(1) பக்கங்களின் எண்ணிக்கை 6

(2) புலுக்கித் திருப்பிய நாள்

(3) ஆதாரங் குறிப்பவர் சருக்கொலிகம்

தமிழ்நாடு ஆவணக் காப்பகம்.

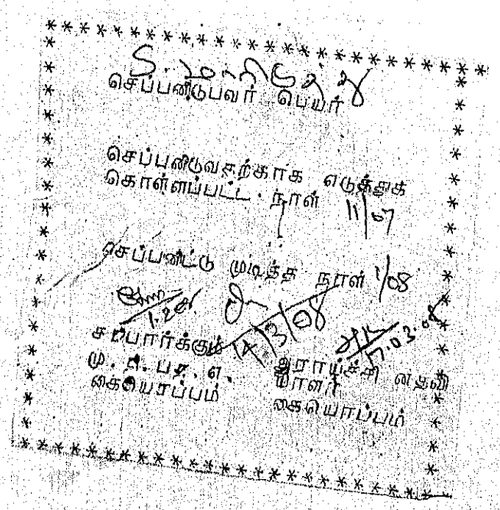
தமிழ்நாடு அரசு

அபாக துறை

அரசாணை எண்.	அச்சகம்
மு. கோப்புத் தாள் எண். 506/1859	பயனாளர்
நாள் : 14—11—1859	ரூ.

மடித்தலோ கறைபடுதல் கையாளலோ கூடாது.

ஆவண, சா. 1—18,006—6-9-90.



MEMORANDUM SHEWING THE DEPARTMENTS WHICH THE COMMISSION FOR INVESTIGATING PUBLIC ESTABLISHMENTS HAVE *ENQUIRED INTO.*

CIVIL DEPARTMENTS.

THE GOVERNMENT AGENT CHEPAUK, AND PAYMASTER OF CARNATIC STIPENDIARIES.—This Office has been reported on.

THE GOVERNMENT SAVINGS BANK, has been reported on; by the orders of Government in the Financial Department, No. 526, dated 19th September 1859, the Commissioners are directed to observe on it monthly. It is a question whether this Department might not with great advantage be united with that of the Superintendent of Family Payments and Pensions; the practicability of this change is now under consideration.

2. THE GOVERNMENT PRESS.—This Establishment has been thoroughly investigated and twice reported on; its accounts have been audited and amended, for the half-year ended 30th April 1858; written up for the succeeding year ended 30th April 1859; and now await only the decision of Government, upon several points submitted, to be closed at that date, and re-opened and written up to the present date, for which the particulars are already prepared. The old and erroneous system of accounting has been abolished, and one more suitable instituted; the accounts which will thus have been written up, by, and under the direction of the Commission, will then extend over two years. The proposals for amalgamating all the departmental Presses at the Presidency, viz. those of the Accountant General, Civil Auditor, Director of Public Instruction, and Inspector General of Ordnance and Magazines, have also been considered, and will be reported upon, immediately that the reports on the Government Press proper have been dealt with. This enquiry has necessarily extended over some months.

3. THE PUBLIC WORKS DEPARTMENT.—Several reports upon this department have been submitted. The enquiry into the Central Office commenced in the month of July 1858; that Office was then in a state, as regards the offices of account and audit, of the most reprehensible arrear and mismanagement; the transactions daily audited amounted to but Rupees 1,438, and the extent to which the system of indolence had been allowed to go, may be gathered from the fact, that, without any additional assistance, this insignificant amount of daily work, Rupees 1,438, was increased to about a lac per diem, and, as appears from the amounts retrenched, the work was better done than before.

The Government, upon receipt of the report of the Commission on this branch of the Central Office, with some few remarks on the duties of the Superintending and District Engineers, were pleased to request the Commission to report on the whole Establishment of that Office, in order to effect which the Commission considered it advisable to study and consider the reports of the Public Works Commissioners, both as regards departmental management and accounts, the Circular Orders of the Public Works Department of the Madras Presidency, the Bengal Code, and the Circular Orders of the Board of Revenue, with a view to arrive not only at what had been, but why it had been enjoined, how far it was suitable to the requirements of the service, how far it had been observed, in what particulars it might have been altered or amended, and

why the arrangements had failed. This extended over many months, and it is necessary to add that the study of the subject has only been recently relinquished, in consequence of the nomination of the present Chief Engineer. For the same reason the Commission have not pursued their investigations into the internal economy of this Office.

Upon commencing their investigations into this Department, the Commission found that great misapprehension existed as to the intentions of the Government, with regard to the relations between the Revenue Officers and the employés in the Public Works Department. Neither Collectors and their subordinates, or Superintending Engineers, appeared to understand their relative positions *quoad* each other; nor did the Superintending Engineers their own immediate duties. In order to put a stop to any future misunderstanding upon the subject of the rights and authority of members of either Department, as regards each other, the Commission drew up a *précis*, with a marginal running commentary, of all the Circular and Standing Orders of the Public Works Department bearing upon that subject, and recommended that it should be completed in that Department on the plan of the *précis* prepared by them. This took place about a year ago, the sequel has not yet appeared.

4. The Public Works Department. North Arcot.—Five months were occupied chiefly upon this business, a large portion of which, three months, was spent in the district; it should be stated that there has been correspondence with the Commission, relative to the transactions of that period, so lately as within the last month, from which the Commission learn that the accounts up to 30th April 1858, which were all settled and accordingly reported in March 1859, had not been adjusted in the books. The Commission, desirous of rendering the Government all the assistance in their power, in reducing the accounts of this very much entangled department to order, offered their services to make finally the adjustments of the North Arcot accounts. The Government were pleased thankfully to accept the offer so made to them, but the Chief Engineer thought fit to decline it. The consequence is, as the Commission believe, that the accounts of that district, about which so much trouble was taken, are in *statu quo ante* October 1858. Time is slipping away, and with it the recollection of many *little particulars* which might aid in the settlement; and when it is borne in mind that the Collector of North Arcot, who, foreseeing the difficulty, took a great deal of trouble about these accounts, and who appeared to have guarded himself against a contingency which did arise, and for which he was prepared, is gone to Europe, and his return is doubtful; the late Acting District Engineer absent in Europe on sick leave, probably from the nature of his ailment, never to return to this country; the most able Assistant Engineer in the District removed to another division, and probably many of the subordinates gone away, it may not be possible again to get together the information upon which the North Arcot settlements were made. The Commission make these observations for the information of Government, and in order that it may be understood that, if, at any future time, difficulty does arise out of these North Arcot accounts, the onus cannot lie upon the Commission.

5. The Director of Public Instruction.—This Department has not been reported upon, nor was it in a state to be investigated; the accounts of the advances of Government, from the commencement of the official year 1855, had not in the autumn of 1858 been entered in any books, there was no record of any of the transactions, and it was alleged that a large sum was due to the Department by a deceased librarian. The Commission, with a view to assist Mr. Arbuthnot, caused the accounts to be examined into, when it appeared that the deceased librarian was *not* a defaulter, and the balance unaccounted for was reduced to a small sum and made good by the Director. Draft books were prepared shewing the transactions from 1st May 1855 to the then date, upwards of three years.

6. Commissioner of Police.—This department has been thoroughly investigated: its internal economy was very satisfactory. No increase was asked and no retrenchment possible, it was therefore not specially reported on.

7. Commissioner of Mofussil Police.—The Commission are in communication with Mr. Robinson upon the subject of the accounts of this new Department.

1. The Accountant General.—Although a member of the Commission, the late Accountant General exhibited so much disinclination to the investigation of his Office that it was not considered advisable to persevere in it. He appears however to have availed himself of the suggestions of the Commission, contained in the annexed paper, on the subject of the books of the Military Board, and to have introduced the practice of adjustment therein recommended.

9. The Civil Auditor—was visited but it was of no use to go into this office for the reasons given in the preceding para.

10. The Sea Customs.—The returns and reports of this office have been considered, but the Office has not been visited, nor is it deemed advisable to do so at present.

MILITARY DEPARTMENTS.

11. The Director General Medical Department—This department has been reported on.

12. The Medical Storekeeper—The report on this department is in the Press.

13. The Superintendent and Agent for Army Clothing—This department has been thrice reported on.

14. The Bullet Factory—The report on this department is in the Press.

15. The Principal Commissary of Ordnance—The report on this department is in the Press.

16. The Quartermaster General.—This department has been reported on.

17. The Adjutant General.—This department has been reported on.

18. The Gun Carriage Manufactory—Is now under investigation.

19. The Military Auditor General.—This department was visited, but was found very much in arrear, and not in a condition to be investigated.

20. The Superintendent of Family Payments and Pensions—This Department has been partly investigated, but its state when visited was not such that it could with any advantage be reported on.

21. The Commissary General.—This department has also been partly investigated, but from a variety of causes, some of them arising out of the demands of Bengal, it is not in a state to be reported on.

22. The Auditor of Commissariat Accounts.—This Department hangs so entirely upon the Commissariat that the two must be taken together.

23. The Inspector General of Ordnance and Magazines.—This department has been enquired into, and the result of three separate enquiries recorded. It has not yet been reported on, the chief reason for which has been the complete change in the management of the Ordnance Department, which has taken place since the abolition of the Military Board in May 1857. The experimental period of the department under its new organization has now passed, and a report will be prepared and submitted immediately. From the changes already made the Commission are convinced that in future there will be none of the large discrepancies which in former years were habitually written off to Charges Military; the Military expenditure is now recorded in a clear and intelligible form; and this great improvement has at once added to the value of the Department, as regards its Military statistics, and established the integrity of its financial records.

24. THE SUPERINTENDENT OF STATIONERY.—The report on this department is in the Press.

25. THE GUN POWDER MANUFACTORY—Is now under investigation.

GENERAL OBSERVATIONS.

26. Besides these, the general question of official discipline has been studied with much attention, and two reports, general in their application, viz. on "Absence and Attendance" which includes the consideration of leave under its many heads; and "Admission, Classification, and Gradation," which deals with the results of competitive examination, have been submitted. Other general questions are also under consideration, among which is the practicability of making a general Code for the Uncovenanted Service.

27. The Commission are now engaged in an enquiry as to the expenditure of Stationery in the Military Departments—and a similar enquiry will be necessary as-regards the Civil Departments.

MEMORANDUM ON DEPARTMENT OF INSPECTOR GENERAL OF ORDNANCE AND MAGAZINES.

1. The transactions of the Department of the Inspector General of Ordnance and Magazines are written up in a Journal, and regularly posted into a Ledger, and, at the end of the official year, when a * commercial balance sheet has been obtained, the Ledger is gone through, and all the Debits and Credits are transferred to an account called "Military Books," and another account called "Balance;" the effect being, that the balances of each account are not shewn in the books of the Department at all; in short, through the two accounts above-mentioned, (which in fact form only one account,) the department entirely divests itself of the affairs of the bygone year. At the commencement of the next year it starts with the value of the Military Ordnance Stores at its disposal. The account called "Military Books" is a mere vehicle for the aggregation and transfer of the transactions of the year to the Accountant General.

2. The Accountant General, in his Military General Books, adopts these transfers, and embodies the transactions of the department in them through an account, called "Military Board Ordnance Department," this should be in principle, in fact, and in detail an exact copy of the account called "Military Books" in the Ledger of the Department; the relation is simply that of debtor and creditor, and, therefore, when the Ordnance Department is debtor, the Accountant General is creditor, and *vice versa*; if A. is debtor to B. in the books of B., B. is the creditor of A. in the books of A.; there can be no transactions between them which are not common to both, and therefore the transactions, all the transactions, and nothing but the transactions should be found in these two accounts in the books of either Department; the debits of one being the credits of the other, and *vice versa*.

3. The account "Military Books," in the Ledger of the Ordnance Department, and the counterpart "Military Board Ordnance Department" in the Ledger of the Accountant General, are neither of them necessary; they might be done away with advantageously, even if they answered the purpose for which they were originally raised; but this is not the case, they are not in accord, and never have been; as they stand, so far from affording security, they are absolutely the channels for error, as will be shewn hereafter, and they are undoubtedly the cause of an immense amount of unnecessary book-keeping. If the Ordnance Department recorded its transactions, balanced them at the end of the year, and transferred the differences to the Accountant General, then there might be some occasion for these media in the respective books; but it is not so, the Ordnance Department does not strike any balances at all, it simply compiles for the Accountant General, who adopts the whole at the end of the year, and gives back a part at the commencement of the next year. The Ordnance Department concentrates all its transactions in one account, the Accountant General adopts that one account, and then straightway distributes it again, and, at the close of the operation, the items stand in the Accountant General's books as they were in the books of the Ordnance Department, right or wrong. All this unnecessary book-keeping might be avoided by arrangement, and the accounting in each of the departments very materially decreased by the change. Of course any change of this nature would equally affect every Military Department now a Sub-Accountant to the Accountant General.

4. The following extracts from the books of the Military Board 1855–56, and from the Military General Books of the Accountant General 1855-56, (that being the last year for which the books were written up when this memorandum was made,) will explain.

MILITARY BOARD LEDGER.

Dr.	Military Books.				*Cr.*		
		Rs.	A.	P.		Rs.	A. P.
1856 April 30th,	To Sundry Accounts *C*	20,04,255	8	2	1855 May 1st, By Military and Ordnance Stores.....*A*	169,33,157	15 5
" "	To Military and Ordnance Stores ...*D*	170,29,115	10	11	1856 April 30th, By Sundry Accounts. *B*	21,00,213	3 8
		190,33,371	3	1		190,33,371	3 1
i. e. A.	The value of property in the hands of the Military Board on the 1st May 1855.....or					169,33,157	15 5
plus B,	The supplies and returns made to the Military Board by Government and the other Departments, in the year 1855-56.....or					21,00,213	3
					together.	190,33,371	3 1
minus	*C.* The issues to other Departments by the Military Board during the year 1855-56.....					20,04,255	8 2
equal D.	The balance stores in hand on 30th April 1856.....					170,29,115	10 11

In other words, the whole transactions, amounting to upwords of *190 lacs, are transferred in four entries; below is copy of the Account kept by the Accountant General, who adopts the whole, and, in addition, incorporates items amounting to Rs. 8,306-3-2, makes 19 entries intsead of 4, and unduly increases the amount bv the insertion of14 sums, to which there are no corresponding entries in the books of the Ordnance Department.

ACCOUNTANT GENERALS LEDGER.

Dr. Military Board Ordnance Department. *Cr.*

		Rs.	A.	P.			Rs.	A.	P.
1855 May 1st.	To the Hon. Co.'s quick and dead stock *H* ...	169,33,157	15	5	1856 April 30th	By sundry accounts *E.*	20,04,255	8	2
1856 April 30th.	To Paymaster at the Presidency	1,287	5	8*	" "	By Medical Stores...	217	13	4‡
" "	To do. transactions at Penang	6	4	0*	" "	By Remittances and transfers between Paymasters &c.....	6,010	13	4‡
" "	To Paymaster in Mysore	552	1	9*	" "	By Military Deposits.	2077	8	6
" "	To Paymaster in Velloro	1	12	0*	" "	By Stores of the Public works Department. *F*	16,691	0	6
" "	To Paymaster in Secunderabad.....	24	1	1*	" "	By the Hon. Co's quick & dead account. *G*	170,12,424	10	5
" "	To Paymaster to the Nagpore S. F. for transactions in Saugor &c.....	123	12	0*					
" "	To Paymaster in Vizagapatam	30	12	6*					
" "	To Paymaster at Trichinopoly.....	62	8	1*					
" "	To deputy Paymaster in Malabar and Canara	101	15	1*					
" "	To deputy Paymaster at Masulipatam	312	4	11*					
" "	To sundry accounts *I*	21,00,213	3	8					
" "	To transfer Dept....	5803	6	1*					
		190,41,677	6	3			190,41,677	6	3

E. in the Accountant Generals Ledger agrees with *C* in the Ordnance Ledger.....
F & *G*..... agrees ..... *D* .....
H..... agrees ..... *A* .....
I..... agrees ..... *B* .....
the remaining 14 items are improperly included.

5. Of these fourteen items, eleven, amounting to Rs. 8,306-3-2 are debits, they are marked thus*, but of this sum Rs.6,010-13-4 had already been dealt with by the Military Board, and credit been given, the amount being included in the credit *B* of the Military Board's books, and the debit *I* of the Accountant General's books. It therefore became necessary to write back in the latter this double debit, which was accordingly done by crediting Remittances and Transfers, see ‡, and to write off the difference Rs. 2,295-5-10 for future adjustment.

6. The remaining items, three also amounting to Rs.8,306-3-2 are credits, and the mode in which they are entered proves the inconsistency of the whole account; for, had the credits described in the preceding para been made in accordance with any principle, it would have been seen that the three credits, necessary to write off the eleven debits, made up the whole sum Rs. 8,306-3-2.

7. It appears to have escaped the notice of the Accountant who dealt with this accoun that another sum Rs.217-13-4 appears on the credit side, marked ‡, of which Rs.161-4-8 had already been dealt with by the Military Board, when another department was debited in the amount *C* in the Ordnance books, and credited in the amount *E* in the Accountant General's books. Of course it was necessary, to be consistent, to write back in the latter this double credit, and to write off the difference Rs.56-8-8 for future adjustment; but neither of these entries were made, as will be explained in the following para. This circumstance indeed induces the conviction that the sum transferred to Military Deposits was placed to the credit, *simply because that amount was the difference between the total debits and the total credits, and not because it represented any specific item or number of items*; had any comparison or reference been made, it would have been seen that Rs.2,295-5-10 was the correct sum to write off for future adjustment, whereas Rs.2,077-8-6 only was written off, *which agrees with nothing, and could only have been adopted because it made the account balance.*

8. Had the additional entries in the Accountant General's books been made upon a consistent principle throughout, the amount to the credit "By Military Deposits" would have been Rs. 2,295-5-10, and there would have been two more debits, one to write back Rs161-4-8, the other to place in suspense Rs.56-8-8, and had the transactions been so treated, there would have been no harm done as regards this particular account, beyond burdening the books, with twenty one debits and credits when four only were needed, because all the interpolations would have gone in on one side and out on the other, to the extent of Rs.8,524-0-6 but, they were not so treated, the debits in suspense 2,295-5-10 for future adjustment, were reduced by the sum Rs. 217-13-4, which included the double credit of Rs.161-4-8, and Rs.2,077-8-6 only written off for future adjustment, whereas the Rs.2,295-5-10 should have been placed to the debit and Rs 56-8-8 to the credit of suspense account, or Rs. 2238-13-2 instead of Rs. 2,077-8-6, the effect being to leave for future adjustment Rs. 161-4-8 too little, *and actually to give credit to the Military Board for that sum just three times over*; this sort of error arises from the indiscriminate employment of transfer entries; on enquiry why this entry was made (Rs. 2,077-8-6) the reply was mamool, and it would all be adjusted next year. This, as has been shewn, can only be done for a part of the amount, because the principle of adjustment by suspense account has been only applied to the debit side of the account. The truth is that the seventeen excessive entries should not have appeared in this account at all; of the whole sum Rs.8,306-3-2 or more properly Rs.8,524-0-6, three fourths Rs.6,172-2-0, required no entry any where, and the remainder Rs.2,077-8-6, or more properly Rs.2,228-13-2, should have been "agreed" at once as far as possible, and the balance only put to suspense for after adjustment; the means of reference which the offices then had were as comprehensive as they are now, and on examination it appears that part of the balance put to suspense might have been adjusted at the time.

9. Most of the unadjusted items are in respect of monies disbursed by the Paymasters; it is certain that the Paymasters never pay money on account of the Military Board without sanction from the Ordnance Department, where all such sanctions are invariably registered, and therefore it is natural to suppose that the Credits to Paymasters in the Ordnance books, and the debits to Military Board in the Paymasters' books will agree; but this is not the case, instances have been traced where omissions have, under erroneous impressions, been purposely made in the Ordnance Department, of disbursements by Paymasters, and where the amounts have been brought to debit and written off to suspense in the Accounts Department, when the question

might have been settled *secundum artem* in five minutes. Besides, it is absurd to imagine that a long list of payments made by Paymasters, amounting to upwards of Rs. 8000, could be made without the cognizance of the Department for which the money was advanced. Again there must be something very irregular in the issue of Stores, if Rs. 161-4-8 only out of 217-13-4 is brought to account, and Rs. 56-8-8 given credit for by the Medical Storekeeper, without any corresponding debit by the Military Board. The great value of books consists in the means they afford of reconciling inconsistencies and discrepancies; when once any are brought to light they should be examined into and adjusted; a suspense account should only be used when settlements are necessarily deferred on the score of time, that is, when transactions extend over a longer period in one department than in another.

10. Then again there is another very fruitful source of discrepancy: a department, say the Military Board, receives supplies from another department, say the Commissariat, at a given price, the Military Board gives credit at that price, but the Commissariat makes its debit at another price, the accounts of course do not agree, and the consequence is that the Accountant General must pursue one of two courses, he must either make entries to adjust, or he must put the transactions in suspense, either course involves a large amount of unnecessary writing; indeed the books are so overwhelmed with these adjusting entries and transfers that their value for reference is destroyed.

11. An instance of this sort of entry occurs in the credit by Medical stores, as thus: the Military Board issued a quantity of Tar for Veterinary purposes, they charged for it Rupees 25-11-7, at the end of the year the Accountant General adopted the charge, and it was incorporated in his Military General books; on analysing the sum, Rs.217-13-4, it appeared that Medical Stores gave credit for Rs.25-0-6 only; no comparison or reference was made, and the Accountant General debited Medical Stores and credited Military Board, first at one price and then at the other.

12. It is not to the amount of these discrepancies that objection is made, it is to the fact that differences exist, and are systematically written off to suspense, to outstanding or doubtful over standing balance established, and a system adopted of the postponement of adjustment of errors and discrepancies to an indefinite period. It is an evil as old probably as the system of book keeping which now obtains, and it would occasion little surprise if a very large amount of pure fiction were found in the outstanding and unadjusted balances.

13. But sometimes large items are entirely lost sight of; the Saddle Contract Fund for the year 1855-56, Rs.1,05,066-12-0 was entirely omitted in the Ordnance books, the Accountant General however inserted it in his, the Military Board included it as arrears in 1856-57 and the result will be that the Accountant General will adopt it again and have to make several cross entries to adjust the irregularity.

14. In no records under the sun is brevity within proper limits more desirable than in those which relate to accounts, and the competency of an accountant may fairly be assessed from his mode of making his entries. One, in a few entries, will produce his results clearly and without repetition, another will make no end of entries and in all probability, if he knows anything of book-keeping, produce the same result in a round-a-bout way: with the first any man with an ordinary knowledge of arithmetic, and a fair modicum of common sense may deal, and the books will be the intelligible exponents of the balance sheet; with the last none but a practised accountant can deal securely, and to divide the real matter from the mass of rubbish with which it is overlaid, requires a clear head, something like a mathematical knowledge of accounting, and considerable experience; the difference in the *modus operandi* of a properly trained accountant and a mere book-keeper would be as great as in the solution of an equation by Professor Whewell and a schoolboy, the one would do his work in a few lines of figures, the other would probably cover as many sheets of paper.