payment by Sub-divisional officer and that of payment by Executive Engineer.

24. At present it seems to me impossible that there should be some cases in which a given detail will be unnecessary and others in which it will be necessary; but anyhow I submit that if this *is* possible, then the office to which the document is to be submitted is the only one that can judge of the necessity in each case, and that it cannot do this unless it gets the details.

25. I want to keep as much as possible to the point, which is the "Contractors' Book;" and if I say no more just now about "forms for payment," it is not because there is nothing more to be said about them, but because that is the immediate subject of discussion.

26. With reference to the remark, in para. 8 of the Resolution, that "if the Contractors' Book is not kept at head-quarters, details must, in the case of works the accounts of which are kept in the divisional office by sub-heads, be sent to the Executive Engineer to enable him to post his register of works," I venture to invite attention to the remarks in para. 46 of my printed note on the Committee's report, regarding the uselessness of posting the register of works at all in respect of contract works; and to point out that such a record will be doubly useless if the Executive Engineer is to have a permanent record of details in his Contractors' Book.

27. Also with reference to the expression "kept at *head-quarters*," I invite particular attention to the fact that the Committee's recommendation, as accepted by the Government of India, is that the book shall be kept by the responsible disburser or the authorizing officer "personally or under his direct supervision" (see para. 62 of the report and para. 5 of the Resolution). This means that when the responsible disburser or his authorizing officer, is the Executive Engineer himself, the book is to be kept by the Executive Engineer "personally or under his direct supervision," which is apparently a very different thing from keeping it at head-quarters, *i.e.*, in the divisional office, inasmuch as the Executive Engineer is away from head-quarters for the greater part of every month; and this difference is of the utmost importance.

28. It seems to me, if I may be allowed to say so, that the Committee and the Government of India have not dealt with this matter in a way which is likely to produce satisfactory results. I submit that if you want to work out any system of procedure in proper detail, and in a satisfactory way, you must begin by getting clear and definite ideas as to the ultimate object, both generally and in detail; you ought to be quite certain and quite clear about *what you want to do* before you attempt to settle *how to do it*. I submit that, for the purpose in view, the statement of objects and reasons in para. 2 of the Resolution is altogether insufficient: it amounts to very little more than a statement of what always has been the object, namely, to secure an effective control by somebody over payments made; and if it goes at all beyond this it is only in the suggestion that the *somebody* shall be *some one single person best acquainted with (all) the facts*, such a person as (see paras. 9 to 12 above), I submit, is nowhere to be found, and cannot be created without completely abandoning every principle hitherto held, and I venture to think rightly held, as to responsibility for account keeping. I submit in short that, before you can profitably take a single step in the settlement of details of procedure, you must definitely settle once for all the following questions among others, namely:—

(*a*) Who is to make payments to contractors; *i.e.*, are they to be made—

(1) by the Executive Engineer himself, or

(2) by the Sub-divisional officer on his own sole responsibility, or

(3) by the Sub-divisional officer after authorization by the Executive Engineer personally, or

(4) by the Sub-divisional officer after accounts-check by divisional officer; or

(5) by any other subordinate officer (the expression "officer of suitable status" is very vague) either on *his* own responsibility, or after any, and if so what authorization or check by any other officer or office.

(*b*) Are you, or are you not, going to adhere to the principle that a Sub-divisional officer should, to the utmost possible extent, be relieved of all accounts work, and that his sole record of work done should be his measurement book?

(*c*) Are you, or are you not, going to adhere to the principle of relieving the Executive Engineer as far as possible from personal responsibility for compilation of accounts, putting such responsibility on the accountant?

(*d*) Is it, or is it not, necessary or desirable (and if so, why) to obtain the contractor's acknowledgment of the accuracy of the details on which payments to him are based, or to give him an opportunity of protesting; and if so, is it, or is it not, necessary or desirable to compel his attendance for the purpose either at head-quarters or anywhere else?

(*e*) What details (varying presumably according to the status of the paying or certifying officer, and according as payments are final or not) are really necessary to enable the controlling officer to control payments?

(*f*) What check, if any, do you desire the audit office to exercise, in respect of payments on account—

(1) over the details of the valuation on which payment is based;

(2) over the recovery of security;

(3) over the correctness of the up-to-date statement of the contractors' running account;

(4) over the prompt settlement of liabilities.

(*g*) Is there any use in keeping a register of works for works under execution by contract, more especially if you propose to record the very same details in a "Contractors' Book."

29. I submit that all the above points, and probably various others, which do not occur to me at present, but which would crop up in the course of any full discussion of the question, ought to be settled first of all.

30. Also, with regard to (*a*), I submit that there must be *some* rule, and that if variety is admitted (and to a certain extent it may be unavoidable) at any rate the variety must be regulated by rule, and also that you cannot have any *one* system or procedure which shall be equally and indifferently applicable to all the different ways in which payments may conceivably be controlled and made.

31. And with regard to (*c*), I submit that the proposed Contractors' Book is essentially a compilation, or rather a series of compilations, in each of which all transactions whatsoever affecting each contract must be collected, and collected completely and accurately if the book is to be of any real use: also that in dealing with running accounts you cannot by any possible means absolutely disentangle responsibility for payments from responsibility for accounts, and that if you want to make any Engineering officer "fully responsible" (Committee's report para. 36, III) which I suppose means "entirely and solely responsible," for such payments, then you must make him solely and entirely responsible for the accounts so far as they affect the control of payments. If this is not the meaning of "fully responsible," then we ought, I think, to know what it does mean; but if this is what it means, then it must be clearly understood that the accountant cannot in any way, or in any degree, be responsible for contract accounts. It is not possible to make one person entirely responsible, and another person partly responsible, for one and the same thing.

32. And with regard to (*f* 4), I would invite attention to the fact that, in para. 212 of their report, the Committee say—and in circular No. 35 P.W. of 1889 the Committee's view is accepted—that, under the proposed new rules about omission of liabilities from accounts, it will be more than ever incumbent on Examiners to keep a special watch over the prompt settlement of liabilities; and I would ask how the Examiner can keep any watch whatever over this matter, if, at the option of the disbursing officer, he is to get no details whatever regarding payments on account, excepting the name of the work and the amount paid (see sample hand-receipt accompanying circular No. 37 P.W.)

33. It may possibly be said that, granting the substantial correctness of all or many of the above remarks, the very object of the proposed three-months' trial is to find out the difficulties and to find out how to get over them. But if so I would answer—

(*a*) that there are certain points as to which it would seem mere waste of time and trouble to make experiments now, when we have the accumulated experience of years to guide us;

(*b*) that there are other points the settlement of which involves only questions of principle, which cannot possibly, under any circumstances, be fit subjects of experiment; and

(*c*) that, as regards the remainder, if you want the experiment to be conducted rationally, and if you expect the experimenters to report intelligently, you ought to indicate beforehand what is the object of each separate detail of the proposed procedure, in what respects it differs from the existing procedure, and (again in detail) the precise advantages claimed for it and the precise way in which it is expected that these advantages will be secured.

34. Thus, to give a few instances only, as regards (*c*), of para. 33, it surely cannot be necessary, at this time of day, to institute experiments in order to ascertain whether an Executive Engineer moving continually about his division, away, for the greater part of his time, from his records and his accountant, can keep up properly an aggravated sort of Contractors' Ledger; when we know, from long experience, that it is next to impossible to get even the present Contractors' Ledger kept properly,

even by the divisional accountant with all the records constantly at his disposal: nor can it be necessary to experiment in order to find out whether without grave inconvenience the personal attendance of contractors at head-quarters, or at the Executive Engineer's camp, can be insisted on every time that an entry is made in the Contractors' Book; or to find out whether the register of works is of any real use in connection with contract works; or whether a permanent record of details of work done is necessary for the purpose of controlling payments.

35. And as to (*b*), such questions as, whether it is desirable that a Sub-divisional officer should be burdened with account-keeping and its consequent responsibilities; whether any, and if so what, check over payments on account is required (1) in the divisional office and (2) in the audit office, and whether before or after payment; or whether the proper retention of security is or is not to be checked by the audit office; are surely not suitable subjects for experiment.

36. For the reasons indicated above, I can only say that, in my opinion, the Government of India should be asked to dispense with the proposed experiment as far as Madras is concerned; and to allow the Madras Government to work out its own procedure for making and controlling payments, on the lines on which we are already working. I venture, however, to think that instead of dealing individually with each of the series of Resolutions issued by the Government of India on the recommendations of the Accounts Committee, the best course will be to press very strongly for the retention of the general liberty of action hitherto enjoyed by the Madras Government, as already suggested in my office note No. 269 of 20th January 1890, making use of this particular case only as an example of the necessity for very full and careful reconsideration before introducing any specific changes.

37. But if the Government should decide to protest against the compulsory adoption of all the provisions of the series of Resolutions now issuing, I would particularly ask that any representations that may be made to the Government of India may be made in such a way as to make it clear that, subject of course to any necessary exceptions, both the Government and yourself as Chief Engineer, accept and endorse the views expressed by myself whether in this note, or in my office notes Nos. 183 and 269 of 15th and 20th January 1890, or in my printed note forwarded with my office note No. 211 of 17th January 1890. I would particularly ask that the action taken—if any—may not take the form of simply forwarding my remarks "for the consideration and orders of the Government of India."

38. I have no desire to shirk responsibility for the advice which, when asked to remark upon these proposals, I have thought it my duty to give, but I wish to point out that in my position it is most disagreeable for me to have to criticise and protest against proposals and orders emanating from the Government of India, and issued presumably with the advice of the Accountant-General. I am most unwilling to criticise or protest unnecessarily. Putting aside the mere time and trouble—both very great indeed—required for the careful examination and discussion of each of these questions, my position makes it particularly disagreeable for me to have to criticise or protest, and if I could honestly do so I should be only too glad to say that all these changes seem highly desirable and expedient, and to suggest that they be at once and completely incorporated in the Madras Code. My honest opinion, however, is the very reverse of this. There are a few of the Committee's proposals which are unquestionably good, for instance the abolition of audit by sub-heads and the simplification of the procedure in applying for credit, as to which indeed, as elsewhere explained, my only doubt is whether they go far enough: and there are certain changes, in the direction of giving increased powers of sanction and disposal, which have really nothing whatever to do either with accounts or with audit procedure; but as to a large part, if not the larger part, of the proposals, after prolonged and careful personal consideration, and after repeated consultations with very experienced accountants, it is my firm conviction that they will bear close examination no better than these proposals regarding the Contractors' Book. In my humble opinion the best that can be said for any of these is that they are useless and that they will do no more harm

—though even that is a good deal—than is inseparable from *any* change; and as to many of them it seems to me that the Committee have not even attempted to show what advantage they expect from them or how they expect to get it; and as to a considerable proportion of them, I cannot but think that they are distinctly and very decidedly mischievous; that they will increase work and worry and trouble all round; and that they never could have been seriously pressed if they had been submitted beforehand to close and critical examination from the point of view of those who are really most affected by them, that is to say, Examiners and accountants. But even if every one of the proposed changes were in itself good and desirable, I would still urge that it would be quite impossible to work them, except with infinite trouble to everybody concerned, until the orders relating to them have been reduced to definite and clearly intelligible code rules; and even then I submit that the changes are far too numerous to be introduced all at once, without producing an amount of confusion which would outweigh any possible benefits to be derived from the changes.

39. I am not by any means disposed to look upon the existing system as perfect, or anything like it, or to think that no changes are desirable; on the contrary I think there is much in it that is very bad indeed, and I believe there is room for immense improvement as regards both leading features and minor details; but I submit that the only proper way of improving the system is that which we have hitherto followed here: proceeding gradually and cautiously: beginning always at the beginning, and neither in the middle nor at the end, settling leading principles first and adhering to them, and settling clearly and definitely what we want to do before trying to settle how to do it: reducing all conclusions to definite and intelligible working instructions—code standing orders—before promulgating them at all: and recognizing always that every change must in the first instance be more or less tentative, and that all procedure, and especially all new procedure, must be promptly modified when necessary in the light of daily working experience, an experience which—and this cannot I think be too strongly or too often insisted upon—never will be, and never can be, properly utilized unless the settlement of details of procedure is left to the Local Government.

Note by the Acting Chief Engineer, General, Buildings and Roads Branch.

I think the proposed form, entitled "Contractors' Book," an impracticable and useless innovation, and I fully agree with the Examiner's views embodied in his note of the 1st February 1890, No. 516.

(Signed) R. R. E. DRAKE-BROCKMAN, Lt.-Col., R.E.,
5th February 1890. Ag. Chief Engineer, P.W.D.

No. 10.

Note by the Acting Chief Engineer for Irrigation.

I also agree with the Examiner in his views as *regards the proposed "Contractors' Book."* We, members of the Code Committee, have lately gone very thoroughly into the subject of "contracts" and "piece-work" and of the payments-accounting, and forms to be maintained, in connection with them; the proposal now under consideration is opposed in many ways to the results at which we have arrived after most thorough consideration based on practical experience both in execution and accounting.

KISTNA,
11th February 1890. (Signed) G. T. WALCH,
Ag. Chief Engineer for Irrigation.

ORDER—dated 28th February 1890, No. 639 W., Public Works.

Ordered that the Government of India be addressed.

(Here enter No. 640 W., dated 28th February 1890.)

(True Extract.)

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

To the Chief Engineer for Irrigation.
" Examiner, Public Works Accounts.

Exd. P. L. Pereira.
Spare Copies

GENERAL.
ACCOUNT.

Govt. of {1890} Madras.

PUBLIC WORKS.

Dated February, 28th.

Recd. *Encl.*

G.O., 28th Feb. 1890, No. 639 W.

FEBRUARY.

"Contractors' Book"

Ordered that the Government of India be requested that the experimental introduction of the — may not be insisted upon.

PUBLIC WORKS DEPARTMENT.

General.
Account.

LETTER—from

LIEUT.-COLONEL R. R. E. DRAKE-BROCKMAN, R.E.,
Ag. Joint Secretary to Government,
Public Works Department,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
PUBLIC WORKS DEPARTMENT.

SIR,

With reference to your letter No. 210 A.—G., dated 10th December 1889, I am directed to forward the accompanying copies of notes by the Examiner, Public Works Accounts, and the Chief Engineers, General and Irrigation Branches, and to request that the experimental introduction of the proposed Contractors' Book in this Presidency may not be insisted upon.

Proceedings of Government, No. 639 W., dated 28th February 1890.

2. I am at the same time to invite attention to my letters No. 303 W., dated 29th January, and No. 444 W., dated 11th February 1890, and again to request that this Government may be allowed ample discretion in the practical application of the reforms advocated by the Public Works Accounts Committee.

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

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

CHEPÂK,
28th February 1890.

Exd. P. L. Pereira.
Spare Copies

GENERAL.
ACCOUNT.

Govt. of {1890} Madras.

PUBLIC WORKS.

Dated February, 28th.

Read. *Encl.*

28th Feb. 1890, No. 640 W.

FEBRUARY.

"Contractors' Book"

Requesting that the experimental introduction of the — may not be insisted upon.

No. 210 A.—G.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

ACCOUNT.
General.

To

THE GOVERNMENTS OF MADRAS, BOMBAY, BENGAL, THE NORTH-WESTERN PROVINCES AND OUDH AND THE PUNJAB.

THE CHIEF COMMISSIONERS, CENTRAL PROVINCES, BURMA AND ASSAM.

THE RESIDENT AT HYDERABAD.

THE AGENTS TO THE GOVERNOR GENERAL FOR CENTRAL INDIA, RAJPUTANA AND BALUCHISTAN.

THE DIRECTOR GENERAL OF RAILWAYS.

Calcutta, the 10th December 1889.

SIR,

In section I A of part IV of its report the recent Committee on Public Works Accounts recommended the introduction of a Contractors' Book or Bill Book, in which to record all transactions with contractors or suppliers. I am directed to state that the Government of India desires to submit this recommendation to the test of practical experience, and to request that the system may be introduced in one or two selected divisions, and a report on its working furnished after a trial of three months. The system may be extended to other divisions if it prove successful.

2. This recommendation of the Committee is in furtherance of the principle advocated by the Committee to the effect that engineering officers should be held fully responsible for cash, stores, measurements, and payments, *vide* para. 36, III and 37 of the Committee's report. By means of the Contractors' Book transactions with contractors and suppliers may be recorded in a systematic and permanent manner, on the personal responsibility of the officer of suitable status in the Department, who is best acquainted with the facts, and responsible for the execution of work. This book will afford him a means of seeing how each contractor's account stands to date, and of efficiently controlling the payments made.

3. The foregoing is the argument in favour of the Contractors' Book to which the Government of India is disposed to attach most importance. Other considerations are that the Contractors' Ledger will not be required when the new record is introduced, and that in certain cases clerical labour will be saved in copying bills. In addition to the section quoted above, paras. 76, 77, 78 and 81 of the report may be read, as elucidating the principles on which the system will be worked. Against the Committee's proposal it has been suggested that an executive officer might be tempted to postpone measurements, whereas the present system necessitates his making them before payments can be made.

4. Two forms are attached with sample entries showing alternative methods of posting the Book, and explanations are subjoined in relation to certain points of practice.

5. The Book should be always kept by the officer authorized to pay bills; this decision varies the proposal in para. 67 of the report, in those cases only in which the officer authorised to draw up the bill has not authority to pay it. The remaining recommendations in section I A should be adhered to.

6. The signature of the contractor or supplier should invariably be obtained to an entry, and every account should be closed once a year, as recommended in para. 264 of the report.

7. The separation referred to in para. 63 may be extended, at the executive engineer's discretion, to the extent of setting apart separate portions of the Book for different contractors or suppliers, or of leaving sufficient space to admit of different payments on account of one work being brought together.

8. Payments "on account" may be made on the miscellaneous voucher form, no details being sent to the examiner; but if the Contractors' Book be not kept at head-quarters, details must, in the case of works the accounts of which are kept in the divisional office by sub-heads, be sent to the executive engineer to enable him to post his register of works. The final settlement of a running account must be vouched for in full detail, and examiners should be instructed that such vouchers are all to be arithmetically checked without reference to circular No. 4 P. W. of 1889.

9. Pending the issue of orders on the Committee's proposals in regard to the forms for payment vouchers, P. W. D. forms Nos. 14, 15 and 16 should be used in place, respectively, of the Committee's forms designated A, B and hand receipt.

I have the honour to be,

SIR,

Your most obedient Servant,

R B Pauker

Colonel, R.E.,

Secretary to the Govt. of India.

Documents accompanying.

Two sample forms of Contractors' Book.

To

The Secretay to the Government of Madras

with 6 spare copies

Government of India Central Printing Office.—No. 1001 P. W. D.—11-12-93.—130.

188

P. W. DEPARTMENT.

Current No. 122 of 1890

From

The Govt of India
P.W.D.

ENCLOS.—2

No. 210.A.4

Dated 10-12-89

Received 23-2-90

SUBJECT.

Re- introduction of a Contractor's book or bill book recommended by the P.W. accounts committee

DISPOSAL.

No. 120.C Dated 9th Jany/90

To C

For favour of remarks.

Recd 8.1.90

Recd 7.1.90

W

Form No. 2.

Enclosure to Public Works Department No. 210 A.—G. of 1889.

(Report, para. 62.)

Contractors' Book.

Account of Messrs. Collins & Co., Contractors.

No. 1 SAMPLE.

Page of Measurement Book, &c.	Work and Sub-head of Work.	Quantity.	Rate.	Amount Rs. (5)	Acknowledgment of Contractor's signature of details.	Fractions omitted.	Deductions. Recoveries on account of tools, land work, &c.	Total. (6).	Balance due (4—5).	Amount to be now paid.	Initials of Officer and date.	Note of recoveries, &c., to be made.
		Rs. a. p.	Rs. a. p.	Rs. a. p.		Rs.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.		
3	ANGARH JAIL.											
No. 3.	Earthwork in excavation	34,635	0 8 0	173 2 8								
	Earthwork (beyond 3' in depth)	34,635	0 8 0	173 2 8								
	Concrete work	32,153	2 8 0	803 13 2								
	Masonry	11,070	23 4 0	2,573 12 3								
	Iron beams, carted and hoisted	106,725	22 8 0	24,013 12 3								
	Iron girderage	8,405	0 6 0	1,276 14 6								
	Removing earth	1,247,8	10 0 0	12,472 0 0								
	Plinth filled in	1,000,000	1 0 0	1,000 0 0								
		13,224	0 8 0	66 7 6								
				43,879 13 10	(Sd.) Collins & Co.	24,000			24,047 5 6			
No. 4.	Earthwork in excavation	34,635	0 8 0	173 2 8								
	Earthwork (beyond 3' in depth)	32,153	2 8 0	803 13 2								
	Concrete work	11,070	23 4 0	2,573 12 3								
	Masonry	106,725	22 8 0	24,013 12 3								
	Iron beams, carted and hoisted	8,405	0 6 0	1,276 14 6								
	Iron girderage	1,247,8	10 0 0	12,472 0 0								
	Removing earth	2,500,000	1 0 0	2,500 0 0								
	Plinth filled in	13,224	0 8 0	66 7 6								
				43,879 13 10	(Sd.) Collins & Co.	36,800			7,079 13 10	5,379 13 10	(Sd.) T. B., dated 28th February 1880.	Work supplied— 10,000 cubic feet surkhi, at Rs. 14. 20,000 bricks, at Rs. 5.
							1,500 0 0	24,000 0 0	18,379 13 10	12,980 0 0	(Sd.) T. B., dated 28th January 1880.	
							100 0 0		5,379 13 10			
									24,047 5 6			
									18,379 13 10			
									6,879 13 10			
									5,379 13 10			
									24,047 5 6			
									18,379 13 10			
									6,879 13 10			
									5,379 13 10			

Government of India Central Printing Office.—No. 1001 P. W. D.—11-12-89.—420.

Enclosure to Public Works Department letter No. 210 A.—G. of 1889.

Form No. 2.

(Report, Para. 62.)

Contractors' Book.

No. 2 Sample.

Account of Messrs. Collins & Co., Contractors.

Page of measurement book or other reference.	Work and Sub-head of Work.	Quantity.	Total work done. Rate. Rs.	a.	p.	Amount. (a) Rs.	a.	p.	Acknowledgment of Contractor to correctness of details.	Deductions. Previous payments. Rs.	a.	p.	Recoveries on account of stock, bad work, &c. Rs.	a.	p.	Total (b). Rs.	a.	p.	Balance due (a—b). Rs.	a.	p.	Amount to be now paid. Rs.	a.	p.	Initials of Officer and date.	Note of recoveries, &c., to be made.
	ALIGARH JAIL.																									
No. 1	Earthwork in excavation	84,635	0	8	0	173	2	8																		
	Earthwork beyond 3' in depth	32,153	2	8	0	803	13	2																		
	Concrete work	11,070	23	4	0	2,573	12	5	... ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...		
	Masonry	95,098	22	8	0	21,396	9	4																		
						24,947	5	5	(Sd.) Collins & Co.	...	...	...	...	...	...	...	...	...	24,947	5	5	24,000	0	0	*Vide* hand receipt No. , dated 31st December 1879. (Sd.) T. B., dated 31st December 1879.	
No. 3	Masonry	11,630	22	8	0	2,617	2	11																		
	Iron beams carted and hoisted	8,405	0	6	0	1,276	14	0																		
	Iron gratings	1,247·8	10	0	0	12,472	0	0																		
	Removing earth	1,000,000	1	0	0	1,000	0	0	... ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...		
	Plinth filled in	13,294	0	8	0	66	7	6																		
						42,379	13	10	(Sd.) Collins & Co.	24,000	0	0	...	...	...	24,000	0	0	18,379	13	10	12,800	0	0	(Sd.) T. B., dated 29th January 1880.	
No. 4	Removing earth	1,500,000	1	0	0	1,500	0	0	... ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...		
										...	...	...	1,400	0	0	...	...	...	...	...	...	...	...	...	*Stock supplied*— 10,000 cubic feet surkhi, at Rs. 14. 30,000 bricks at Rs. 5.
										...	...	...	100	0	0	...	...	...	...	...	...	...	...	...	
						43,879	13	10	(Sd.) Collins & Co.	26,000	0	0	1,500	0	0	28,300	0	0	5,579	13	10	5,579	13	10	(Sd.) T. B., dated 28th February 1880.	

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[C. No. 8.]

GOVT. OF MADRAS. } 1890. { P. W. DEPT.

EXAMINER, P. W. ACCOUNTS.

Madras, 1st February 1890.

OFFICE NOTE No. 576.

Enc 3.

To

W.

It seems to me that the matter requires to be carefully considered before the proposed contractors' book is introduced even experimentally; and that, if it is introduced, the order introducing it must give plain instructions both as to the manner of its use, and as to the points to be eventually reported upon.

2. It is in the first place to be observed that the book is to be " always kept by the officer authorized to pay bills " and moreover that it is to be kept " by him personally or under his direct supervision " remaining always, " like the measurement book " " in the personal custody of the officer using it "(see para 5 of Government of India resolution and paras 32 and 37 of the Committee's report). The first question then is, by whom is the record to be kept in a Madras division if now introduced experimentally.

3. Hitherto it has been one of the

KEEP-WITH Genl. No.

dated 189 .

fundamental rules of procedure that payments to contractors shall be made by cheques from the divisional office,(see Madras Code para 187I and Government of India Code,volume I,chapter VIII, para 28) that being the office in which, as far as possible,all accounts are kept in accordance with the principle that a sub-divisional officer should to the utmost possible extent be relieved of accounts work,and that his sole record of work done should be his measurement book(see Madras Code para 181S and Government of India Code,chapter XII,para 145). It is true that in Madras this rule has not hitherto been observed, either in the letter or in the spirit, owing principally to the fact that the rule (Madras Code para 187I,note, and Government of India Code,chapter XII , para 84) prohibiting delivery of cheques through subordinates other than sub-divisional officers has made it practically impossible without great inconvenience to contractors, to comply with the letter of the rule, whilst no serious attempt seems to have been made to discover whether the spirit of the rule at any rate could not be complied with. After considerable discussion,however,it has now been settled here that, with trifling exceptions,such payments shall be made only after check of claims and proposed payments in the divisional offices. I understand that this decision is cordially concurred in both by yourself and by the Chief Engineer for

Irrigation,and I take it that this decision is not now likely to be reversed.

3. I take it therefore that for the purpose of settling who is to keep the proposed contractors' book, the Executive Engineer must be considered the officer authorized to make payments, because under the arrangements which it has been decided to introduce — the orders are now being codified — though the sub-divisional officer will actually draw the cheques by which payment will be made,he will not be allowed to make payments until after check of claims by the divisional office , that is he cannot make them entirely on his own responsibility,and is not therefore fully authorized to make payments. My further remarks will then be based entirely on this assumption, and if it should be thought that this Contractors' book ought perhaps to be kept by the sub-divisional officer,it will be probably necessary to consider the matter again from the altered point of view.

4. I find it very difficult — indeed to tell the truth I find it impossible — to discover any single advantage that can be gained by the introduction of this book. I cannot see what there is that it will enable any body to do that cannot be done as well, or better,and with less trouble, with the existing machinery properly used. In para 2a et seq of my general note on

the Accounts Committee's report, forwarded with my office note No. 211 of 17th. January 1900, I remarked at some length on this proposed book; but it was not then at all clear to me what the purpose of the book was. It then seemed that it might be intended either (1) as a sort of note-book, or rather an orderly collection of notes, or (2) as a book of account; and looking on it in the former light I suggested how something of the sort may probably be usefully introduced. Now however it seems quite clear that what is intended is simply a book of account, and looking at it in this light, whilst I see some serious objections to it, I entirely fail to see any possible advantage to be derived from its use.

3. The supposed advantages, as stated in the resolution of the Government of India, are

(a) that in certain cases clerical labour will be saved in copying bills;

(b) that the contractors' ledger will not be required when the new record is introduced, and

(c) that the facts being recorded, on his personal responsibility, by the officer best acquainted with them, the book will afford him the means of seeing how each contractor's account stands to date, and of efficiently controlling payments made;

the last being stated to be the most important.

6. Now as regards the alleged saving of clerical labour in certain cases, I have completely failed to discover how it is to be gained. I have very little doubt myself that, no matter where the book is kept, it will increase clerical labour. Certain documents will come to the divisional from the sub-divisional office, and they either will or will not have to be copied in the divisional office, but if they must be copied it can make no difference as regards the quantity of copying whether they are copied into a book or into a loose form. On the other hand it may, and almost certainly will, make a very serious difference as regards the convenience of work and as regards the convenience of contractors waiting for payment, whether half a dozen long bills can be given to two or three men to copy separately, & to a certain extent simultaneously, or whether they must all be given to one man to copy consecutively into one book. Also if, as seems to me quite certain, a copy will be required in the divisional office in addition to the copy in the book kept in the personal custody of an officer who is perhaps away from the office for three days out of four; then it seems clear that there will be an increase instead of a reduction of clerical work.

7. At any rate the more or less of

clerical work is,I presume,one of the points to be reported upon after the proposed experimental trial;& it seems therefore very necessary that the means of securing the alleged saving of clerical labour should be clearly indicated. For my own part I can see no prospect of any such saving.

8. The claim of saving of labour because the contractors' ledger will no longer be necessary,is to me equally unintelligible. The two records do not at all fulfil the same purpose.The contractors' ledger collects all transactions with a given contractor in respect of all the works on which he is employed. The proposed contractors' book does nothing of the sort.I am not arguing in favour of the retention of the contractors' ledger. I have always said,and I still say,that it is a perfectly useless record; No body really wants to know,except perhaps once in a thousand year,how any contractor's account stands as a whole; and when he does want to know this he can always get the account made up, and getting it made up specially for the occasion it will probably be made up correctly, whereas the contractors' ledger is a record on the accuracy of which it is impossible to rely. The contractors' ledger might be abolished tomorrow, & no body would be any the worse;but if this useless record is done away with the saving of labour should certainly not be credited to the introduction of the contractors' book.

9. I come now to the third and most important argument,(c) of para 5 above. The idea is that this account record is to be kept by,or under the personal supervision of,some one person who is best acquainted with the facts, and the idea would perhaps,in some respects, be a good one,were it not that it is in practice impossible,as I submit,to find any one person who answers to this description.

10. In dealing with the claim of a contractor,or with a proposal to pay him,there are two distinct things to be considered,two distinct classes of facts acquaintance with which is necessary, namely;-

(a) facts as to the quantity & value of work done,or of supplies delivered, and

(b) facts as to the amount of payments already made and of claims of sorts against the contractor.

11. Now as regards the first,the only person who can have any first-hand knowledge about the matter is the subordinate who is in immediate charge of the work,and who measures it,and who in nine cases out of ten is neither the sub-divisional officer,nor the Executive Engineer,nor any person authorized,in any sense whatever,to make the payments in question. If any body else has any

knowledge of the matter, it is, as a rule, only second hand knowledge derived from the measurement list submitted by the subordinate in charge of the work, and any person whatever, be he sub-divisional officer, or sub-divisional clerk, or executive engineer, or divisional accountant, or divisional head clerk, into whose hands such a measurement list comes, is quoad the matter in hand as well acquainted with the facts as any other person except the subordinate in charge. No one of them can be said to be acquainted with the facts any better than any other of them; and therefore, the subordinate in immediate charge of the work being out of the question, as the person to keep this account record, it cannot be said that there is any other officer " who is best acquainted with the facts ". There is no room for any " better " or " best " in the matter.

12. And as regards the second set of facts, I submit that there is no body in the division, excepting only the divisional accountant, who, under any system of accounts whatever, can be reasonably expected to have the means of keeping up properly such a record, or such records, as may be necessary for a complete or sufficient acquaintance with these facts. It is not necessary to say any thing here about the sub-divisional officer, because for the present at any rate, he is assumed on other

grounds, to be out of the question; but I put it to you, as a practical man, with large experience of the conditions under which the work of a division, is carried on, to say whether it is even remotely possible that an Executive Engineer, who for three days out of four or five, and sometimes for a month or six weeks at a stretch, is away from his head quarters and from all his records & accounts, can personally keep, or supervise the keeping of, such a record as the proposed contractors' book.

13. Putting aside all consideration of the additional work which would thus be thrown upon the Executive Engineer — which additional work must however very seriously interfere with his more legitimate duties — it will of course be possible for him to keep the record posted as regards the first five columns (i.e. up to " amount "); but I submit that it is quite impossible for him to keep it correctly posted up to date — and it is quite useless if not accurate — in respect of miscellaneous deductions on account of materials supplied to the contractor, payments made not to him but on his account, etc etc, even if, and even this seems to me very doubtful, he can keep it properly posted as regards direct payments to the contractor, payments which at most would be authorized by him and not actually made by him. It seems to me perfectly obvious that only the divisional accountant,

with the whole of the accounts of the division constantly at his disposal, can be in a position to keep any such record properly posted in respect of such items as are mentioned above. The Government of India seem altogether to overlook the fact that the person who authorizes or controls the payments, & the person who makes the payments need not be the same; but when they are not the same person it is not really possible for either of them to keep the record properly posted, even as regards columns other than that for recoveries on account of stock etc. I submit in fact that the record cannot be completely and accurately kept by any body who has not constant access to the whole of the cash & stock & other suspense accounts of the division; and the only person who has such access is the accountant.

14. It is necessary however to say something about the mere clerical labour of writing up this record. Two ways of posting it are indicated. In sample No.I, all the items, & the whole of the work done on each, are entered at each posting, and it looks very simple and easy on the printed form, when the details of three bills, with only a few items in each, are got into one page; but as you are well aware in our practice it would much more frequently happen that a single bill would occupy three pages. I cannot

say how it may be elsewhere but from my experience of what contract certificates are here, I am sure that this method of posting the book would be out of the question here.

15. In sample No.2 only three items are entered on which additional work has been done since the last posting, & only the aadtional work is entered, and this no doubt seems less troublesome; but I venture to think that the saving of trouble is only apparent, whilst the details when thus reduced are, as far as I can see, of little or no use. If the book is to be posted according to sample No.2 it certainly cannot be posted directly from a measurement list. In order to get at the figures to be posted in the third, fourth and fifth columns, it is first necessary to prepare a statement of quantities executed in precisely the same detail as would be required for posting according to sample No.I, then the quantities as per previous certificate must be entered in a parallel column, and the differences worked out, the rates applied, and the values calculated. I submit at least that this is the only way of doing the work unless the book is to be chock-full of mistakes and corrections; and I submit that when this is done the trouble of posting according to sample No.2 will probably be even greater than that of posting according to sample No.I. I may be wrong. I do not think I am. But

whether I am right or wrong, it seems clear that the precise method of posting the book is a point on which instructions must be given. The trouble involved in the posting is a point that must be reported upon, and no report upon this point will be of any value unless we know that the posting has been done systematically in the best way for securing accuracy of posting with the minimum of labour.

I6. And, as I have said above, when the details are reduced as in sample No.2, it is difficult to see of what use they are to any body, unless it is for the purpose of getting from the contractor an acknowledgment of the correctness of the statement of work done, as to which more hereafter (see para I9). This again is a point which ought to be cleared up. I do not say that these reduced details are useless; I say that, as at present informed I do not see what use can be made of them. Waiving all argument as to whether it is necessary or desirable to keep up the proposed " contractors' book " for the purpose, I can quite understand that it may be useful to an Executive Engineer to have the means of readily turning up a statement showing the details of work done up to date; but I cannot see what use can be made of a series of statements each of which only shows the quantities executed since the previous one, and from which the totals up

to date can only be reconstructed with labour and difficulty; and I submit that the supposed object of recording these details at all ought to be ascertained and stated; because the utility of details which can only be got with great trouble is surely one of the most important points to be reported upon after the proposed experimental trial.

I7. For my own part, I feel very strongly that, for the purpose of controlling payments — and that is the professed object of the book — a permanent record in any shape whatever of the details of work done according to each certificate, is of no use at all; & that all that is really required for the purpose, can be provided for by a record in some such shape as the register of contract certificates suggested in para I3 et seq of my office note No.850 of I8th. June I880, a record in which the entry relating to each bill would occupy one line only; but as to the precise form of the record, or as to the person by whom it should be kept, I would not venture to express any opinion unless a good many necessary points are first settled, as to which see also para 28 below. If however there is any use in having a permanent record of these details, it must be very easy for those who have devised this form to state plainly what the use is, in order that those who have to report upon it may be able to do so intelligently.

I8. In para 6 of the Government of India resolution it is stated that "the signature of the contractor or supplier should invariably be obtained to an entry"; but I submit that if there is one thing which has been clearly proved by the experience of many years, it is the absolute impossibility of getting such acknowledgments from contractors, at any rate if they have to come to the divisional office or to the Executive Engineer's camp to give such acknowledgments. We know quite well, without any experiments, that it would be exceedingly difficult to get such acknowledgments even if the book were kept by the sub-divisional officer; but if the getting of a contractor's acknowledgment in this book is to be insisted on, it will, I submit, be absolutely necessary to have this book kept at least by the sub-divisional officer and very probably by some officer subordinate to him, and I would ask you to consider seriously whether it is really worth while, for such an object, to abandon the hitherto accepted principle of relieving sub-divisional officers and other subordinate officers to the utmost possible extent of all account keeping.

I9. After all what is to be gained by taking the contractor's signature in this book. The settlement recently arrived at here, is that a contract certificate shall be recognized as simply a departmental valuation, against which a contractor may protest or not as he likes, and that acceptance of payment on account, against such a valuation, shall not be held to commit the contractor in any way to recognition of the correctness of the valuation. The contractor retains full liberty to protest, and in the meanwhile you pay him what you admit to be due, without prejudice to his further claims. I confess that I am quite unable to see what more can be wanted, or what is to be gained by insisting that the contractor shall invariably sign this book. It seems to me going out of the way to make things difficult. At any rate I submit that the bearing of this question upon the use of the form is of such importance, that the object of this requirement should be plainly stated, so that it may be possible to consider whether the object cannot be secured with less inconvenience to all concerned, and without compelling the keeping of all contractors' accounts by sub-divisional officers or other subordinates. And finally, what is to be done if the contractor declines to sign the book?

I9 A. I do not understand the remark, in para 6, that "every account should be closed once a year". Apparently the only accounts to be kept in the proposed contractors' book are accounts of individual contracts, which, as far as I can see

can only be closed by paying up the balance due,a thing which cannot be seriously contemplated. If however the accounts referred to (as to be closed) are the accounts of each contractor in respect of all his works jointly , it seems to me that you cannot close an account that is not kept,& I can find no trace of any suggestion of keeping an account with each contractor in respect of all his works jointly;nor do I see how it can be possible to keep such an account,except in a record which must be,in all essentials,the same as the present contractors' ledger,which ledger,according to para 3 of the resolution,will not be necessary if the contractors' book is kept.

20. With regard to the permission given,in para 8 of the resolution ,to make payments on account on the miscellaneous voucher form (form No. M. 2IV)no details being sent to the Examiner,I venture,with due respect , to submit, that the question here involved is too large and too important to be disposed of as an insignificant detail in connection with the introduction of the contractors' book. I submit that the keeping,or not keeping,of the contractors' book has no visible connection with the necessity of sending,or not sending,to the Examiner's office details of payments on account; unless it is that it is desired to claim for

the contractors' book the saving of work which will result from dispensing with these details and with the check of them. If the details are necessary in any case,then they are necessary in all cases. If they are not necessary in any case,then,I submit,they are never necessary,and it would seem to be mere wanton waste of labour to continue sending them,and to continue checking them.

21. I submit moreover that there are details and details;and that it is necessary to discriminate,because some details may be necessary,whilst others are not. If you will examine the sample contract certificate form (No. 5A)circulated with Government of India circular No.37 P.W. of 1889,you will see that,over and above the receipt proper, which is in the middle of the last page, it makes provision for exhibiting the following details,namely ;-

(a)on the docket page certain reference particulars and clues including the name of the work;

(b) on the 2nd. and 3rd.pages details of quantity and value of work done on each estimate item both up to date and since last certificate,together with units and rates , and also for the name of the officer receiving supplies ;

(c) at the bottom of the 3rd.page, a reference to measurement book,and certain signatures (two),either or both of which,according to circumstances,appears from the notes to

be considered essential;

(d) a memorandum of payments made, connecting the last certificate with the previous one, and giving details of the last payment;

(e) remarks by the Executive Engineer and

(f) our own contract certificate form also provides for certain information, hitherto considered very necessary, regarding security taken.

If now you will then turn to the sample hand-receipt (form No.6) circulated with the same circular you will see, that it — that is not the counterfoil but the portion of the form which will come to the Examiner — provides for only one single item under one of the above mentioned heads, namely the name of the work under (a).

22. Now it seems to me that the necessity of giving, on vouchers for payments on account, details under each of these six heads (a to f), is a matter to be carefully and separately considered with reference to each head (a to f), and not only with reference to each such head, but probably also with reference to each item under each of such heads as include more than one item; and also that the matter has in each case to be considered not only as a question of giving information to the audit office, but also as a question of giving information to the divisional office. It seems to me that the question is hardly one to be disposed of off-hand as a mere detail in connection with the introduction of the contractors' book. But in any case I submit that if there is any one item of detail which is unnecessary for one payment on account, then that particular detail is unnecessary in the case of any payment on account; and that if all the details are unnecessary in any one case then they are all unnecessary in every case; so that it is waste of labour to give the details in any case; and there is no use in having any such form as 5 A except for final payments. If it is really unnecessary to send any details to the Examiner in cases of payment on account, then there is room for great simplification of forms, and great reduction of work in the check of vouchers; but the question is one to be carefully considered, and to be settled on other grounds than that of reduction of work.

23. It may be argued that form 5 A will be necessary or useful when accounts have to be kept by items in the divisional office (see para 78 of the report and para 8 of the resolution) but any document which will enable the Executive Engineer to post the contractors' book, in the detail indicated in either sample, will enable the accountant to post the register of works. If the contractors' book were to be kept by the sub-divisional officer the case would be slightly different; but then it

would be very much better to give the details separately,on a sort of progress report passing backwards and forwards,in which the items & rates would have to be entered once only for a considerable period,or to use forms of reports with the items and rates printed on . The truth however is that no one system will really suit both cases, that of payment by sub-divisional officer and that of payment by Executive Engineer.

24. At present it seems to me impossible that there should be some cases in which a given detail will be unnecessary and others in which it will be necessary; but anyhow I submit that if this is possible,then the office to which the document is to be submitted is the only one that can judge of the necessity in each case,and that it cannot do this unless it gets the details.

25. I want to keep as much as possible to the point,which is the "contractors' book"; and if I say no more just now about"forms for payment", it is not because there is nothing more to be said about them,but because that is the immediate subject of discussion.

26. With reference to the remark,in para 8 of the resolution,that "if the contractors' book is not kept at head quarters,details must,in the case of works the accounts of which are kept in the divisional office by sub heads,

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be sent to the Executive Engineer to enable him to post his register of works" I venture to invite attention to the remarks in para 46 of my printed note on the Committee's report,regarding the uselessness of posting the register of works at all in respect of contract works;and to point out that such a record will be doubly useless if the Executive Engineer is to have a permanent record of details in his contractors' book.

27. Also with reference to the expression " kept at head quarters",I invite particular attention to the fact that the Committee's recommendation,as accepted by the Government of India,is that the book shall be kept by the responsible disburser or the authorizing officer " personally or under his direct supervision "(see para 62 of the report and para 5 of the resolution). This means that when the responsible disburser or his authorizing officer,is the Executive Engineer himself,the book is to be kept by the Executive Engineer " personally or under his direct supervision",which is apparently a very different thing from keeping it at head quarters,i.e. in the divisional office, inasmuch as the Executive Engineer is away from head quarters for the greater part of every month;and this difference is of the utmost importance.

28. It seems to me,if I may be allowed to say so,that the Committee and

the Government of India have not dealt with this matter in a way which is likely to produce satisfactory results. I submit that if you want to work out any system of procedure in proper detail, and in a satisfactory way, you must begin by getting clear and definite ideas as to the ultimate object, both generally and in detail; you ought to be quite certain and quite clear about what you want to do before you attempt to settle how to do it. I submit that, for the purpose in view, the statement of objects and reasons in para 2 of the resolution is altogether insufficient: it amounts to very little more than a statement of what always has been the object, namely to secure an effective control by somebody over payments made; and if it goes at all beyond this it is only in the suggestion that the somebody shall be some one single person best acquainted with (all) the facts, such a person as (see paras 9 to 12 above), I submit, is nowhere to be found, and cannot be created without completely abandoning every principle hitherto held, and I venture to think rightly held, as to responsibility for account keeping. I submit in short that, before you can profitably take a single step in the settlement of details of procedure, you must definitely settle once for all the following questions among others, namely :-

(a) who is to make payments to contractors; i.e. are they to be made

(1) by the Executive Engineer himself, or

(2) by the sub-divisional officer on his own sole responsibility or

(3) by the sub-divisional officer after authorization by the Executive Engineer personally, or

(4) by the sub-divisional officer after accounts check by divisional officer; or

(5) by any other subordinate officer (the expression " officer of suitable status " is very vague) either on his own responsibility, or after any, and if so what authorization or check by any other officer or office.

(b) Are you, or are you not, going to adhere to the principle that a sub-divisional officer should, to the utmost possible extent, be relieved of all accounts work, and that his sole record of work done should be his measurement book ?

(c) Are you, or are you not, going to adhere to the principle of relieving the Executive Engineer as far as possible from personal responsibility for compilation of accounts, putting such responsibility on the accountant ?

(d) Is it,or is it not,necessary or desirable,(and if so,why), to obtain the contractor's acknowledgment of the accuracy of the details on which payments to him are based,or to give him an opportunity of protesting;& if so, is it,or is it not,necessary or desirable to compel his attendance for the purpose either at head quarters or anywhere else?

(e) What details (varying presumably according to the status of the paying or certifying officer, & according as payments are final or not) are really necessary to enable the controlling officer to control payments ?

(f) What check,if any,do you desire the audit office to exercise , in respect of payments on account ;-

(1) over the details of the valuation on which payment is based

(2) over the recovery of security;

(3) over the correctnessof the up to date statement of the contractors' running account;

(4) over the prompt settlement of liabilities.

(g) Is there any use in keeping a register of works for works under execution by contract,more especially if you propose to

record the very same details in a " contractors' book ". 27

29. I submit that all the above points,and probably various others , which do not occur to me at present, but which would crop up in the course of any full discussion of the question, ought to be settled first of all.

30. Also ,with regard to (a) I submit that there must be <u>some</u> rule,and that if variety is admitted (and to a certain extent it may be unavoidable) at any rate the variety must be regulated by rule,and also that you cannot have any <u>one</u> system or procedure which shall be equally and indifferently applicable to all the different ways in which payments may conceivably be controlled and made.

31. And with regard to (c) I submit that the proposed contractors' book is essentially a compilation,or rather a series of compilations,in each of which all transactions whatsoever affecting each contract must be collected,& collected completely and accurately if the book is to be of any real use:also that in dealing with running accounts you cannot by any possible means absolutely disentangle responsibility for payments from responsibility for accounts, and that if you want to make any engineering officer "fully responsible " (Committee's report para 38.III)which I suppose means " entirely & solely

responsible ",for such payments, then you must make him solely and entirely responsible for the accounts so far as they affect the control of payments . If this is not the meaning of "fully responsible",then we ought,I think,to know what it does mean;but if this is what it means,then it must be clearly understood that the accountant cannot in any way,or in any degree,be responsible for contract accounts. It is not possible to make one person entirely responsible,and another person partly responsible,for one and the same thing.

32. And with regard to f(4) I would invite attention to the fact that, in para 212 of their report the Committee say — and in circular No.35 P.W. of 1889 the Committee's view is accepted-- that,under the proposed new rules about omission of liabilities from accounts, it will be more than ever incumbent on Examiners to keep a special watch over the prompt settlement of liabilities ; and I would ask how the Examiner can keep any watch whatever over this matter,if,at the option of the disbursing officer,he is to get no details whatever regarding payments on account,excepting the name of the work and the amount paid (see sample hand-receipt accompanying circular No.37 P.W.).

33. It may possibly be said that , granting the substantial correctness of all or many of the above remarks, the very object of the proposed three

months' trial is to find out the difficulties and to find out how to get over them . But if so I would answer

(a) that there are certain points as to which it would seem mere waste of time and trouble to make experiments now,when we have the accumulated experiance of years to guide us:

(b) that there are other points the settlement of which involves only questions of principle,which cannot possibly,under any circumstances,be fit subjects of experiment : and

(c) that,as regards the remainder,if you want the experiment to be conducted rationally,and if you expect the experiment to be conducted intelligently,you ought to indicate beforehand what is the object of each separate detail of the proposed procedure, in what respects it differs from the existing procedure,and (again in detail) the precise advantages claimed for it and the preciseway in which it is expected that these advantages will be secured.

34. Thus,to give a few instances only,as regards (a),of para 33,it surely cannot be necessary,at this time of day,to institute experiments in order to ascertain whether an Executive Engineer moving continually about his division,away,for the greater part of his

time, from his records and his accountant, can keep up properly an aggravated sort of contractors' ledger; when we know, from long experience, that it is next to impossible to get even the present contractors' ledger kept properly, even by the divisional accountant with all the records constantly at his disposal; nor can it be necessary to experiment in order to find out whether without grave inconvenience the personal attendance of contractors at head quarters, or at the Executive Engineer's camp, can be insisted on every time that an entry is made in the contractors' book; or to find out whether the register of works is of any real use in connection with contract works; or whether a permanent record of details of work done is necessary for the purpose of controlling payments.

35. And as to (b), such questions as, whether it is desirable that a sub-divisional officer should be burdened with account keeping and its consequent responsibilities; whether any, and if so what, check over payments on account is required (1) in the divisional office and (2) in the audit office, and whether before or after payment; or whether the proper retention of security is or is not to be checked by the audit office; are surely not suitable subjects for experiment.

36. For the reasons indicated above,

I can only say that in my opinion the Government of India should be asked to dispense with the proposed experiment as far as Madras is concerned; and to allow the Madras Government to work out its own procedure for making & controlling payments, on the lines on which we are already working. I venture however to think that instead of dealing individually with each of the series of resolutions issued by the Government of India on the recommendations of the Accounts Committee, the best course will be to press very strongly for the retention of the general liberty of action hitherto enjoyed by the Madras Government, as already suggested in my office note No.255 of 20th. January 1890, making use of this particular case only as an example of the necessity for very full and careful consideration before introducing any specific changes.

37. But if the Government should decide to protest against the compulsory adoption of all the provisions of the series of resolutions now issuing, I would particularly ask that any representations that may be made to the Government of India, may be made in such a way as to make it clear that, subject of course to any necessary exceptions, both the Government and yourself as Chief Engineer, accept and endorse the views expressed by myself whether in this note, or in my office notes Nos. 193 and 289 of 18th. and 20th. January 1890, or

in my printed note forwarded with my office note No.2II of 17th.January 1920. I would particularly ask that the action taken — if any — may not take the form of simply forwarding my remarks " for the consideration & orders of the Government of India".

58. I have no desire to shirk responsibility for the advice which, when asked to remark upon these proposals, I have thought it my duty to give, but I wish to point out that in my position it is most disagreeable for me to have to criticize and protest against proposals and orders emanating from the Government of India, and issued presumably with the advice of the Accountant General. I am most unwilling to criticize or protest unnecessarily. Putting aside the mere time & trouble — both very great indeed — required for the careful examination and discussion of each of these questions, my position makes it particularly disagreeable for me to have to criticize or protest, and if I could honestly do so I should be only too glad to say that all these changes seem highly desirable and expedient, and to suggest that they be at once and completely incorporated in the Madras Code. My honest opinion however is the very reverse of this. There are a few of the Committee's proposals which are unquestionably good, for instance the

abolition of audit by sub heads and the simplification of the procedure in applying for credit, as to which indeed as elsewhere explained, my only doubt is whether they go far enough: and there are certain changes, in the direction of giving increased powers of sanction & disposal, which have really nothing whatever to do either with accounts or with audit procedure: but as to a large part, if not the larger part, of the proposals, after prolonged and careful personal consideration, and after repeated consultations with very experienced accountants, it is my firm conviction that they will bear close examination no better than these proposals regarding the contractors' book. In my humble opinion the best that can be said for any of these is that they are useless and that they will do no more harm — though even that is a good deal — than is inseparable from <u>any</u> change; and as to many of them it seems to me that the Committee have not even attempted to show what advantage they expect from them or how they expect to get it; and as to a considerable proportion of them I cannot but think that they are distinctly and very decidedly mischievous; that they will increase work and worry and trouble all round; and that they never could have been seriously pressed if they had been submitted beforehand to close and critical examination from the point of view of those who are really most affected by them, that is to

say Examiners and accountants. But even if every one of the proposed changes were in itself good and desirable, I would still urge that it would be quite impossible to work them, except with infinite trouble to everybody concerned, until the orders relating to them have been reduced to definite & clearly intelligible code rules; & even then I submit that the changes are far too numerous to be introduced all at once, without producing an amount of confusion which would outweigh any possible benefits to be derived from the changes.

39. I am not by any means disposed to look upon the existing system as perfect, or any thing like it, or to think that no changes are desirable; on the contrary I think there is much in it that is very bad indeed, and I believe there is room for immense improvement as regards both leading features and minor details; but I submit that the only proper way of improving the system is that which we have hitherto followed here: proceeding gradually and cautiously: beginning always at the beginning, and neither in the middle nor at the end, settling leading principles first and adhering to them, and settling clearly and definitely what we want to do before trying to settle how to do it: reducing all conclusions to definite and intelligible working instructions — code standing

orders — before promulgating them at all: and recognizing always that every change must in the first instance be more or less tentative, & that all procedure, and especially all new procedure, must be promptly modified when necessary in the light of daily working experience, an experience which — and this cannot I think be too strongly or too often insisted upon — never will be, and never can be, properly utilized unless the settlement of details of procedure is left to the local Government.

C.

P.W. Cdt. 1875.
1656 Pa

Rec'd 6-2-90

Approximate
Class 1432
Div 14/2

No. 633 C.

3²

Government of Madras.

PUBLIC WORKS DEPARTMENT.

Madras, 5 Feby 1890

OFFICE NOTE.

From W

To S.J. R12

Letter from the Govt. of India
No 210 A-G. dt 10.12.89
Office note from the Govt
Public Works dt 1-2-90.
Note by the Chief Engineer
General Branch dt 5-2-90.

—

For favour of
remarks.

W 5.2.90 Accts 5.2.90

S.J.

P. W. D.

2260

Letter from the Govt. of India No 210 R.G.J. 10-12-89.
Office note from the Secy P.W. Accts. No. 576 J. 1-2-90.

Note by the Chief
Engr. General Bombay.

I think the proposed
form entitled "Contractors
Book", an improvement
and useful innovation,
and I fully agree into
the Examiner's views
embodied in his note
of the 7th February 1890.
No 576.

2380

Rec'd
5.2.90

No 10

I also agree with the
Examiner in his views
as regards the proposed
"Contractors book". We
members of the Coad
Committee [illegible] the
duty [illegible] the
subject of "Contracts" & "pens
with" and of the payments
accounting, and forms

to be maintained, in connection with them; the personal aim under consideration is offered in many ways to the Roads at which it has arrived after a most thorough consideration by a board of practical & experienced both in Railways and Accountancy

Yours &c.

Western Bank Canal
Kistna

No. 443-445-99-2-90
" 302-303 " 29-1-90.

" 32-2-90 & 28-2-90

PWD Cir. 1686

Rec'd 18-2-90

PUBLIC WORKS DEPARTMENT.

248

PROCEEDINGS OF THE MADRAS GOVERNMENT. 34

READ the following

From the Government of India (H.E. No. 210 Ag. dt 10.12.89)
Office note from the Engr. P.W.A. (" " 576 dt 1.2.'90)
Note by the Ag chief Engr. P.W. Bdgs & Roads Bch (" " dt 5.2.'90)
Note by the Ag chief Engr for Irrign (" " 10 dt 11.2.90)

Ordered that the Government of India be addressed.

(H.E. No. 302 W dt 27 Feby 1890)

To, the Secretary to the Govt of India, P.W.D.

Sir,

With reference to your letter No. 210 Ag. dated 10th December '89,

C. Engr Irrign
Engr P.W. Accts:

I am directed to
forward the accompanying
copies of notes by the
Examiner P.W. Accounts,
and the Chief Engrs.
General and Irrigation
Branches, and to request
that the experimental
introduction of the
proposed contractors'
book in this Presidency
may not be insisted
upon.

2. I am at the same
time to invite attention
to my letter No. 30 3/W
dy 29th January and
No. 444 W dy 11th February
1890.

P.C. No. 639 4/4 28-Feby 189

25-D

3/5

1890, and again to
request that this
Government may be
allowed ~~a certain~~ ample discretion
in the practical
application of the
reforms advocated
by the P.W. Accounts
Committee.

MCS
24.2.90

Rec'd 26.2.90

CM

1636

20-7-15

Govt. of 18 Madras

PUBLIC WORKS

G.O. 2004 by 90 687-15

"Contractors Book"

Ordered that the [illegible]
[illegible] the [illegible]
[illegible] may be
[illegible] in the [illegible]

"Contractors Book"

Ordered that the [illegible]
[illegible] of the
[illegible] may not be [illegible]
[illegible]

[illegible]