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MADRAS RECORD OFFICE.

Government of Madras.

Public DEPARTMENT.

G.O. No. 998

Press
Mis.

Dated 10-8

1876
18

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Proceedings of the Madras Government, Public Department,
10th August 1870.

Read the following papers:—

No. 56. From Major W. S. DREVER, Officiating President of the Municipal Commission, Madras, to the Chief Secretary to Government, Fort Saint George, dated Madras, 24th May 1870, G. No. 208.

I have the honour to forward, herewith, for submission to the Right Honourable the Governor in Council, the Administration Report* of this Municipality for the past year, prepared in accordance with the provisions of Section 32 of the Madras Municipal Act of 1867, and to request that it and the Auditor's Report, when received by Government, together with the Proceedings of Government thereon, respectively, may be directed to be published in the *Fort Saint George Gazette*.

* Printed separately.

2. I have further to request that the Superintendent of the Government Press may be ordered to furnish Government with twenty complete copies of the Report and Proceedings above mentioned, for transmission to the Right Honourable the Secretary of State for India in Council, pursuant to the Order of Government

Dated 27th May 1869, No. 716. noted in the margin, and that this office may be supplied with twenty such copies for use.

No. 57. From Lieut.-Colonel J. G. TOUCH, to the Chief Secretary to Government, Fort Saint George, dated Madras, 27th June 1870.

I have the honour, with reference to the Order of Government, dated 23rd February 1870, No. 234, to report that I have, as therein instructed, audited the Municipal Accounts for the year 1869, and I have now to communicate the result.

2. The accounts and the records of the several Departments have been separately examined, and it will, therefore, be most convenient to notice each Department separately.

Assessor's Department.
Collector's ditto.
Engineer's and Sanitary Departments.
General Department.

3. At the outset it is necessary to explain that the year 1869 has been one of transition in respect to the financial system of the Municipality. In 1868, a Finance Committee was appointed by the Commissioners to inquire into the system then existing, and on the 21st November 1868 made their report, in which they very fully discuss the demerits of the system, and offer many valuable suggestions for its improvement by the introduction of efficient Check Registers, and the adoption of books of a form better adapted to secure a correct record of the financial transactions of the Municipality. The recommendations of the Committee appear to have been generally adopted by the Commissioners, and the changes and improvements suggested have, to a great extent, been carried out during the past year—a course which has necessarily been productive of delay in the preparation of the Registers, and consequently in the realization of the revenues of the year.

4. The Revenue of the Municipality is derived from—

1. House and Land Rates.
2. Trade-tax (abolished 31st October 1867) under Act IX. of 1865.
3. Trade License-tax, (under Act IX. of 1867.)
4. Liquor License-tax.
5. Tax on Carriages, Horses, and other Animals.
6. Registration of Carts and other Vehicles without Springs.
7. Tolls.

8. Miscellaneous sources such as—

Fees for Slaughter-houses.
Strand-rents.
Licenses for dangerous and offensive Trades.
Proceeds of Rubbish Sales.
Proceeds of Hay of People's Park.
&c., &c., &c.

The collection as well as the assessment of the Trade License and Liquor License Taxes is now made by the Assessor, the collections being daily remitted to the Collector, and many of the miscellaneous revenues are collected by the Engineer's Department, and also remitted daily to the Collector, through whose books all moneys realized by the Municipality now pass.

5. ASSESSOR'S DEPARTMENT.—The Assessor prepares the Registers of—
Under examination from 3rd to 14th March.

1. House and Land Rates, (20 vols.)
2. Trade License-tax, (8 vols.)
3. Liquor License-tax, (1 vol.)

6. The House and Land-tax Register of 1869 was minutely examined. It is carefully prepared and in good order; a slight error of addition which affected the total of the demand was under correction, but I subsequently ascertained that the correction had been effected and that the demand agreed with that on the Collector's books. I observed, however, that the requirement of Section 74 of the Act (IX. of 1867) had not been complied with, inasmuch as the names of the owners or occupiers of the houses were in no case entered; the property was indicated by street and number only. I was informed that the difficulty of obtaining accurate information on the subject and the labour involved are very great. It was further urged that it is of little value when obtained, as the tax is levied on the property, and, in the absence of the owner, the occupier is liable. On reference to the old Registers, I found that names of owners had been carried down, from year to year, without any reference to present ownership. Many of the owners, as recorded, had been dead for years, and the maintenance of such a nominal register is obviously no compliance with the requirement of the Act. The preparation of a new nominal list of ownership and occupation would, doubtless, be a work of great labour, and its periodical revision would add to the Assessor's present work; the revision could more easily be effected with that of the assessment itself, which, I understand, is contemplated every four years, at the rate of two Divisions a year; but it appears to me that such a Register would be of some use to the Municipality in respect to other taxes, and its operations generally, as being the most comprehensive of all the Registers; and that its absence must render it difficult, without an actual inspection of the property itself, to exercise even a general supervision over the Assessor's valuations. On inspection of the record, local knowledge could scarcely be brought to bear upon the valuations without better means of identification than the mere specification of the street and number of the property. The Department, however, is in a better position accurately to appreciate the value of such a nominal list. It seems necessary either to complete the Register, or to have the Act modified.

7. It is proposed, by the Finance Committee, that the House and Land Rate Register should be completed by the 31st December to admit of the bills being prepared in the Collector's Department before the 1st April, when the tax becomes due. The preparation of the bills (upwards of 30,000) is a work which is effected by an extra establishment, and as it is of the simplest description, the time occupied is directly dependent on the number of extra hands employed. In the event of any unavoidable delay, not exceeding two months, the bills might all be prepared in a month by employing a larger extra establishment for that period; but in 1869 the delay was too great to be remedied in this way. The Registers were not completed

till the 9th August 1869; they were sent, I find, to the Collector on the following dates:—

1st Division	...	...	...	Vols.	1 and 2	...	...	13th March.
2nd ditto	...	...	...	"	3 and 4	...	...	1st May.
				"	5 and 6	...	...	5th "
3rd ditto	...	...	...	"	7, 8, and 9	...	...	14th June.
4th ditto	...	...	...	"	10 and 11	...	...	9th July.
5th ditto	...	...	...	"	12 and 13	...	...	12th "
6th ditto	...	...	...	"	14 and 15	...	...	16th "
7th ditto	...	...	...	"	16, 17, and 18	...	...	30th "
8th ditto	...	...	...	"	19 and 20	...	...	9th August.

The Registers could not, without previous notice of the change of system, have been completed within the period prescribed by the Finance Committee, but their completion was delayed beyond even the usual period by circumstances over which excepting in the case of delay of about fifteen days in issuing the notice for appeals against the valuations in the 4th and 5th Divisions) the Assessor had no control. A general revision of the assessment had been determined upon, and, with the view of carrying it out in 1869, the Assessor had commenced the revision, had prepared the Registers of the 1st and 2nd Divisions on the revised assessment, and was engaged in the revision of the 3rd Division when his work was suspended by a decision of the Commissioners, arrived at in the end of January. Under an order of the 9th February the Assessor commenced the preparation of the Registers anew, on the basis of the old assessment, it having been determined that, as the revision of the whole could not be carried out efficiently in one year, it should be effected gradually, at the rate of two Divisions in each year. The revision of the assessment of the 1st and 2nd Divisions is now being carried out, and the Register of 1871 will be framed on that revision in respect to these Divisions. On the 3rd of March, when I commenced the audit, the Registers of the current year were almost completed, and the bills, I am informed, were ready for issue on the 1st April; there is, therefore, no reason to anticipate any failure in this Department to meet the requirements of the Finance Committee in future years.

8. The demand of this tax, as per Register of 1869, after correction, amounted to Rupees 2,43,529-14-1.

9. The Register of the old Trade-tax, under Act IX. of 1865, is altogether unreliable. The tax has been abandoned. In connexion with the Collector's Department the circumstances which appear to justify this measure will be noticed.

10. The Registers of the Trade License-tax, levied under Act IX. of 1867, were next examined. These Registers are framed as parties apply for licenses, and last year the collection for the first half-year only was made by the Assessor as licenses were taken out; bills for the tax due for the second half of the year were issued by the Collector, but the arrangement has been found inconvenient and inefficient; and, from the 1st January 1870, the collection of the whole has devolved upon the Assessor, to whom a portion of the Collector's establishment was transferred in 1869.

11. These Registers are carefully and correctly kept, as far as they go, but it was obvious that the assessment itself was imperfect. How far the assessment of the native community is carried out I was unable to judge, and the completion of the list of the European community will alone show the extent of failure in that portion of the assessment; but on naming from memory a considerable number of European gentlemen, who did not appear in the Registers, and who are liable to the tax, it was stated that they never had been taxed. The Assessor fully admitted the

imperfection of the assessment, and informed me that he was engaged in revising it, and with the aid of lists obtained from the Examiner of Claims, and Presidency Paymaster, and the list of residents published in the Asylum Press Almanac, was bringing new names upon the books. These should be supplemented by lists of office and other establishments liable to the tax. I understand that a list of employes in an establishment unconnected with Government has been refused, but in such a case the necessary information can be secured by inquiry. The arrears also indicated a want of due supervision of the Inspectors employed in the collection of this tax. Payment for 1869 had not in some cases been obtained from gentlemen who had been in Madras throughout the year, with the exception perhaps of a couple of months. The explanation was that the Inspector had probably gone to the house during such temporary absence, but in such a case a repetition of the visit was obviously necessary. Such arrears are a source of loss. Any neglect on the part of the Municipality, in itself, begets a difficulty in the realization, and in some cases gentlemen leave the Presidency, or even the country, before the claim attracts attention. It is necessary that the Municipality should adopt measures to ensure the prompt realization of the tax for which parties about to leave Madras are liable. While engaged in the examination of the Registers I found that more than one person had left for England subsequent to the 1st March who had become liable, but to whom no application had been made. Some of the gentlemen so quitting India may return after longer or shorter periods, but others never will. Even in the former case there is the risk of loss, and in the latter case the loss is certain. The ordinary means adopted by the mercantile and trading Communities to protect their own interests should be observed. Official notifications of leave, and any involving movements, should be noted, and prompt action taken. Parties may pay the tax any time before the 1st June and 1st December; but they become *liable* after the expiration of sixty days, when the debt to the Municipality, for the liquidation of which provision must be made, is established.

12. In excuse of the defects above noticed, the Assessor represented the onerous nature of his duties, and the former insufficiency of his establishment which has lately been put on a more efficient footing. His duties, especially out of doors, certainly appear to be arduous, and the frequent absence from office which they involve makes the efficiency of the office establishment a consideration of great importance. Making due allowance, however, for the distraction which the multiplicity of his duties is calculated to create, and the tendency of such accumulation to beget perfunctory execution, especially when the office establishment is not fully equal to the duties required of it, the defects appeared to me to arise, in a great measure, from the absence of *systematic* supervision (with the aid of a complete Register) of the work of the Inspectors employed in collecting the tax, and the fact that, prior to 1870, these Inspectors received a fixed salary (Rupees 50 per mensem) irrespective of the amount of their collections. The absence of inducement to energetic action on their part attracted the attention of the Finance Committee, on whose recommendation the Inspectors are now remunerated by a salary of Rupees 25 per mensem and fourteen annas per cent. on their collections. On the recommendation of that Committee also a "Streetwari" Register, which will secure the due assessment of the native community, is being prepared, as well as a very useful Alphabetical Index.

13. The machinery for the collection of the tax now appears to be good and sufficient, but its working requires close supervision. The portion of the tax which is most easily collected is generally that which is most remunerative to the Inspectors, and there is always the temptation to forego the comparatively small commission realizable on the most laborious part of the work.

14. The Liquor License-tax Register appeared to be properly kept and in suitable form; the basis of this Register is the list of licenses granted by the Deputy Collector of Madras with which the Assessor is furnished, and which enables him, with tolerable accuracy, to compute the demand for the year; that amounted to only Rupees 11,479 in 1869, while in the Budget Estimate the figures were Rupees 13,400. The budget appears to have been framed on an estimate of the number of Beer, Wine, and Spirit Shops made without the information which the Deputy Collector's list afterwards furnished, but the explanation is the less satisfactory that, on reference to the realizations under the same head in 1868, they appear to have amounted to only Rupees 11,057, and I cannot find that there were any grounds to justify the high estimate of 1869.

15. The actual collection of the tax due for 1869 was Rupees 11,165; Rupees 242 were collected on account of the tax for 1868, making a total collection in the year of Rupees 11,407.

16. The establishment of this Department appears to be now on an efficient footing, and the Assessor seems to be fully conversant with the details of the work of his Department, and alive to the defects in his Department which have hitherto tended to restrict the collections.

17. COLLECTOR'S DEPARTMENT.—The books of 1869 are generally well-kept, and those of 1870 are up to date.

18. The Check Registers of the House and Land Rates for the year have been prepared in the form prescribed by the Finance Committee, and afford a ready and sufficient check on the operations of the collecting conicopolies. They show distinctly every bill issued and its history, and as this tax is the great source of revenue to the Municipality the importance of these books is great. The accounts of the twenty conicopolies employed on the tax were checked by these Registers, bill by bill, with the following result:—

Conicopoly No.	1	...	...	...	...	Rupees 4-8-0 deficient.
Ditto	2	...	...	...	...	Correct.
Ditto	3	...	...	...	...	„
Ditto	4	...	...	...	...	„
Ditto	5	...	...	...	...	„
Ditto	6	...	...	...	...	„
Ditto	7	...	...	...	...	Rupees 9-0-10 deficient.
Ditto	8	...	...	...	...	Correct.
Ditto	9	...	...	...	...	Rupees 3-10-0 excess.
Ditto	10	...	...	...	...	„ 1 „

Conicopoly No. 11	...	...	...	Correct.
Ditto	„	12	...	Rupees 0-7-2 excess.
Ditto	„	13	...	Correct.
Ditto	„	14	...	„
Ditto	„	15	...	„
Ditto	„	16	...	„
Ditto	„	17	...	„
Ditto	„	18	...	Bill No. 29,611 for Rupees 2-4-0 not forthcoming.
Ditto	„	19	...	Correct.
Ditto	„	20	...	„

The number of bills for the year 1869 alone is 31,346, (representing Rupees 2,43,529-14-1,) and the share of collection assigned to each conicopoly, excluding bills due by Government which are realized direct by the Department, varied from Rupees 3923 to Rupees 22,530-8-8. The bills in the hands of the conicopolies were inspected after the collections up to date, and those transferred to the Distraint Department and remitted had been ascertained, and the fact that the discrepancies above noted are so small is very creditable to the office. In one case only no account of a bill could be given, and the conicopoly had, of course, to make good its value; the deficiencies of cash have to be supplied; the small excesses probably arise from errors in the conicopolies' accounts, which should be sought out and rectified.

19. With the exception of the omission of the Collector's initials against payments in a few instances, the Registers of the year have been carefully and correctly kept. The same regularity had not been previously observed, as was apparent in examining the arrear collections, but the good effects of the Finance Committee's investigations and suggestions were manifest in the books of the office generally.

20. The amount due for previous years on the 1st January 1869 was Rupees 53,659-15-6; while the demand for the year itself was, by the Collector's books, and by the Assessor's Registers, Rupees 2,43,529-14-1.

21. The amount of collections within the year was Rupees 2,26,577-12-9, while that estimated in the budget was Rupees 2,60,000, which contrasts unfavourably with the collections of the year immediately preceding, although it exceeds those of 1866. Up to the 31st December 1869 only 27,874 bills of the year had been issued to conicopolies. The progress made in the realization of arrears, however, was good. Out of Rupees 53,659-15-6 outstanding on the 1st January 1869, only Rupees 6629-10-4 remained on the 31st December, and of this latter sum Rupees 1501-5-11 had been collected up to the 22nd April 1870, leaving an outstanding on that date of Rupees 5128-4-5.

	RS.	A.	P.
1866...	2,23,167	7	1
1867...	2,50,987	15	4
1868...	2,60,663	12	5
Collected in 1869.....	42,340	3	9
Remissions.....	11,819	11	9
Collected up to 22nd April 1870.....	6,629	10	4
	1,501	5	11
	5,128	4	5

	RS.	A.	P.
Demand.....	2,43,529	14	1
Collections in 1869 ...	1,84,237	9	0
Remissions.....	59,292	5	1
	361	0	1
Collected up to 22nd April 1870.....	58,931	5	0
	35,653	14	11
Add arrears of former years.....	23,277	6	1
	5,128	4	5
	28,405	10	6

22. The arrears of 1869 alone, on the 31st December, were however large, amounting to Rupees 58,931-5-0, but up to the 22nd April 1870 Rupees 35,653-14-9 of that sum had been collected, and Rupees 23,277-6-1 remain, which, with the arrears of former years, constitute, on the 22nd April 1870, a total arrear of only Rupees 28,405-10-6, against a total arrear, on the 31st December last, of Rupees 65,560-15-4.

23. For the large arrears that did exist at the end of 1869 the Collector is not responsible. The Assessor's Registers, as before explained, were transferred to him by instalments, nearly all after the 1st April, the date on which the whole of the bills should have been ready for issue, and the work of collection was, therefore, delayed for several months. The Collector adduces, as an additional reason for the short collection, the introduction, tentatively, of the "Streetwari" system on the recommendation of the Finance Committee. He deprecates that system of collection, as tending to reduce the revenues of the Municipality. His objections, however, did not appear to me to be well-founded. The system prevents the conicopolies from selecting the large and easily-collected bills and showing so good a return at an early period of the collection, and was not relished by the conicopolies themselves; but the system of making over all the bills of the year at once to the conicopolies, and allowing them to collect as they pleased, left them free to select the largest, and most easily-collected bills, and to leave to the last the smaller and most troublesome which readily pass into irrecoverable arrears. The system opens the door also to great abuses. The number of bills in the conicopolies' possession at one time precludes any efficient immediate check on his proceedings. Collections are paid in very much at the conicopolies' option, and large sums belonging to the Municipality may remain in his hands for several months, which would have to be paid in only when there was a prospect of having to make up his accounts. The irregular and objectionable practices to which such a command of money, for a considerable period, must lead it is unnecessary to particularize. The system is bad under any circumstances, but especially so, now that conicopolies are paid partly by commission, as the obvious inducement is to do the easy and remunerative part of the work, and to leave the more troublesome and unremunerative undone. Under the "Streetwari" system a limited number of bills, (generally about 200,) not exceeding in value Rupees 1800 or Rupees 2000, pertaining to a particular part of the district, is given to a conicopoly at a time, when his work is easily supervised, and his collections and bills readily checked. Indeed, the system appears only to require that the collections should be made in a systematic manner, and that alone can secure what under any system is obligatory—an effort to collect every portion of the revenue. The other system, in effect, compounds with the conicopoly for a portion only.

24. Making due allowance for the late issue of the bills, and the fact that the "Streetwari" system is new and distasteful to the conicopolies, it appears to me that the result is favourable to the system.

The issue of the bills was made in mass in 1868, and in portions only in 1869, on the following dates:—

	1868.	1869.
1st Division	24th April...	26th April.
2nd ditto	23rd June...	31st May.
3rd ditto	27th „	28th June.
4th ditto	8th July	14th July.
5th ditto	10th „	16th „
6th ditto	27th „	21st „
7th ditto	4th August	9th September.
8th ditto	5th „	10th „

All the conicopolies were at work with all their bills on the 5th August 1868, while in 1869 all the conicopolies were not at work till the 10th September. On comparing the current collections, which are exhibited in the statements submitted every alternative month to the Commissioners, I found them to be as follow:—

	1868.	1869.
	RS. A. P.	RS. A. P.
April... ..	30 1 2	17 13 8
May }		
June }	* 28,898 3 2	4,365 1 3
July }		
August }	68,933 5 10	46,321 4 6
September }		
October }	59,700 13 10	† 92,240 6 3
November }		
December }	40,407 5 6	41,292 15 4
Total...	1,97,975 13 6	1,84,237 9 10

and it can scarcely be doubted that, when the “Streetwari” system has the authority of a permanent arrangement, it will be found more productive than the desultory efforts of the conicopolies have hitherto proved.

25. But in respect to this tax unnecessary delay in realization and consequent expense appears to result from the amount of forbearance which is exercised in the collection of the tax; each bill contains a notice that, if the amount is not paid within seven days, the party is liable to a notice of demand, and after the lapse of other seven days he is liable to distraint; but practically the law is put in force only when the claim is repudiated, or there is good reason to believe that payment will not be made. The Finance Committee have so far remedied the evil by the suggestion that, at the expiration of two months, if the conicopoly fails to realize the amount of the bill, it should be made over to the Distraint Department; the conicopoly has thus an inducement to realize it before the expiration of that period to obtain his commission of one per cent., and this element of self-interest is valuable, but it cannot be altogether relied on, because the Distraint Department has a higher interest in obtaining the bill, where its realization yields a commission of five per cent.,

* Includes the Government payment of Rupees 59,795.

† Includes the Government payment of Rupees 22,055-13-1.

and, under such circumstances, collusion between the subordinate agents has to be guarded against. But, apart from such considerations, a conicopoly should not be liable, I think, to be put off by rate-payers, when he is making a just and legal demand. The effect of it must be to paralyze, to a very considerable extent, the energy of these agents, while they require all the support that can properly be given to them. The tax is due on the 1st April, and the demand for payment on any subsequent date cannot involve a hardship if the fact of liability is publicly notified beforehand. Rate-payers well know the liabilities for which they have to provide. It is natural that they should wish to defer the payment, and there is a natural repugnance to coercive measures on the part of the Municipal authorities; but the understanding that forbearance will be exercised, which appears to exist, makes the work of collection a very tedious and uncertain operation. The conicopoly of the Mount Road District had collected little more than half his first batch of bills for the current year after he had been two months at work, and on several of the bills unpaid, I observed the month in which he was to obtain payment noted in pencil by the rate-payer. Letters are addressed to parties requesting them to pay, and while engaged in the investigation of this subject, the Collector handed me a reply from a Mount Road Firm, in which the party alleged that he had not until last year paid till November, that last year he paid in August to oblige the Collector, but requested an explanation of the demand in the current year at so early a date; the case is cited to illustrate the difficulties with which the conicopoly and the department have to contend. It was not an exceptional case, but one which I was assured was of frequent occurrence—a statement which the Register and the conicopoly fully supported; and the amount of unnecessary effort on the part of the conicopoly, and unnecessary correspondence on the part of the Collector, which such a system of forbearance involves, is a great evil. Under such a system the public are adding to their taxes an additional and unnecessary tax in the form of establishments larger than are really necessary for the collection of the taxes. There will always be a portion of the tax recoverable only by expensive means, but the great bulk of it would, it is believed, be promptly realized if the certainty of coercive measures in case of failure to pay existed. Such a certainty would, I submit, most effectually obviate the necessity for coercion, and until the demand for payment of this and the other taxes is supported by a certainty that, after due warning, the penalty will be enforced, without respect of persons, I do not think that the taxes can be realized to the full extent that they should be, or that the agents employed in their collection can feel that they are duly supported in the execution of an invidious duty, and work under a proper sense of duty.

26. The Collector has, I find, maintained the regular periodical check on the conicopolies as prescribed by the Finance Committee, examining their bills in hand with their realizations; but as bills are still issued to the Inspectors of the Distraint Department, without restriction as to number, I do not think the check can be effectual in that Department.

27. The total outstanding of the old Trade-tax, levied under Act IX. of 1865, and abolished in 1867, at the commencement of 1869, amounted to 41,424 bills, aggregating Rupees

Old Trade-tax of 1865.

2,14,617-8-0. Of that amount the sum of Rupees 7369-7-1 was collected in 1869, and the sum of Rupees 2,061-9-6 was remitted, leaving an unrecovered balance of Rupees 2,05,186-7-5 at the close of the year. In 1868 the bills were, I find, examined, and 26,014 bills, aggregating Rupees 1,17,959-8-0, were passed into the books as recoverable, and 15,486 bills, aggregating Rupees 96,895, were pronounced to be irrecoverable, but the cost of collecting Rupees 7369-7-1 during the last year amounted to Rupees 6464-0-5, and it becomes proportionally greater the further such collection is pursued. It has been determined, therefore, by the Commissioners to destroy the bills which represent the unrecovered balance of Rupees 2,05,186-7-5.

28. A Register was shown me which purported to explain the causes why these bills could not be recovered; but the explanations were based on statements made by the agents charged with the collection, and did not appear to be of much value. Out of an estimated collection of Rupees 25,000, however, only Rupees 7367-7-1 were realized in 1869, and that sum wholly by distraint. The great loss resulting from the delay and inefficiency which marked the operations of former years in respect to this tax seems therefore inevitable. The obvious difficulty, if not impossibility, of realizing large outstanding arrears, for the existence of which the Municipality of the period was itself chiefly responsible, appears to render it necessary to write the amount off the books. It should not, however, be assumed that the loss is correctly represented by the sum written off, a large portion of which consists of bills which, there is good reason to believe, should never have been framed.

29. The collection of the Trade License-tax, levied under Act IX. of 1867, has been unsatisfactory. The figures of the Budget Estimate are Rupees 1,29,000, the actual collections of the year only Rupees 69,523-8-0. It was stated by the Assessor that the Budget Estimate was much too high, and the estimate for 1870 is only Rupees 85,000. The estimate was probably too high; the completion of the Registers referred to in paragraph 11 of this Report will alone afford reliable information on that point; but I do not think there can be any reasonable doubt that the collection of the year is much below what it might and should have been. I learned that the progress made in the collections of the current year promised a much better return.

30. The Collector received from the Assessor 912 bills for the second half of the year, aggregating Rupees 8905-8-0, of which the sum of Rupees 6035, the value of 516 bills, only was collected within the year, leaving a balance of 396 bills of the value of Rupees 2600-8-0 outstanding. It appears that 389 bills were transferred by the Collector to the Distraint Department between the 10th and 13th December, that is, within thirteen days after payment was due. The Collector informed me that the conicopolies had reported to him that application for payment had been made in every instance between the 1st and 12th December—a statement which implies so unusual a degree of activity on the part of the conicopolies that, I think,

	Rs.	A.	P.
Collected in 1869...	2,14,617	8	0
	7,369	7	1
Remitted	2,07,248	0	11
	2,061	9	6
	2,05,186	7	5

	Rs.	A.	P.
Arrears	4,653	0	0
Current	64,840	8	0
	69,523	8	0

it should have suggested further inquiry before the bills were so precipitately transferred to a Department in which their collection was much more expensive, and my doubts in regard to the propriety of the measure were increased by finding that forty-two more bills, which were received by the Collector in 1870 on the same account, were at once transferred to the Distraint Department without any attempt to collect the amount having been previously made. The Collector explains that these latter bills were transferred to the Distraint Department for the purpose of being collected, not by distraint but by the conicopolies, and were merely transferred as a matter of convenience to the Distraint Books at once, in addition to the bills transferred in December 1869, as being the last with which the Collector's Department had to deal. The Collector's Check Register does not show the bills as transferred, nor are they acknowledged in that Register by the initials of the Manager of the Distraint Department, so that the Check Register is in respect to these bills an incorrect record. The explanation of the irregularity does not appear to me satisfactory, as the collections could not be as efficiently made in the Distraint Department through conicopolies unconnected with that Department, as they could have been under the immediate direction of the Collector himself; and as the bills were actually brought on the Collector's own books, it is difficult to see how the measure can be justified on the ground of convenience.

31. The Register of the tax on carriages, horses, and other animals is compiled as parties apply for licenses, and appears to be carefully kept. In a few instances the initials of the Collector in acknowledgment of the payments were wanting. The amount estimated in the budget was Rupees 45,500, while the actual collection amounted to Rupees 44,115 only. The discrepancy is not great, but a comparison of the collection with the figures of previous years shows that either there has been a very considerable diminution in the number of carriages and animals within the last few years, or that the amount of tax due has not been realized.

32. The amount of collection of the old Wheel-tax, levied under Act XXV. of 1856, never rose above Rupees 43,663, and it reached that figure only in 1858, the second year in which it was in operation. In 1866, the first year in which the Carriage License-tax under Act IX of 1865 was in full operation, the collections under that head amounted to Rupees 55,229, in addition to arrears, amounting to Rupees 5302, under the Act of 1856. In 1867 the collections fell to Rupees 43,522-4-0, that is, Rupees 11,706-12-0 in one year, in respect to the collection under Act IX. of 1865 alone. In 1868 there was a slight increase.

33. The Collector admits that many persons evade this tax, but considers that 1866 was an exceptional year, and that many persons after that year gave up keeping horses and conveyances, or reduced their establishments in consequence of the tax. The latter part of the explanation does not, I think, consist with general experience, which rather points to an increase than a diminution in the number of conveyances and horses within the last few years, and the tax existed before 1866 though under a different name. The true cause must, I believe, be sought for

elsewhere. The statistics connected with the tax are remarkable, the figures of 1866 and 1867 being as follow:—

	1866.	1867.
	RS.	RS.
Half-yearly payments on Carriages drawn by two Horses	545	474
Ditto on ditto one Horse... ..	3,708	2,982
Ditto Horses over thirteen hands	4,007	3,088
Ditto „ of or under thirteen hands... ..	4,236	3,178
Ditto „ under eleven hands	471	459
Ditto Bullocks or Bulls... ..	6,720	5,135
Ditto male Buffaloes	51	31
Ditto Asses	199	110
Ditto Dogs	5,106	1,405

and in 1868 and 1869 the numbers do not greatly differ from those in 1867. The above figures give the number of half-yearly payments, and as two of these would ordinarily be made on the same conveyance or animal, half the difference in the numbers of the two years will indicate approximately the diminution in the number of conveyances and animals registered. It will thus be seen that the old Wheel-tax reached the highest figure in the second year of its operation, and the Carriage License-tax much the highest in the first year. In the former case bills were furnished to parties liable, and some time must have elapsed before the list was framed with any degree of completeness; the machinery could scarcely be in full working order till the second year. In the latter case those liable were required at once to take out licenses under pain of prosecution, if they failed, and after full inquiry into the circumstances of the case, it appears to me that 1866 was chiefly exceptional in that the fear of a penalty under an Act, the working of which was anticipated to be more rigorous than it has proved, induced many to register their conveyances and animals who have since found that the tax may, without much difficulty, be evaded. The remedy is, I think, to be found in the more energetic supervision of the Inspectors engaged in the collection of the tax, and the more prompt and certain prosecution of defaulters. The full collection of the tax is attended with many difficulties, which determination and the full use of every lawful means of obtaining information (especially through the police) will alone overcome. The number of Inspectors has been increased from three to eight on smaller salaries, and one rupee is offered for every new conveyance unregistered which the Inspectors bring to notice; but I doubt the efficacy of the first arrangement, because an Inspector will not, I apprehend, make much way unless he is a person who can make his presence felt, and the small pay exposes the agents employed to a strong temptation to accept a higher sum than the Municipality offers, as the price of silence.

34. The Register of carts without springs is carefully kept. The amount realized during the year was Rupees 13,005, being Registration of Carts. Rupees 1708 in excess of the Budget Estimate, and Rupees 1186 in excess of the collection of the previous year—a result which appears to be due to greater energy in securing registration. The Collector is of opinion, also, that the number of carts within the Municipal limits has increased.

35. These are the principal collections made by the Collector. All moneys received by him direct, or from other officers of the Municipality, are entered in his Cash-book which has a sheet for each day containing a printed form of account in duplicate like a Cheque-book. The entries of the day are made in both accounts, the total collection is sent to the Bank daily, and the Bank's receipt with the account is transferred at once to the General Department, the counterfoil remaining in the book as the Collector's office record. Every item in this Cash-book was checked, and its correctness ascertained. It is kept with great exactness. As the Collector parted with the Bank's receipt *immediately* after payment of his cash for the day, and received no acknowledgment of a voucher which attests a payment sometimes exceeding Rupees 20,000, it was suggested that the initials of the Assistant to the President should be affixed to an entry on the counterfoil, to release the Collector from all further responsibility in regard to proof of payment, and the suggestion was at once adopted.

36. The accounts of this office are in themselves generally well-kept, and the in-door establishment seems to be efficient. The Collector, complained of the inefficiency of some of his collecting conicopolies, and indeed alleged a want of ready obedience to his orders in excuse for some defects and omissions which were pointed out. In the course of the audit, and more especially when I investigated the causes of failure in some of the taxes, it was apparent that the Collector was not sufficiently conversant with the details of the work of his office to exercise a very intelligent or effective control. He appeared to be dependent on his subordinates for information on points of detail, and on some points of importance in respect to the work of collection, and did not seem to appreciate the moral effect of familiarity with every part of the work in securing a willing obedience and the prompt recognition of authority. The good effects of the Finance Committee's suggestions, and the Commissioners' action upon them, were clearly discernible in the books and general procedure of 1869, as contrasted with those of former years, and the Collector is entitled to credit for his exertions in giving effect to the intentions of the Commissioners to the extent which the results of the year indicate; but it cannot, I think, be doubted that the results would be greater if the pressure brought to bear upon himself were less mechanically transmitted to his establishment, and a thorough knowledge and appreciation of the arrangements in his office enabled him intelligently to direct his subordinates and to command their obedience. The Collector's duties demand a fair amount of intelligence, considerable energy, and much vigilance; but without a familiarity with details such qualifications must be, to a great extent, ineffectual.

37. ENGINEER'S AND SANITARY DEPARTMENTS.—I found the books of the Engineer's and Sanitary Departments in good order and up to date. Adequate checks against contractors and overseers appear to be maintained. The Engineer's conicopolies are the immediate check upon the contractors' daily work; they make their own reports; the overseers make independent reports after inspection; and the Executive Engineer or his Assistant by personal inspection exercises the final check. The system is satis-

factory, and appears to be carefully worked; the real efficiency of the system, however, depends upon the close supervision and constant vigilance on the part of the Engineer and his Assistant. The diaries of the Engineer's and Sanitary Inspectors are properly kept and up to date. The cash receipts in these Departments are at once made over to the Collector.

38. GENERAL DEPARTMENT.—The accounts of this Department were examined in detail, each entry in the Cash-book, or "Journal"* as it is called was compared with its voucher, and every posting in the Ledger was checked.

39. A separate account of the Water-Distribution Project is kept under an arrangement made in August 1869, and the Cash-book and Ledger appertaining to that work were similarly audited.

40. The books have been kept with perfect accuracy and with great care; their arrangement is lucid and satisfactory; their condition attests the efficiency of the establishment.

41. With reference to the Order of Government, dated 6th April 1870, No. 394, and the report of the Bombay Committee, I may here state that the accounts embrace the actual receipts and payments in each year, without reference to the particular period at which the liability arose, while the Registers in the Assessor's and Collector's Departments are framed for each year, and the receipt of each item is recorded in the Register of the year with the date of actual payment whether made in the year itself or in any subsequent year. As already explained the entire cash receipts of the Municipality are paid by the Collector into the Bank of Madras daily. All disbursements are made by drafts of the President against the Bank account, except in the case of petty payments for which the Manager of the General Department holds a standing advance for Rupees 200.

42. The Commissioners' annual statement of receipts and disbursements, dated 1st January 1870, has been examined and agrees with the Ledger. I append an attested copy (A.), as also an attested copy of the statement of the balance sheet of the Water-Distribution Project, dated 31st December 1869 (B.), which has been similarly verified.

43. From the former statement it will be observed that the gross receipts of the year, including the cash balance of Rupees 1,73,526-10-4 on the 31st December 1868, amounted to Rupees 7,39,136-0-1, while the gross disbursements amounted to Rupees 7,09,316-8-2, and the cash balance, on the 31st December 1869, was reduced to Rupees 30,819-7-11.

44. The cash balance at the credit of the Municipality in the Bank books amounted to Rupees 36,048-1-6, the difference arising from the fact that cheques to the amount of Rupees 5228-9-7 drawn in 1869 had not been cashed.

45. The net receipts of the year, exclusive of the cash balance of 31st December 1868, the amount of advances recovered, composition tolls to be paid to the

* This book shows the total of receipt and expenditure up to date, and the daily balance at credit and with the Ledger and "Abstract Book" gives at all times the exact financial position of the Municipality.

contractor, Income-tax, and refunds, amounted to Rupees 4,90,800-10-11 only, and the net expenditure excluding advances recoverable, proceeds of sale of materials, &c., to Rupees 6,47,923-4-5.

46. RECEIPTS.—The receipts on account of the various taxes have been already noticed; the statement subjoined contrasts these receipts with the collections of 1868 under the same heads:—

	1869.			1868.		
	RS.	A.	P.	RS.	A.	P.
Rate on Houses, Buildings, and Lands	2,26,577	12	9	2,60,633	12	5
Tax on Arts, Professions, Trades, and Callings under Act IX. of 1865	7,369	7	1	50,617	11	1
Ditto ditto under Act IX. of 1867.	69,523	8	0	83,907	0	0
Liquor License-tax...	11,407	0	0	11,057	0	0
Tax on Carriages, Horses, and other Animals.....	44,115	0	0	45,065	8	0
Registration of Carts	13,008	0	0	11,822	2	10
Tolls...	46,000	0	0	47,543	0	0
Miscellaneous including Government Contribution...	78,472	13	9	72,481	4	10

47. The causes of diminution in the House and Land rate collections, the Trade-tax of 1865, and the Trade License-tax of 1867 have been noticed in the report on the Assessor's and Collector's Departments.

48. The highest tender for the tolls for 1869 was Rupees 42,000, against Rupees 48,000 in 1868, and Rupees 36,000 in 1867.

49. The contribution of Government during the year for the maintenance of roads, the zoological collection, and towards cleaning the main drain amounted to Rupees 39,175-10-2.

50. The Municipality's disbursements on account of the Water-Distribution Project, amounting to Rupees 7050-9-10 in 1868, and Rupees 27,271-10-0 in 1869, were refunded from the loan sanctioned for that work, and, as already observed, a separate set of books for the accounts connected with the work are now kept.

51. DISBURSEMENTS.—The discrepancies between the budget provision and the expenditure under the several heads are explained in the statement of the Commissioners. The arrangement of the budget and of the accounts of 1869 differ from that of former years; but the expenditure of 1869 is shown below in contrast with that of 1868, under the principal heads:—

	1869.			1868.		
	RS.	A.	P.	RS.	A.	P.
Salaries of Supervising Officers	50,806	10	7	47,300	0	0
Establishments	1,89,309	8	1	1,63,076	5	0
Conservancy exclusive of Establishments	46,526	14	9	45,501	2	2
Miscellaneous Expenditure	7,894	8	10	6,833	13	4
Contribution on account of Police	1,07,232	0	0	1,07,232	0	0
Public Works Ordinary... ..	1,55,929	11	1	1,09,138	11	9
Construction and Improvement	1,06,460	12	7			

It will be observed that the expenditure under most of the heads was greater in 1869 than in 1868; very much so in the items of Public Works Ordinary, construction and improvement, but it would appear that the works and improvements contemplated for 1868 were not fully carried out as the budget provision for the year was Rupees 6,14,410, while the expenditure was only Rupees 5,31,596-7-1.

52. Comparing some of the principal items included under the above heads, it appears that the expenditure in these, in 1869 and 1868, was as follows:—

	1869.			1868.		
	RS.	A.	P.	RS.	A.	P.
Lighting	22,175	6	5	24,281	0	7
Conservancy including Establishments	1,91,459	0	4	1,68,759	15	5
Roads	1,13,140	8	10	82,931	9	10
People's Park	14,416	0	10	19,531	7	1

53. To the Supervising Officers an Assistant to the Executive Engineer has been added, but the great increase is under the head of Establishments, the cost of the Conservancy Establishments having risen from Rupees 1,24,691-1-2 in 1868, to Rupees 1,44,932-1-7 in 1869.

54. Referring to paragraph 28 of the Audit Report of 1868, I beg to state that the accounts therein specified have now been included in the general accounts of the Municipality, the balances having been closed in the Ledger of 1868 to "Municipal Fund."

55. The Government Securities, amounting to Rupees 37,000, were inspected at the Madras Bank, and found correct.

56. The balance at the credit of the Municipality, on the 31st December 1869, amounted to Rupees 1,59,507-11-5, composed as follows:—

	RS.	A.	P.
Cash Balance in Bank... ..	30,819	7	11
Government Securities	37,300	0	0
Value of Office Premises	21,000	0	0
Arrears of House and Land Rates	65,560	15	4
Due by Farmer for repairing Toll-Gates... ..	8	13	0
Due by Government for cleaning Main Drain... ..	539	7	2
Advances recoverable	4,279	0	0
	1,59,507	11	5

57. In explanation of the extent to which administrative questions have been discussed in this report, I would observe that the requirements of the resolution of the Commissioners, and of paragraph 3 of the Order of Government, No. 234, dated 23rd February 1870, and the comprehensive nature of the inquiry, necessarily involved the discussion of questions which would not come within the scope of an ordinary audit.

58. Referring to the Bombay Report, which I have the honour herewith to return, I would remark that the transactions of the Bombay Municipality, it is presumed, are much larger than those at Madras, and the constitution of the Municipality appears to be somewhat different. With the limited collections made here daily, and the class of subordinate agents employed in the collection, it is, I think, very desirable that the practice of making all payments into the Bank both by such agents and other parties through the Collector should be observed. It would seem that, in Bombay, payments to the Municipality are made direct to the Bank, and the receipts are handed over by the party to the Municipality in proof of payment; here the Bank receives the cash from the Municipality itself, and generally in one sum daily. The suggestions made in the report appear to be generally met by the Madras system. In preparing the Budget Estimate here the estimated expenditure is contrasted with that of the current year shown in a statement which is framed partly from actuals and partly on an estimate of the transactions for the remainder of the year, corresponding with the Government regular estimate. The actuals of the preceding year would give a more reliable standard of comparison in respect to some of the heads and might be added, but its utility would not be so great as it is in the Government Budget, as the heads of expenditure vary considerably from year to year, where the expenditure is small, and the nature of the works undertaken very different.

59. This Municipality appears, at present, to have no accumulation of stores; but it is presumed that, as funds become available, the system of maintaining a stock of materials, &c., in general use in the Department, which can be obtained on more advantageous terms direct from England, will be resorted to.

60. I do not see that any material advantage would be secured by altering the Financial year from the Calendar year to that of Government, as most of the taxes are leviable for the Calendar year; but the point is one on which the Commissioners will be able to form a more accurate opinion in respect to the points adverted to in the last paragraph of the Bombay Committee's Report.

A.
MUNICIPALITY OF MADRAS.
Statement of Receipts from 1st January to 31st December 1869.

Receipts.	Budget Estimates for 1869.	Receipts from 1st January to 31st October 1869.		Receipts in November and December 1869.		Total Receipts.	Remarks.
		RS.	A. P.	RS.	A. P.		
Cash Balance in hand on 31st December 1868..	1,75,000 0 0	...	...	...	...	1,73,526 10 4	
Value of Government Promissory Notes in hand on 31st December 1868..	35,062 0 0	...	...	...	...	...	
Rates on Houses, Buildings, and Lands—							
Arrears..	2,60,000 0 0	{	40,915 9 11	1,424 9 10	42,340 3 9		
Current..		{	1,42,944 9 8	41,292 15 4	1,84,237 9 0		
Tax on Arts, Professions, Trades, and Callings under Act IX. of 1865..	25,000 0 0		6,103 4 2	1,261 2 11	7,369 7 1		
Ditto Act IX. of 1867—							
Arrears..	1,29,000 0 0	{	4,107 0 0	576 0 0	4,683 0 0		
Current..		{	55,158 0 0	9,682 8 0	64,840 8 0		
Liquor License-tax—							
Arrears..	13,400 0 0	{	242 0 0	...	242 0 0		
Current..		{	11,141 0 0	24 0 0	11,165 0 0		
Tax on Carriages, Horses, and other Animals—							
Arrears..	45,500 0 0	{	34 8 0	...	34 8 0		
Current..		{	34,768 8 0	187 0 0	34,955 8 0		
Prospective			51 12 0	9,073 4 0	9,125 0 0		
Registration of Carts and other Vehicles without springs—							
Arrears..			22 0 0	...	22 0 0		
Current..	11,300 0 0	{	11,784 0 0	1,104 0 0	12,888 0 0		
Prospective..			...	58 0 0	58 0 0		
Registration Fees..			34 4 0	5 12 0	40 0 0		
Tolls on Carriages and Animals entering the Town—							
Farm..	42,000 0 0		35,500 0 0	10,500 0 0	46,000 0 0		{ This includes the instalment of Rs. 4000, for Decem- ber 1868, collected in January 1869, and the Far- mer has paid the whole year's rent for this year. Payable to the Farmer.
Compound..	...		646 0 0	532 8 0	1,178 8 0		

MISCELLANEOUS.	6,000 0 0	4,204 6 0	823 7 0	5,027 13 0	RS.	A.	P.
	5,700 0 0	4,854 14 0	884 1 0	5,738 15 0	2,005	12	3
Rent of Market Stalls..	2,100 0 0	715 4 0	136 13 3	4,784 1 3	Balance of 1867.....	1,931	10 0
Fees from Shagher-Houses..	3,500 0 0	4,169 15 1	614 2 2	4,900 13 0	Proceeds of 1869.....	3,360	0 0
Strand Rents..	1,000 0 0	286 10 0	204 3 0	6,947 6 3	Total..	6,947	6 3
Licenses for Dangerous and Offensive Trades	2,000 0 0	6,947 6 3	...	2,777 10 10			
Proceeds of Rubbish Sales..	2,300 0 0	2,320 2 6	457 8 4	3,481 4 9			
Ditto of Hay of the People's Park.	3,600 0 0	2,867 7 2	613 13 7	3,481 4 9			
Grazing Grounds and Avenues..	800 0 0	343 13 0	380 8 0	734 5 0			
Demand and Warrant Fees.		1,121 6 0	25 0 0	1,146 6 0			
Fines received through the Police							
levied on Contractors..							
" and Stoppages on Establishment—	1,000 0 0	3,139 10 4	559 8 3	3,699 2 7			
Conservancy..		367 3 8	18 7 6	385 11 2			
Other Departments							
Government Contribution for maintenance of Roads..	35,000 0 0	35,000 0 0	...	35,000 0 0			
Interest on Government Securities ..	1,488 0 0	1,492 0 0	...	1,492 0 0			
Sundries.....	500 0 0	759 13 6	384 2 2	1,143 15 8			
Sale proceeds of Land		266 12 0	...	266 12 0			
People's Park		4,259 15 6	12 14 5	4,272 13 11			
Improvement of Boatmen's Huts in Royapooram.		167 5 1	...	167 5 1			
Ditto of Errabanko Chetty Street.		5,802 12 0	1,633 0 0	7,435 12 0			
Ditto of Isaac and Pernal Chetty Streets, John Pereira..							
Ditto of Annappillay and Andeappah Natek Streets		3,361 6 10	218 13 2	3,580 4 0			
Widening of Vepery High Road		1,704 2 0	914 8 0	2,618 10 6			
Ditto of Puriswalkum High Road		323 5 4	...	323 5 4			
Ditto of Ruler's Lane		330 8 0	196 0 0	526 8 0			
Imperial License-tax, (Liability).....		131 11 3	...	131 11 3			
Income-tax		176 2 11	...	176 2 11			
Water-Distribution Project		438 9 0	145 4 0	583 13 0			
Conservancy—Cleaning Main Drain..		27,721 10 9	...	27,721 10 9			
Experiments in Deadening Sewage..		215 10 2	5 15 11	215 10 2			
Salaries ..		1,433 5 4	...	1,433 5 4			
The Municipal Fund of Madras		7,050 9 10	...	7,050 9 10			
Advances recovered..		12,418 2 2	3,770 0 0	16,188 2 2			
Total..	8,01,250 0 0	4,77,849 7 5	87,759 14 4	7,89,136 0 1			

This sum is made up of—
Balance of 1867..... 2,005 12 3
Proceeds of 1869..... 1,931 10 0
Total.. 3,936 0 0

This includes Rs. 3900, the Government contribu-
tion towards maintenance of the Zoological Col-
lection.

Sale proceeds of Land and Building materials, &c.,
to be set off against Disbursements on these
accounts on adjustment.

Disbursed per contra.
Ditto Ra. 438-9-0.
Reimbursement per contra.
Contribution from Government.
Sale of vegetables at the Sewage Farm.
Proportion of Executive Engineer's salary debited
to Water-Works Project.
Reimbursement, from Water-Works Project, of ex-
penditure in 1868 met from General Municipal
Fund.

DISBURSEMENTS.		Budget Grants for 1869.			Disbursements from 1st January to 31st October 1869.			Disbursements in November and December 1869.			Total Disbursements.			Remarks.
		RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	
Salaries...	...	50,900	0	0	42,586	10	7	8,220	0	0	50,806	10	7	(The excess is owing to the organization of the Disbursment Department.
Establisment...	President's Office...	6,720	0	0	5,004	10	8	956	0	0	5,960	10	8	
Assessor and Collector's Departments...	...	26,310	0	0	23,830	7	9	5,695	10	9	29,426	2	6	
Executive Engineer's	ditto in-door...	3,504	0	0	2,520	0	0	534	0	0	3,054	0	0	
Ditto	ditto out-door...	4,224	0	0	3,361	12	3	624	9	6	3,986	5	9	This expenditure includes the remuneration paid to Mr. Mackey and others under the Finance Committee's recommendation, as there was no special provision for it.
Extra Writers, &c.	...	1,090	0	0	1,667	12	7	182	7	0	1,850	3	7	
CONSERVANCY.														
Establishment, out-door...	...	1,58,910	0	0	1,18,563	10	0	24,032	2	3	1,42,565	12	3	The excess is owing to the employment of an additional Clerk from June to October in consequence of the introduction of a new system.
Ditto Office...	...	2,244	0	0	1,990	0	0	356	5	4	2,346	5	4	The increase is owing to the extraordinary expenditure incurred for preventing the spreading of cholera and in supplying water to the poor.
Repairing Carts, &c.	...	2,500	0	0	662	1	10	92	1	2	754	3	0	
Contingent...	...	4,000	0	0	5,473	0	0	726	11	3	6,199	11	3	The extra expenditure was necessarily incurred for excavating pits for the burial of rubbish that could not be transported by boats for want of water in the canal during a great portion of the year, and is in a great measure, covered by savings under other heads, viz., a monthly reduction of Rupees 920 in the Boat Establishment and Rupees 57 in the Out-door Establishment for covering rubbish besides Rupees 600 allowed for repair of boats. Moreover pits costing about Rupees 750 are available for use in 1870.
Store Establishment...	...	1,200	0	0	908	6	8	189	8	0	1,097	14	8	(The excess forms the value of five trolleys ordered to be made last year, but paid for this year, without having been provided for in the budget for this year.
Cleaning Main Drain...	...	2,000	0	0	1,602	6	10	287	4	6	1,889	11	4	This includes the price of some English axes purchased and a slight increase of pay to the men who had more than ordinary work to perform during the uncommonly dry season this year.
Excavating pits for burying Rubbish, &c.	...	3,000	0	0	4,998	12	11	1,623	5	8	6,622	2	7	This is the advance made to the Census Committee.
Repair of Boats...	...	600	0	0	...	...	...	...	...	...	...	...	...	
Slaughtering Dogs	...	800	0	0	537	7	0	2	8	0	539	15	0	
Sanding Latrines...	...	1,750	0	0	718	11	0	276	8	0	995	3	0	
New Sewage Carts	...	6,160	0	0	6,160	0	0	...	...	...	6,160	0	0	
New Latrine Carts	...	4,900	0	0	4,900	0	0	...	...	...	4,900	0	0	
New Rubbish Carts	...	3,850	0	0	5,100	0	0	...	...	...	5,100	0	0	
Stock for Stores...	...	4,000	0	0	1,521	14	2	464	9	2	2,276	7	4	
Watering North Beach and Mount Road	...	3,100	0	0	2,950	11	7	572	3	4	3,522	14	11	
Registry of Births and Deaths...	...	6,000	0	0	4,584	11	8	884	0	0	5,468	11	8	
Motief of Expenses for taking the Census	...	12,500	0	0	1,000	0	0	...	...	...	1,000	0	0	

MISCELLANEOUS.		3,000 0 0		1,681 11 3		72 9 10		1,754 5 1		{This excess is owing to the introduction of several new Forms.	
Stationery ...	...	...	...	...	...	...	...	...	...	...	...
Printing Charges	...	...	...	...	...	...	...	...	...	...	...
Advertising, "	...	...	...	...	...	...	...	...	...	...	...
Law	...	...	...	...	...	...	...	...	...	...	...
Stamp Duty	...	...	...	...	...	...	...	...	...	...	...
Sundries...	...	...	...	...	...	...	...	...	...	...	...
REFUNDS OF TAXES.		1,500 0 0		1,714 2 4		377 9 10		2,091 12 2		This expenditure includes the Engineer's Office rent and other things not specially provided for.	
Tax on Arts, Professions, Trades, and Callings under Act IX. of 1867, (Arrears)...	...	...	...	...	...	...	...	...	...	...	...
Ditto ditto (Current)...	...	...	...	...	...	...	...	...	...	...	...
Rates on Houses, Buildings, and Lands, (Arrears)...	...	...	...	...	...	...	...	...	...	...	...
Tax on Carriages, Horses, and other Animals, (Current)...	...	...	...	...	...	...	...	...	...	...	...
Ditto ditto (Prospective)...	...	...	...	...	...	...	...	...	...	...	...
Tax on Arts, Professions, &c., under Act IX. of 1865...	...	...	...	...	...	...	...	...	...	...	...
Contribution to Government on account of Police	...	1,07,232 0 0	...	...	...	17,872 0 0	...	...	1,07,232 0 0	...	...
PUBLIC WORKS ORDINARY.		...		...		...		...		...	
Civil Buildings.		...		...		...		...		...	
Repairing Slaughter-Houses	...	1,000 0 0	...	...	...	233 14 0	...	...	539 6 0	...	...
Ditto General Market	...	1,000 0 0	...	...	...	245 8 7	...	...	282 6 2	...	...
Ditto Latrines...	...	1,000 0 0	...	...	...	496 11 8	...	...	1,145 6 6	...	...
Ditto Office Premises...	...	700 0 0	...	...	...	...	...	...	1,093 2 2	...	...
Communications.		...		...		...		...		...	
Maintenance of Roads, 1st Division...	...	12,390 0 0	...	...	...	194 6 10	...	...	5,801 1 0	...	...
Ditto ditto 2nd ditto...	...	9,050 0 0	...	...	...	1,109 14 10	...	...	6,357 0 6	...	...
Ditto ditto 3rd ditto...	...	14,530 0 0	...	...	...	376 9 2	...	...	11,575 3 0	...	...
Ditto ditto 4th ditto...	...	14,090 0 0	...	...	...	470 9 0	...	...	20,956 12 7	...	...
Ditto ditto 5th ditto...	...	11,340 0 0	...	...	...	226 9 7	...	...	18,756 8 9	...	...
Ditto ditto 6th ditto...	...	9,200 0 0	...	...	...	239 4 7	...	...	15,114 7 1	...	...
Ditto ditto 7th ditto...	...	15,580 0 0	...	...	...	153 15 2	...	...	12,258 8 10	...	...
Ditto ditto 8th ditto...	...	13,820 0 0	...	...	...	3,082 10 11	...	...	17,328 2 0	...	...

DISBURSEMENTS.	Budget Grants for 1869.			Disbursements from 1st January to 31st October 1869.			Disbursements in November and December 1869.			Total Disbursements.	Remarks.	
	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.			
Salaries.....	50,900	0	0	42,586	10	7	8,220	0	0	50,806	10	7
ESTABLISHMENTS.—President's Office.....	6,720	0	0	5,004	10	8	956	0	0	5,960	10	8
Assessor and Collector's Departments.....	26,310	0	0	23,830	7	9	5,695	10	9	29,526	2	6
Executive Engineer's ditto in-door...	3,504	0	0	2,520	0	0	554	0	0	3,054	0	0
ditto out-door...	4,224	0	0	3,361	12	3	624	9	6	3,986	5	9
Ditto	1,000	0	0	1,667	12	7	182	7	0	1,850	3	7
Extra Writers, &c.												
CONSERVANCY.												
Establishment, out-door.....	1,58,910	0	0	1,18,553	10	0	24,032	2	3	1,42,585	12	3
Ditto Office.....	2,244	0	0	1,990	0	0	356	5	4	2,346	5	4
Repairing Carts, &c.	2,500	0	0	662	1	10	92	1	2	754	3	0
Contingent.....	4,000	0	0	5,473	0	0	728	11	3	6,199	11	3
Store Establishment.....	1,200	0	0	908	6	8	189	8	0	1,097	14	8
Cleaning Main Drain.....	2,000	0	0	1,602	6	10	287	4	6	1,889	11	4
Excavating pits for burying Rubbish, &c.	3,000	0	0	4,998	12	11	1,623	5	8	6,622	2	7
Repair of Barks.....	600	0	0	.....	.....	.....	.....	.....	.....	.....	.....	.....
Slaughtering Dogs.....	800	0	0	537	7	0	2	8	0	539	15	0
Sanding Latrines.....	1,750	0	0	718	11	0	276	8	0	995	3	0
New Sewage Carts.....	6,160	0	0	6,160	0	0	.....	.....	.....	6,160	0	0
New Latrine Carts.....	4,900	0	0	4,900	0	0	.....	.....	.....	4,900	0	0
New Rubbish Carts.....	3,850	0	0	5,100	0	0	.....	.....	.....	5,100	0	0
Stock for Stores.....	4,000	0	0	1,821	14	2	454	9	2	2,276	7	4
Watering North Beach and Mount Road	3,100	0	0	2,950	11	7	572	3	4	3,522	14	11
Registry of Births and Deaths.....	6,000	0	0	4,584	11	8	884	0	0	5,468	11	8
Motely of Expenses for taking the Census	12,500	0	0	1,000	0	0	.....	.....	.....	1,000	0	0

{The excess is owing to the organization of the District Department.

This expenditure includes the remuneration paid to Mr. Mackey and others under the Finance Committee's recommendation, as there was no special provision for it.

{The excess is owing to the employment of an additional Clerk from June to October in consequence of the introduction of a new system.

The increase is owing to the extraordinary expenses incurred for preventing the spreading of cholera and in supplying water to the poor.

The extra expenditure was necessarily incurred for excavating pits for the burial of rubbish that could not be transported by boats for want of water in the canal during a great portion of the year, and is, in a great measure, covered by savings under other heads, viz., a monthly reduction of Rupees 220 in the Boat Establishment and Rupees 67 in the Out-door Establishment for covering rubbish besides Rupees 600 allowed for repair of boats. Moreover pits costing about Rupees 750 are available for use in 1870.

{The excess forms the value of five trollies ordered to be made last year, but paid for this year, without having been provided for in the budget for this year.

This includes the price of some English axes purchased and a slight increase of pay to the men who had more than ordinary work to perform during the uncommonly dry season this year.

This is the advance made to the Census Committee.

MISCELLANEOUS.													
Stationery	3,000	0	0	1,681	11	3	72	9	10	1,754	5	1	{ This excess is owing to the introduction of several new forms.
Printing Charges	1,300	0	0	1,636	1	4	218	8	3	1,854	3	7	
Advertising "	1,000	0	0	546	1	0	99	12	0	645	13	0	
Law	2,000	0	0	983	6	0	233	0	0	1,216	6	0	
Stamp Duty	500	0	0	234	2	0	97	15	0	332	1	0	
Sundries...	1,500	0	0	1,714	2	4	377	9	10	2,091	12	2	This expenditure includes the Engineer's Office rent and other things not specially provided for.
REFUNDS OF TAXES.													
Tax on Arts, Professions, Trades, and Callings } under Act IX. of 1867, (Arrears)...				368	0	0	...	...	...	368	0	0	
Ditto ditto (Current)...				16	0	0	6	0	0	22	0	0	
Rates on Houses, Buildings, and Lands, (Ar- rears)...				41	15	1	...	...	...	41	15	1	
Tax on Carriages, Horses, and other Animals, (Current)...	4,500	0	0				...	...	...				
Ditto ditto (Prospective)				39	8	0	...	...	...	39	8	0	
Tax on Arts, Professions, &c., under Act IX. of 1865.				...	...	...	1	0	0	1	0	0	
Contribution to Government on account of Police	1,07,232	0	0	12	0	0	18	0	0	30	0	0	
				89,360	0	0	17,872	0	0	1,07,232	0	0	
PUBLIC WORKS ORDINARY.													
Civil Buildings.													
Repairing Slaughter-Houses	1,000	0	0	305	8	0	233	14	0	539	6	0	
Ditto General Market	1,000	0	0	36	13	7	245	8	7	282	6	2	
Ditto Latrines...	1,000	0	0	648	10	10	496	11	8	1,145	6	6	
Ditto Office Premises...	700	0	0	1,093	2	2	...	...	...	1,093	2	2	
Communications.													
Maintenance of Roads, 1st Division...	12,390	0	0	5,606	10	2	194	6	10	5,861	1	0	
Ditto ditto 2nd ditto...	9,050	0	0	5,217	1	8	1,109	14	10	6,327	0	6	
Ditto ditto 3rd ditto...	14,530	0	0	11,198	9	10	376	9	2	11,575	3	0	
Ditto ditto 4th ditto...	14,090	0	0	20,486	3	7	470	9	0	20,956	12	7	
Ditto ditto 5th ditto...	11,340	0	0	18,529	15	2	226	9	7	18,756	8	9	
Ditto ditto 6th ditto...	9,200	0	0	14,875	2	6	239	4	7	15,114	7	1	
Ditto ditto 7th ditto...	15,580	0	0	12,104	9	8	153	15	2	12,258	8	10	
Ditto ditto 8th ditto...	13,820	0	0	14,245	7	1	3,082	10	11	17,323	2	0	

{ This excess will be explained by the impossibility of estimating the cost exactly.

This excess is owing chiefly to certain necessary articles of furniture having been procured for Office use ; but which were not provided for in the budget.

This being the first budget that was prepared according to Division, it has not sufficient information conveniently to hand in the records of the Executive Engineer's Office to enable an opportunity to be made on the average of former years, and consequently, in carrying out the repairs, considerable transfers among the Divisional grants and from the new metalling of roads have been rendered necessary.

Statement of Disbursements from 1st January to 31st December 1869.—(Continued.)

DISBURSEMENTS.		Budget Grants for 1869.		Disbursements from 1st January to 31st October 1869.		Disbursements in November and December 1869.		Total Disbursements.	Remarks.			
		RS.	A. P.	RS.	A. P.	RS.	A. P.	RS.	A. P.			
PUBLIC WORKS ORDINARY.—(Continued.)												
Miscellaneous.												
Repairing and Re-building Masonry Drains ...	5,000	0	0	2,578	10	1	285	12	9	The success which has attended the experiment of utilizing sewage will suffice to account for this excess which is principally owing to impregnation of seeds from Bombar, the cost whereof proved to be far beyond expectation. This work has been carried on very economically by the substitution of 1853 lights in the whole of which 355 are additions during this year. This expenditure includes the feeding of Zoological collection for which the Government have contributed Rupees 3800, credited per contra. This excess was caused by the extensive repairs which were absolutely necessary to preserve the engines.		
Ditto ditto Public Wells ...	1,000	0	0	783	8	8	161	11	4			
Ditto ditto Dust Boxes ...	1,500	0	0	95	12	5	839	10	0			
Ditto ditto Railings...	500	0	0	409	8	3	...	...	...			
For experiments in Deodorising Sewage...	1,000	0	0	993	15	4	321	5	8			
Repairing Street Boards...	1,000	0	0	182	5	5	...	...	...			
Cast Iron Cesspool Grates ...	1,000	0	0	311	11	0	533	7	8			
Lighting ... { Maintenance	18,150	0	0	14,421	13	0	2,810	3	3			
People's Park Maintenance	9,420	0	0	2,518	14	7	2,424	7	7			
	13,190	0	0	12,573	3	2	1,842	13	8			
Fire-Engine ditto	400	0	0	534	6	8	68	6	0	602	12	8
CONSTRUCTION AND IMPROVEMENT.												
Civil Buildings.												
Constructing Dust Boxes...	2,000	0	0	1,177	2	1	1,106	8	0	2,283	10	1
Ditto Cinerators ..	5,000	0	0	3,570	14	10	256	0	9	3,826	15	7
Ditto Public Latrines	10,000	0	0	15	5	11	1,053	9	5	1,068	15	4
Communications.												
New Metalling of Roads, 1st Division.....	4,700	0	0	...	...	...	202	12	1	202	12	1
Ditto ditto 2nd ditto	3,400	0	0	1,388	10	9	...	...	...	1,388	10	9
Ditto ditto 3rd ditto	1,800	0	0	277	1	4	452	11	2	729	12	6
Ditto ditto 4th ditto	3,900	0	0	1,096	15	9	348	12	1	1,445	11	10
Ditto ditto 5th ditto	750	0	0	185	0	5	541	6	8	726	7	1
Ditto ditto 6th ditto	2,200	0	0	...	...	...	221	10	1	221	10	1

Ditto ditto 7th ditto	2,400	0 0	159	10 3	88	2 6	247	12 9	{ This work has been delayed in consequence of there being no funds available at present.
Ditto ditto 8th ditto	1,900	0 0	1,487	10 3	406	4 5	1,893	14 8	
Constructing Foot-paths	2,000	0 0	...	...	...	...	...	...	
Opening out new roads through Boatmen's Huts in Royapooram	900	0 0	...	...	...	...	...	...	
Improving Errabulloo Chetty Street	17,450	12 8	13,834	6 0	2	2 0	13,836	8 0	
Ditto Munnick Maistry Street	1,600	0 0	713	4 0	...	...	713	4 0	
Ditto Mint Street...	17,600	0 0	4	8 0	...	...	4	8 0	
Ditto Annappalay and Andiapen Naick Streets...	52,300	0 0	32,073	4 3	0	8 0	32,073	12 3	
Ditto Isaac and Pernal Chetty Streets, John Pereras...	13,200	0 0	15,168	2 3	56	0 0	15,224	2 3	{ The excess is owing to the Collector's awards being over valuation.
Widening Vepery High Road...	2,004	4 9	237	9 4	193	1 4	430	10 8	
Ditto Pursawalkum High Road...	3,857	5 4	3,263	14 10	217	9 11	3,481	8 9	
Ditto Rutler's Lane...	...	...	8	0 0	21	13 2	29	13 2	{ This is towards completion of last year's work. Acquisition under the Act is required necessary in consequence of defect in Title. Hence the delay.
Improvements in Egmore	1,595	13 3	...	...	...	...	...	...	
Miscellaneous.									
Planting Avenue	4,400	0 0	2,371	7 5	663	4 6	3,037	11 11	
Ploughing and Planting of the Esplanades, &c.	4,700	0 0	612	10 4	1,114	14 2	1,727	8 6	
Completing the Screw-pile Drain on the north-east angle of the Fort...	2,200	0 0	521	8 6	407	5 7	928	14 1	
Making new Street Boards	5,500	0 0	...	...	...	...	...	...	
Watering Roads	2,000	0 0	587	8 4	5	10 1	593	2 5	
New Fire-Engine	5,000	0 0	...	...	2,747	14 7	2,747	14 7	
Improving and Constructing Drains...	10,000	0 0	2,430	15 5	4,049	11 11	6,480	11 4	
New Burial and Burning Ground	1,336	3 1	1,348	14 3	1,348	14 3	1,348	14 3	
Construction of Public Wells	5,000	0 0	1,548	3 7	1,351	5 6	2,899	9 1	
Improvement of Timmervelly Settlement	2,210	0 0	146	2 6	332	9 1	478	11 7	{ The expenditure shown is on account of work done last year.
Fencing Coom River	2,850	0 0	1,581	4 0	332	9 1	1,581	4 0	{ This is for the clothing of the Conservancy Peons, &c., and to be set off against receipt under this head.
Conservancy Fines and Stoppages	...	...	631	1 7	83	0 0	664	1 7	{ Compensation allowance to retired peons.
Fines and Stoppages on Establishment (other Departments than Conservancy)	...	...	49	0 0	21	0 0	70	0 0	{ Rs. 684.8-0 of this represents the collection in the last half of 1868, paid over this year.
Compound of Tolls...	...	...	1,266	8 8	...	...	1,266	8 0	
Refund of Police Fines	...	...	89	8 0	...	...	89	8 0	
Ditto of Demand and Warrant Fees	...	...	1	14 0	1	4 0	3	2 0	
Ditto of Fines on Contractors...	...	...	600	0 0	...	...	600	0 0	{ This is a concession made to a Contractor. Vide Proceedings of Commissioners, dated 29th May 1869.
Ditto of Grazing Grounds and Avenues.	...	...	500	0 0	...	...	500	0 0	

Statement of Disbursements from 1st January to 31st December 1869.—(Concluded.)

DISBURSEMENTS.	Budget Grants for 1869.		Disbursements from 1st January to 31st October 1869.		Disbursements in November and December 1869.		Total Disbursements.		Remarks.
	RS.	A. P.	RS.	A. P.	RS.	A. P.	RS.	A. P.	
CONSTRUCTION AND IMPROVEMENT.—(Continued.)									
Miscellaneous.									
Refund of Government Contribution for Maintenance of Roads	...	...	...	...	1,845	0 0	1,845	0 0	Vide Proceedings of Commissioners, dated 24th November 1869.
Tolls on Carriages, Horses, and Animals entering the Town, (Farm)	...	...	...	...	73	13 2	73	13 2	
Grazing Grounds and Avenues... ..	...	...	...	...	150	0 0	150	0 0	These are rates assessed for 1869, and chargeable to the Revenue of their respective accounts.
Rent of Market Stalls	...	...	...	...	404	13 0	404	13 0	
Strand Rents... ..	...	...	...	...	84	9 10	84	9 10	
Constructing Cart shed (incurred in and included in the Budget for 1868)	...	...	4,441	12 6	152	3 5	4,593	15 11	This expenditure was incurred in 1868, but paid for this year.
Platform for Shooting Rubbish... ..	...	...	17	8 0	...	...	17	8 0	These works were necessary and not contemplated when the Budget was framed.
Deepening the Canal in Wall-Tax Road... ..	...	...	194	7 1	...	...	194	7 1	
Repairing Toll Gates	...	...	5	2 0	3	11 0	8	13 0	Recoverable from Farmer of Tolla.
Imperial License-tax	...	...	176	2 11	...	...	176	2 11	Per contra.
Water-Distribution Project	...	...	27,721	10 9	...	...	27,721	10 9	Reimbursed per contra.
Income-tax... ..	...	...	438	9 0	...	...	438	9 0	
Advances recoverable... ..	...	...	8,827	3 11	...	...	9,557	3 11	Per contra.
Balance on the 31st of December 1869...	7,82,248	7 1	6,08,148	7 8	1,00,168	0 6	7,08,316	8 2	
Total...	19,001	8 11	...	...	...	...	30,819	7 11	
	8,01,250	0 0	6,08,148	7 8	1,00,168	0 6	7,39,136	0 1	

MADRAS,
1st January 1870.

(Signed) W. H. AXELBY,
Manager and Book-keeper.

MADRAS,
15th June 1870.

Examined and found correct.

(Signed) C. DENISON,
President of the Municipal Commission.

(Signed) J. G. TOUCH,
Auditor.

B.
MUNICIPALITY OF MADRAS.

WATER-DISTRIBUTION PROJECT.

Statement of Receipts and Disbursements to 31st December 1869.

RECEIPTS.	Amount.		DISBURSEMENTS.	Amount.	
	RS.	A. P.		RS.	A. P.
H. M.'s Government of India, Loan.....	50,000	0 0	Standing Advance to the Executive Engineer	1,500	0 0
Sundries and Superintendence, Sale of Specifications and Fines on Establishment	101	8 0	Sundries and Superintendence inclusive of the Expenditure for the preparation of the Distribution Scheme.....	12,967	2 11
Fountains, Sale of Bullocks, &c.....	172	0 7	Fountains	4,979	8 2
DELIVERY CHANNEL, VIZ.:—			Delivery Channel	43,665	6 11
Amount contributed by Government... ..	15,558	0 0	Repairing Tanks	2,392	14 0
Fine recovered from a Contractor for bad Chunam supplied.....	300	0 0	Balance in the Bank of Madras on the 31st December 1869..	626	8 7
Total.....	15,858	0 0	Total.....	66,131	8 7

MADRAS,
31st December 1869.

(Signed) C. DENISON,
President of the Municipal Commission.

Examined and found correct.

MADRAS,
15th June 1870.

(Signed) J. G. TOUCH,
Auditor.

No. 58. ORDER THEREON, 10th August 1870, No. 998.

The foregoing papers contain the annual report of the Municipality of Madras for the year 1869, and a report on the accounts of the year submitted by Lieut.-Colonel Touch, the Auditor appointed by Government in G. O., 23rd February 1870, No. 234.

2. The following abstract statement exhibits the receipts of the Municipality under the various heads :—

	ARREARS.		CURRENT AND PROSPECTIVE.		TOTAL.	REMARKS.
	Gross.	Net.	Gross.	Net.	Net.	
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	
Rates on Houses, Buildings, and Lands...	42,340 3 9	...	1,84,237 9 0	...	...	Refunds.
Deduct...	41 15 1	...	...	...	...	
	42,298 4 8	...	1,84,237 9 0	...	2,26,535 13 8	
Tax on Arts, Professions, &c., Act IX. of 1865...	7,359 7 1	...	...	...	...	Refunds.
Deduct...	80 0 0	...	...	...	...	
	7,339 7 1	...	...	...	7,339 7 1	
Act IX. of 1867...	4,683 0 0	...	64,340 8 0	...	...	Refunds.
Deduct...	308 0 0	...	22 0 0	...	...	
	4,315 0 0	...	64,318 8 0	...	69,133 8 0	
Tolls	4,000 0 0	...	42,000 0 0	...	...	Refunds and Rates on Toll-houses.
Deduct...	685 8 0	...	78 18 2	...	...	
	3,314 8 0	...	41,926 2 10	...	45,240 10 10	
Tax on Carriages, &c.,	84 8 0	...	44,080 8 0	...	...	Includes Rs. 9125 Prospective.
Deduct...	...	...	40 8 0	...	...	
	84 8 0	...	44,040 0 0	...	44,074 8 0	
Registration of Carts	22 0 0	22 0 0	12,986 0 0	12,996 0 0	13,008 0 0	Includes Prospective Rs. 68.
Liquor Licenses	242 0 0	242 0 0	11,165 0 0	11,165 0 0	11,407 0 0	
Deposits	...	...	...	...	742 12 0	Composed of Tolls, Rs. 597-8-0, and Income-tax, Rs. 145-4-0.
	...	...	...	...	...	
Government grant for roads	...	...	...	...	85,000 0 0	The receipts from sale proceeds of lands and buildings to be set-off against cost of improvements Rs. 14,686-3-1, and on account of improvement at Royapooram (Rs. 167-5-1) being excluded and charges (Rs. 4411-2-5) deducted.
Miscellaneous	...	...	...	...	39,061 11 4	
Balance	...	...	...	...	1,73,526 10 4	
Advances recovered	...	...	...	...	23,238 12 0	
Total	...	57,565 11 9	...	3,59,173 3 10	6,38,308 18 3	
Deduct Prospective	...	...	...	9,183 0 0	...	
	...	...	...	3,49,990 3 10	...	

Whence it appears that the net current collections from taxes amounted only to Rupees 3,49,990-3-10; and that the arrears amounted to Rupees 57,565-11-9, and the Miscellaneous receipts to Rupees 39,061-11-4.

3. The demand under the head of House-rates was Rupees 2,43,529-14-1. The collections within the year, therefore, fell short of the demand by 24.4 per cent., but on the 21st April 1870 the arrears of 1869 had been reduced to Rupees 23,277-6-1. The cause of the short collection is stated to have been that the registers were not completed until August, owing to a change in the determination of the Commissioners with respect to the valuation on which the registers were to be based. It has been finally determined that the revision of the assessment shall be carried out at the rate of two divisions a year. If this revision be well executed, and the system of issuing bills according to streets be strictly enforced, there will be little

to be desired as regards the administration of the tax. The remarks of Colonel Touch in paragraphs 23 and 24, on the system of issuing bills according to streets, have the full concurrence of Government. The demand for the last four years has, it is observed, been steadily rising, and doubtless the revision of assessment will cause a still further increase. The attention of the Commissioners is called to paragraph 6 of the Auditor's report relative to the omission in the registers of the names of owners or occupiers of houses. The Government observe that the omission is clearly illegal, and suggest to the Commissioners that it be rectified in the registers of 1871. The utility of the information for the purposes of the census to be carried out in that year would be so great that a portion of the extra cost, if any, involved in obtaining the information might with propriety be debited against the census grant. Of the old arrears of house-tax, Rupees 53,659-15-6, four-fifths were collected during the year, and on the 22nd of April only Rupees 5128-4-5 were outstanding.

4. The decreased yield of the Trades License-tax merits the serious attention of the Commissioners. The collections on account of current demand have fallen considerably below the realizations of this and similar taxes in the three years 1866 to 1868, and are less than half the Budget Estimate for 1869, Rupees 1,29,000, a sum which does not appear to the Government more than the tax ought to produce. It is evident that the tax has been largely evaded. The forbearance which, it appears from paragraph 25 of Colonel Touch's report, has been exercised in the collection of the house-rate has probably been even more injurious as regards the trades-tax. The Municipal authorities in showing such forbearance fail to do justice to the mass of the rate-payers, and impose upon their own subordinates unnecessary labour and responsibility. The Government trust that the measures which, it is reported, have been undertaken for improving the productiveness of the tax by preventing evasion, may bear fruit during the current year.

5. These remarks are equally applicable to the tax on carriages and animals. Prompt prosecution of defaulters is, as pointed out by Colonel Touch, the best remedy for the deficient yield of this tax. The other receipts do not call for particular remark. The Government observe that the special funds hitherto separately maintained have been amalgamated with the general accounts, (paragraph 54 of the Auditor's report.)

6. The Assessing and Collecting Departments seem to have been much improved. The recommendations of the Finance Committee have been enforced with conspicuous benefit, especially in the latter department. The President will draw the Collector's attention to the remarks made by the Auditor in paragraph 36. The Government await the President's report which will be due on the expiry of the extension of probation for six months allowed to Jesudasen Pillai, under G. O., 16th February 1870, No. 180. With regard to the Assessor's Department, the Government are of opinion that the Commissioners will practice false economy if they starve, or fail to place on the most efficient footing, a department on the working of which the revenue of the Municipality so largely depends.

7. The Government concur in Colonel Touch's observations contained in paragraphs 58 to 60 of his report.

8. The expenditure was as follows :—

	RS.	A.	P.
Salaries	49,373	5	3
Establishments	44,377	6	6
<i>Conservancy.</i>			
Establishment	1,44,932	1	7
Other expenses	40,058	3	1
	1,84,990	4	8
Police... ..	1,07,232	0	0
Census, registry of Births and Miscellaneous charges	14,363	4	6
<i>Roads.</i>			
Maintenance... ..	1,08,177	11	9
New metalling	4,962	13	1
	1,13,140	8	10
Buildings	10,239	13	10
New Works and Improvements, Net	52,884	9	7
Lighting	22,175	6	5
Miscellaneous expenditure	49,146	8	10
Advances recoverable	9,566	0	11
	6,57,489	5	4
Balance on 30th April 1870...	30,819	7	11
Total	6,88,308	13	3

The expenditure fell short of the income by Rupees 30,819-7-11; besides which the Commissioners had at the close, as at the beginning, of the year Rupees 37,300 in Government paper.

9. The accounts of the water-supply project are kept separately. On the portion of the works entrusted to the Municipality Rupees 64,005 were expended. Two-thirds of the earthwork of the delivery channel were completed, and the masonry works were well-advanced. A portion of the salary of the Executive Engineer is debited to the project, and has been omitted from "salaries" in the statement given in paragraph 8. From the postscript to the report, the Government learn that a tender for the execution of the water-works at about Rupees 8,00,000 has been accepted.

10. The out-door sanitary establishment numbers 1150 men; 293 pairs of bullocks were used, and 243,568 cart loads of rubbish were removed from the streets. The rubbish was for the most part deposited in selected depôts; but the introduction of smoke-consuming cinerators or kilns, for reducing the rubbish to ashes, appears to promise a successful and economical solution of the difficulty of disposing of the street-sweepings. Two thousand and eighty-one cart-loads were burnt in these kilns during the year. One hundred and forty-one dust-boxes of an improved pattern were constructed. The number of latrines is now 139, eleven permanent and thirty-five temporary ones having been added during 1869. Seven hundred and eighteen establishments for offensive trades have been registered; but little appears to have yet been done for their supervision or regulation.

11. The interesting experiments in which the Commissioners have been engaged, for the utilization of sewage, have been fully reviewed in G. O., 18th

November 1869, No. 1577, and if the recommendations of the Improvement Committee with respect to drainage be carried out, the system will receive considerable development. The proposals of the Committee in this respect have the general concurrence of Government. The proposal of the Executive Engineer to try subsoil sewage irrigation on the esplanades in connexion with the Black Town Main Drain does not commend itself to Government at present. They request the Sanitary Commissioner to report on this subject. The experiment should, the Government think, be first tried in some other locality. The Superintending Engineer and the Sanitary Commissioner will also report on the proposal to transfer the conservancy of the Cooum to the Municipal Commissioners.

12. The outlay of the year upon roads (including the Government grant of Rupees 35,000) was Rupees 1,48,140-8-10 against Rupees 70,418 in 1868. One hundred and fifty-four miles of road were maintained in order. The quantity of work was, however, only ten per cent. in excess of that done in 1868. The chief causes assigned are an increase in the contract rates, and the want of power (since remedied) for regulating the heavy traffic. Twenty-seven streets were newly metalled during the year. Improvements to eight streets and roads were in progress, and Rupees 65,794-3-1 were expended, of which Rupees 14,803-8-2 were recovered by the sale of materials, &c. Adverting to the remarks of the Executive Engineer as to the increased cost resulting from the acquisition, under the provisions of Act VI. of 1857, of property required for these works, the Government observe that, by so taking the land, the Commissioners acquire an indefeasible title, which they otherwise would not do.

13. The lighting of the city was considerably extended during 1869. 355 new lights were added, and there are now 1253, of which 268 are Kerosine lamps. Ten new public wells were sunk, and 122 repaired or enclosed. The construction of filtering wells, charcoal sand and gravel being packed round the brickwork, is worthy of notice. It is not stated whether the plan has been successful.

14. With regard to the Napier Park at Chintadrepetta, the Government deem it proper to call the attention of the President to the fact that the completion of the negotiation for the purchase of the shrotriem land required, on which the Government grant was conditional, has not yet been reported.

15. The registration of births and deaths during the year does not appear to have improved; on the contrary, the Executive Engineer states that it has retrograded. The question has been referred to the Improvement Committee, but nothing has been done. The matter is of too great importance to be deferred, and the Government request that it be taken up in earnest.

16. In G. O., 7th December 1869, No. 1685, the Government deferred the consideration of the request of the Commissioners for a State loan of three lacs of rupees to be expended on a new general market, on drainage and other improvements, until definite information should be before them. They await the information promised by the President in paragraph 24 of his report. The engagements into which the Commissioners have entered in connexion with the water-supply of the town are heavy; and before incurring further liabilities, their plans should be fully matured.

17. The working of the Municipality during the year appears to have been on the whole satisfactory. The office is now in good order, as shown by the Auditor's report. The shortcomings of the Assessing Department are now fully understood. The Government are encouraged to hope that these shortcomings will be remedied during the current year, and that the revenues of the Municipality, which have shown a declining tendency, will be put upon a healthy footing.

18. The Government desire to offer their thanks to Colonel Touch for the careful examination he has made of the Municipal accounts, and the many valuable suggestions he has offered for the improvement of the Municipal administration. The Government regret that they are unable to offer to Colonel Touch the usual fee for this audit, but Colonel Touch made his acceptance of this heavy task, which he has so thoroughly performed, conditional on his being permitted to render his services without any remuneration.

(True Extract.)

H. E. STOKES,
Under Secy. to Govt.

To the President of the Municipal Commission, Madras.

„ Accountant-General.

„ Sanitary Commissioner.

„ Inspector-General of Police.

To Lieut.-Colonel J. G. Touch.

To the Public Works Department.

TO THE CLERK TO THE JUSTICES OF THE PEACE FOR THE
CITY OF BOMBAY.

SIR,—In accordance with the request contained in your letter No. 75, dated the 12th June 1869, we have the honour to submit the result of our inquiry into the present system of checking and auditing the Municipal Expenditure, and the measures we recommend for the improvement thereof.

Procedure of the Committee.

4. Regarding the Report of 1867, we would observe that the Sections VI. and VII., and the Appendices **F** and **G**, which have formed the basis of our present inquiry, are replete with valuable suggestions and recommendations; and we feel it to be due to the authors of that report to say that, in going over much the same ground, we can but reiterate what they have so forcibly insisted upon, and express our regret that, owing to financial difficulties, and, as is alleged, the want of zealous co-operation on the part of some of his subordinates responsible for the expenditure of public money, the Commissioner has not found himself able to give full effect to it.

Observations
on the Report
of the Com-
mittee of 1867.

5. In the course of this Report it will be for us to particularize some of the more important points which we think have not been carried into practice. We proceed now to the subjects that

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THE PRESIDENT OF THE
GENERAL COMMISSION.

[illegible]

Reber August, 10th.

Heed.

1. *Journal of the American Medical Association*, 1997; 277: 103-107.

C. C. Willoughby, Jr., Secy.

4055
No. 56-58.

Reviewing the Annual Statements of Receipts and Expenditures of the Publics Ministry for the year 1869.

appear to us to come principally within the scope of the present inquiry.

Arrangement
of subjects of
inquiry.

6. It will be convenient to arrange them under the following heads:—

Firstly.—The mode of preparing and submitting to the Bench the Annual Budget Estimates of Income and Expenditure.

Secondly.—The mode of controlling the Income and Expenditure of the year within the limits of these sanctioned Estimates.

Thirdly.—The mode of transacting the current business of the Municipality in its Accounting and Cashing Departments.

Fourthly.—The mode of booking the Receipt and Expenditure.

Fifthly.—The mode of conducting the final Review of Actuals of a past year for purpose of comparison with the Budget.

Sixthly.—The mode of publishing the Accounts of the Municipality.

7. And we shall add a few remarks upon the Store Accounts and on the open question of a change in the Financial year of the Municipality.

Radical change
in the system
of account pro-
posed, and de-
scribed.

8. Preliminary, however, to the consideration of the above-mentioned subjects, we must enlarge at some length on a reform involving a radical change in the whole system of Municipal Accounts, which reform we consider to be eminently necessary. Stated in brief it is this—instead of, as now, shaping the accounts to suit the idea of the completeness of each separate year, we propose to make the accounts follow the actuals; that is to say, that whatever is received and whatever is paid between the first and last days of the year be treated in account as the Income and the Expenditure of that year, and of no other year.

General re-
cognition of the
principle in all
Public accounts.

9. This is the principle now universally recognized in all public accounts; and if proof were needed of its obvious necessity, and the inevitable confusion resulting from a contrary practice, we refer to a Report by the Committee of the House of Commons, on Public Accounts, dated July 1868, specially referring to the accounts of the Greenwich Hospital and to the question of Extra Receipts, of which we give extracts in the Appendix (B).

Principle only
affirmed of late
years.

10. It is, however, but fair to those who have given much care and time to the accounts of the Municipality to say here, that it is only of late years that the principle above affirmed has been fully recognized in all public accounts, and that to this day may be found lingering traces of what we must now consider a wrong system.

11. It may be well asked here, how, under the reform we advocate, we propose to arrange for the information, which is undoubtedly requisite, touching the Arrears for any given period, or the Dues for any given period, as the accounts will only treat of actual receipts and payments as the income and expenditure of the year. We reply that, as regards the collections, the account of Demands, Collections, and Balances must be kept in the Assessing Department only, and that when once moneys received on any particular account, having been booked by the Assessor, come before the Accountant, the distinction of *period* to which they belong must cease, and they become items of income of the year in which they are collected. As regards payments there can be no difficulty, inasmuch as the Registers of fixed and fluctuating charges should show whether a particular payment is really due, and, if due, it is quite immaterial, as a matter of account, whether it is discharged in one year or another; and in a series of years it comes, to use a common but forcible expression, as “broad as it’s long,” the gain or loss of one year finding its equivalent in the following year.

Account of
Demands, Col-
lections, and
Balances to be
kept in the
Assessor’s De-
partment only.

12. The analogy of the mode in which the Government revenue is treated may show the principle clearly. The Collector has a two-fold capacity. In his fiscal capacity he is responsible to the Revenue Commissioner, whom he must satisfy that the demands of the State have been collected, or if not collected the reasons for default must be shown. In his financial capacity, he is answerable to the Accountant General, and renders to that authority a monthly account, in which every item of receipt is credited and every item of payment debited to its proper head, without any distinction of years. By the Accountant General these items are compiled into one monthly Abstract for the whole Presidency, which finds its place in the monthly accounts of the Empire. It is scarcely necessary to observe, that it would be impossible to close the Books for any given year were the accounts of that year liable to the disturbing influences of the operations of subsequent years.

Analogy of
the Govern-
ment system of
accounts in a
Collectorate.

13. The working of the present system of the Municipal Accounts may be illustrated by an example.

Example il-
lustrating the
present system
of account.

If any one will refer to the account of Income and Expenditure for 1866, published with the Report of the Committee of 1867 (*vide* Appendix E, pages xiv., xv., xvi.), he will find an entry called “Adjusting Account” under the subsidiary account of “Assets and Liabilities” of the Municipal Fund, to which Rs. 5,09,092-4-11 are debited. The meaning of which is, that the sums shown as the expenditure under different heads of

the Account of Municipal Fund for that year are not *bonâ fide* sums disbursed, but what, according to the scale of the year, should have been disbursed, and which, though not disbursed, constitute a liability of the Municipality to the extent of upwards of 5 lakhs of Rupees, or about one-sixth of the Income of the Corporation.

14. From this illustration we may observe what an element of confusion is introduced. How is it possible that the Bench can ever determine whether the receipts and expenditure of a year has been in accordance with Budget limits, if at any subsequent period the figures that have been given for the purpose of that comparison may be altogether altered by a transfer from this "Adjusting Account"? How is it possible that any satisfactory audit of accounts so framed can ever be made, or that a reliable Budget, which is to represent the real prospects of the Municipal finances for any given year, can ever be laid before the Justices?

Reasons for dwelling at length on this point.

15. We have been compelled to dwell, at what may seem unreasonable length, on this preliminary subject, because it appears to us to lie at the root of much of the present embarrassed state of the Municipal finances, and to be the chief cause why, with the most persistent endeavours to fathom the true state of their finances, the Justices have hitherto been invariably baffled.

Cause of the system of Municipal account having remained in its present shape.

16. We have already said, and we think it right to repeat, that we do not consider that blame attaches to any one for the continuance of an antiquated, and now generally condemned system of account. Especially in India is it difficult to alter a system of accounts which has been once established. It is necessary, however, now a-days, that accounts should be given rapidly, clearly, and intelligibly; and it is only by adopting the principle we advocate that the affairs of a great Corporation like the Municipality can be administered to the satisfaction of the public, and that there can be any hope of that effectual permanent control over Expenditure which is so essential to its prosperity.

17. Bearing in mind, then, the principle that all accounts during the year must follow actuals, and treat as of that year only, we proceed to observe on the first head, viz., the mode of preparing and submitting to the Bench the annual Estimates.

I. The preparation of the Budget.

18. The Budget must, of course, be framed on the same principle as that on which the accounts are based, and must be in precisely the same detail; it is, in fact, the ground-work of all the accounts—the starting point to which eventually all accounts must be referred back. There will be no necessity to show distinction of anticipated receipts or expenditure of past, as separate from those of the coming year, though this information should be avail-

able, and the Commissioner when laying his Budget before the Bench should be in a position to answer any inquiry as to how much of any given sum pertains to the past, how much to the coming year.

19. Under legislative enactment the Commissioner must now submit his Budget in October for the year commencing 1st January, and he should be able to do so in three columns, viz.:—

- 1.—The Actuals for the year closed on 31st December preceding.
- 2.—The revised or regular Estimate for the current year still in progress.
- 3.—The Estimate for the coming year.

The details of the Budget for this current year, 1869, as prepared by the Commissioner, and submitted with his preliminary remarks under date 23rd September 1868, appear to be full and sufficient; and on this head, it only remains to observe that the several subordinate Departments should in the first instance frame the Estimates for their respective requirements, that, when thus framed, their Estimates should in the first instance be scrutinised by the Controller of Municipal Accounts, (who should carefully note all demands for the Service of the year which appear to him unwarranted or extravagant,) and by him finally submitted to the Commissioner, who in his turn will call for such information as he may require to enable him to put before the Bench a true and faithful exposition of the Ways and Means of the year.

20. Subsequent modifications, in the shape of curtailments of expenditure, must of course be communicated to the Officers concerned, and their responsibility, both for framing correct Estimates and for strictly adhering to the provision passed by the Bench, must be strictly and sternly enforced.

21. We notice with satisfaction the Controller's efforts in this direction. His Circular No. 125, of the 29th January 1869, is all that can be desired, and we can only say that after that Circular, any wilful disregard of the limits of expenditure by any Head of a Department should be visited with the severest displeasure of the Bench, and, if necessary, the pecuniary responsibility enforced, by making the offender personally liable for the moneys so expended.

22. We give in the Appendix **A**, amongst the Forms, a Budget form for showing proposed expenditure during any given year on works extending over a series of years, for which, of course, a vote is taken only for the expenditure required during the year as against the original Estimate for the complete work.

23. We come now to the second head of our inquiry, viz. the mode of exercising control of Income and Expenditure within Budget limits.

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II. Mode of exercising control over Budget Estimates during the year.

24. As regards Income, that is of course so far uncontrollable, as it is subject to the fluctuations of the times; but as regards Expenditure we would propose that an Estimate of Cash requirements be submitted monthly by the Head of each Department to the Controller before the beginning of each month, which should not greatly exceed the $\frac{1}{12}$ th of his annual Budget assignment. The Controller should then review these Cash Requirement Estimates, and intimate by letter to the Department concerned that liberty is given to expend up to such an amount.

Transfers from one head to another.—Unforeseen charges.

25. Some allowance must of course be made for unforeseen and emergent charges, and in order to provide for these, and to give an elasticity to the Budget, power should be given to the Commissioner, acting in concert with the Controller, to transfer Budget provision from one minor or subordinate head to another. Transfers from one major head to another major head should be admitted by the standing Finance Committee *only*, and by them reported for confirmation to the Bench at their next meeting, in every instance before being acted upon, unless under emergency.

III. Mode of transacting the current business of the Municipality.

26. We come now to the third point of our inquiry, viz. the mode of transacting the current business of the Municipality in its Accounting and Cashing Departments, and here we reiterate in the strongest possible terms the words of our predecessors in para. 209 of their Report:—"The Committee consider that in the first place the rule that all money collected shall be paid at once into the Bank without delay or deduction, should be strictly enforced, and no money should be drawn out or paid except by Cheque. In other words, that the Bank should be the Cashiers of the Municipality, and that all moneys received or paid pass through the Cashier's hands.

27. A state of chronic debt is the only possible excuse for the hand-to-mouth system under which money, as soon as collected, is or has been at once applied to stave off urgent demands on the Municipal Treasury, but we would fain hope that we have seen an end of a state of things such as is described in paras. 194 and 195 of the Committee's Report of 1867.

28. Presupposing, then, a standing balance at credit of the Municipality, we consider that the duty of Cashier should be discharged by the Bank of Bombay, and that there should be a daily comparison between the Department of Account and of Cash; that is to say, that on a sum of money being paid into the Municipal Treasury, the Payer should take his receipt, first to the Assessing Department,

by whom it will be noted as affecting their demands; thence to the Accounting Department, by whom it will be entered in the Day-Book.

Vide Appendix A, Form No. II. of Day-Book.

29. Similarly as regards Payments. Every payment above Rs. 100 should be made by the Controller by means of Cheques on the Bank, and entered at once in the Day-Book. For payments below that sum he should keep a permanent Cash balance of Rs. 1,000, which at the close of each day, or oftener if need be, should be made up by a Cheque on the Cashier to the full amount of Rs. 1,000. The Controller should, in the first instance, examine all claims against the Municipality, and if found correct and within Budget limits, should pay them by Cheque or Cash, as the case may be, handing over the Bills as vouchers to the Accountant, who will at once enter the amounts in his Day-Book to their proper head.

30. The Authorities of the Bank might be asked to have a Municipal counter similar to that they have for H. M.'s Treasury or the Government Savings' Bank, and a subordinate specially told off to serve at it. This would expedite Municipal business, and be a convenience to all parties having money transactions with the Municipality.

31. At the close of the day the Bank should depute some responsible person with the Municipal Pass Book to compare entries with the Head Accountant, who should initial the Day-Book in the presence of the Controller.

32. Transfer entries or transactions requiring no Cash to pass in adjustment will of course be dealt with solely in the Account Department.

33. We come now to the fourth point, viz., the mode of booking finally the Receipts and Expenditure of the Municipality—on which we observe that when the Day-Book has been written up in the way above described, the next step is to classify the Receipts and Disbursements under appropriate Budget headings, for which purpose, in the case of Receipts, separate sheets with separate headings for each major head, and with columns for each minor head of receipt, must be prepared, and the entries in the Day-Book posted up therein; and for Payments there should be a Daily Total of Abstracts. The monthly totals of these Forms will be the basis for the preparation of the monthly Abstract of Receipts and Expenditure referred to in para. 225 of the Committee's Report of 1866, which return should be laid before the Bench monthly, and be the means of checking the progress of their Receipt and Expenditure.

IV. Mode of booking the Receipts and Expenditure.

Vide Appendix A, Forms Nos. III. and IV.

Vide Appendix A, Forms Nos. V. and VI.

Vide Appendix D for a complete list of all Ledger heads now in use in the Accounting Department.

Vide Appendix A, Forms VII, VIII, IX, and X.

V.—Final review of Receipts and Expenditure of a past year.

VI.—Periodical publication of the Municipal Accounts.

View of the Controller's Duties and Responsibilities.

34. From this Abstract the Journal will be compiled month by month, and finally the Ledger, which record must keep pace with the monthly accounts of actual Receipts and actual Payments.

35. By the use of a Transfer Book, in which will be entered the Book transfers month by month, the monthly Abstracts will be prepared with the greatest accuracy and expedition. We consider that the monthly Abstract should be ready within a fortnight of the close of a month, showing opening and closing Cash balances, and available for public information.

36. The Forms to be kept in the Assessing and Collecting Departments must be framed with a view to exhibit at a glance the demand, collection, and balance of each branch of the Revenue for any period.

37. We come now to the fifth point, viz., the final Review of Actuals as compared with Estimates. Having started with the Budget, and worked throughout the year against that as a basis, we now come to the final review of Actuals of a year. We are of opinion that this should be done primarily by the Standing Finance Committee, directly the Controller reports that the Books for the year are closed. The Finance Committee, after review, should submit a report to a full Bench, bringing to notice all excess expenditure, and the Commissioner should then explain how it occurred, or why the expectations of Income held out by him at the beginning of the year have not been realized.

38. The Finance Committee should also obtain from the Assessment Department a report of all balances outstanding and arrears uncollected for report to the full Bench.

39. Lastly, in regard to the publication of the Accounts, we observe that, in our opinion, the monthly Abstracts should be published monthly in the *local Gazette* under the signatures of the Commissioner and Controller, and that the annual Accounts should be likewise published annually, with the addition of the Finance Committee's attestation and the independent Auditor's remarks and signatures.

40. Again, reverting to the Report of the Committee of 1867, we would strongly urge the necessity of relieving the Controller, Mr. Maidment, of a large part, if not the whole, of his duties as Accountant and Cashier. Such duties, though necessary under the superintendence of, are not the special duties of, a Controller of Municipal Accounts. The general supervision of the Receipts and Disbursements of the Municipal Fund, the control of, and a veto upon all expenditure, as well as the continuous performance of the

duties of an Auditor General over all the Departments and Paymaster General, are the most important of the Controller's duties; and that Officer, moreover, should be able to feel that he can depend upon the support of the Bench in his endeavours to discharge his several important functions.

41. We remark here upon the absolute necessity that in all financial matters the Commissioner should work through, and not independently of the Controller.

It is in the highest degree unfair to the latter Officer that any expenditure should be incurred without his cognizance, inasmuch as he is responsible to the Bench for guarding the interests of the Public purse; and to expect him to do this satisfactorily if he is kept in the dark about any matter bearing upon the Finances of the Municipality, is to expect an impossibility. We think that the Controller should in fact be the *alter ego* of the Commissioner in all finance matters.

It is but due to Mr. Maidment to record here our opinion, that in the face of great difficulties and discouragements, he has laboured zealously in the interests of the Bench. It would have been perhaps more to the interests of his Department had he demurred and at once appealed to the Bench in every case where his position as Controller had been ignored, as the remedy would we presume have then been more promptly applied.

Real Property of the Municipality.

42. The value of the property belonging to the Corporation in lands and houses has never been correctly ascertained, and never brought on to the Books. We recommend that a valuation be at once made of all the real property as distinguished from the dead stock of the Municipality, and that from the 1st of January 1870, the amount so ascertained be regularly entered in the Books and brought forward from year to year. Any property sold would then be properly accounted for. There should be a quinquennial adjustment of the value of all Municipal property.

Stores.

43. On the subject of Stores we have to observe that the present Record of Stock and Issues to the different Department appears a good one.

It is of course necessary that the cost of all Stores purchased in the market or indented for from Europe be debited to a Suspense Account; that as Stores are consumed the value thereof be credited to this Suspense Account and debited against the Department consuming them. The stock to be taken annually and

The Controller's independence should be maintained.

The real property of the Municipality should be ascertained and accounted for.

Stores how to be treated in the Accounts.

checked by the Store Registers. Departments returning stock not used, to be credited with the value thereof, and the Suspense Account debited.

Departments receiving stock for which they are at once debited in the Controller's account—not consuming immediately, but over a long period of time—should keep their own Departmental accounts of Stock, charging the value consumed to the different works in progress, of which a monthly Statement should be rendered to the Controller to enable that Officer to make an adjustment, which he will do in the same month by means of his Transfer Book. On the subject of Stores we refer to the valuable evidence on the subject given by Mr. Wood, which will be found in Appendix C.

Financial Year.

Proposed
change in Fi-
nancial year.

44. We think it worthy the consideration of the Bench whether there should not be a change in the financial year of the Municipality from the calendar year to the financial year of the Government, i. e. the year ending 31st March. The reason for the change lies chiefly in the fact that annual payments are now made by Government on various accounts, such as Police charges for the year, payments in lieu of assessments on Public buildings, charges for Water rates on Public buildings, &c.; and it would be convenient to show these sums credited in the same financial year as that in which they are debited in the Imperial Accounts. March is, moreover, a better month for the consideration of the Budget than October, and April a better time for closing the annual accounts than December, when there is a general holiday.

A short legislative enactment would be required were the change here suggested to be adopted by the Bench.

We have the honour to be,
Sir,
Your most obedient Servants,

C. E. CHAPMAN.
GEORGE FOGGO.
DOSABHOY FRAMJEE.
VENAYEKROW J. SUNKERSETT.
NARAYEN VASUDEOJEE.

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APPENDIX A.

(Vide Para. 22 of the Report.)

~~FORM I~~

BUDGET FOR WORKS IN PROGRESS.

BUDGET FOR WORKS IN PROGRESS.

I.—Estimate of the sum which will be required in the year ending 31st 1870, to defray the expense of New Works and Buildings in progress.

II.—Sub-Heads under which this Grant will be accounted for.

	1869.	1870.	Increase.	Decrease.
Arthur Crawford Market				
&c. &c.				
Drainage Works				
Total.....Rs.				

Net Increase.....Rs.

or Decrease

III.—Details of the foregoing Charges.

Description of Works for each Sub-Head.	1	2	3	4		5
	Total Estimate for the Work.	Amount already granted for it.	Gross sum already expended upon it (posted to 31st Dec. 1869).	Grant required for the ensuing year, 1870.		Further estimate for completing the work.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Arthur Crawford Market						
(Details)						
Total.....						
Drainage Works						
Total....Rs.						

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APPENDIX A.

(Vide Para. 27 *et. seq.* of the Report.)

FORM NO. II.

DAY-BOOK

OF THE

MUNICIPAL TREASURY

For the Month of

186

MEMORANDUM:—

Tallied, *Head Accountant.*
Treasurer.

1	2	3	4	5	6	7	8
Date.	No. of Voucher.	To whom paid, &c.	On account of	Head of Account chargeable.	Cash.	Transfer.	Daily Total of Columns 6 and 7.
			Brought over.... Rs.				
			Total Payments.				

56

APPENDIX A.

(Vide Para. 32 *et. seq.* of the Report.)

FORM NO. III.

DETAIL BOOK OF RECEIPTS

For the Month of 186 .

HOUSE RATE.

[illegible]

WHEEL TAX.

[illegible]

[illegible]

Similar Sheets for—

1. Liquor Licenses.
2. Land Conveyance Licenses.
3. Fines and Penalties.
4. Miscellaneous Fees and all Municipal Funds, Lighting, Police, &c., &c., &c., &c.

APPENDIX A.

(Vide Para. 32 of the Report.)

FORM NO. IV.

DAILY TOTALS OF ABSTRACTS OF PAYMENTS

For the Month of 186

63

APPENDIX A.

(Vide Para. 32 of the Report.)

FORM NO. V.

GENERAL ABSTRACT

REVENUE AND RECEIPTS OF THE MUNICIPALITY OF BOMBA

For the Month of

186

HEADS OF REVENUE.	Current Month.		1st January to Date—Month.		Amount of Estimate for the year.
	Total Minor Head.	Total Major Head.	Total Minor Head.	Total Major Head.	
Carried forward, . . .					

[illegible]

37.

APPENDIX A.

(Vide Para. 32 of the Report.)

FORM NO. VI.

GENERAL ABSTRACT

DISBURSEMENTS OF THE MUNICIPALITY OF BOMBAY.

For the Month of

186 .

GENERAL ABSTRACT of Disbursements of the

HEADS OF EXPENDITURE.	CURRENT MONTH.			1ST JAN. TO DATE — MONTH.		Amount of Grant for the year.
	Amount of Detailed Entries.	Total of Minor Head.	Total of Major Head.	Total of Minor Head.	Total of Major Head.	
Carried forward....						

Municipality of Bombay for the Month of_

186

[illegible]

591

ABSTRACT of Receipts and Disbursements of the Municipality of Bombay for the Month
of 186 ..

		Cr.			Dr.		
		Rs.	a.	p.	Rs.	a.	p.
Balance on the 1st of—187	In Cash	1,000	0	0			
	New Bank of Bombay	1,000	0	0			
	Ditto ..	1,000	0	0			
					3,000	0	0
Receipts as per General Abstract Sheet					2,000	0	0
Disbursements as per ditto							
						4,000	0 0
Balance on the 30th of—187	In Cash	500	0	0			
	New Bank of Bombay	300	0	0			
	Ditto ..	200	0	0			
						1,000	0 0
Total Rupees....		5,000	0	0	5,000	0	0

APPENDIX A.

(Vide Para. 35 of the Report.)

FORM NO. VII.

DAILY STATEMENT

OF

DEMANDS, COLLECTIONS, AND BALANCES.

(To be kept in the Collector's Department.)

DAILY STATEMENT of Demands

[illegible]

of Bills issued on account of Tax. (To be kept in the Collector's Department.)

[illegible]

75.

APPENDIX A.

(vide Para. 35 of the Report.)

FORM NO. VIII.

DAILY STATEMENT

BALANCE OF, BILLS TO BE PREPARED, OF ASSESSMENTS MADE, AND OF BILLS ISSUED.

(To be kept in the Assessor's Department.)

72

(Vide Para. 35 of the Report.)

FORM IX.

(To be kept by the Assistant Commissioner and Collector.)

HOUSE RATE.

STATEMENT showing Remissions allowed to the undermentioned Parties during the Month
of 18 .

[illegible]

APPENDIX A.

(Vide Para. 35 of the Report.

FORM XI.

(To be kept by the Assistant Commissioner and Assessor).

HOUSE RATE.

ABSTRACT STATEMENT of the Demands and Outstanding Balances of House Rate.

Month and Date.	For and prior to 1866.	For 1867.	For 1868.	For 1869.	For 1870.	Total.
1870 January	31st. House Rate assessed during the Month					
	Less Bills issued to the Collector					
	Balance of Bills remaining to be preferred					

Bombay,

18

Assistant Municipal Commissioner and Assessor,

APPENDIX B I.

(Vide Paras. 8 to 16 of the Report.)

SELECTIONS from the Minutes of Evidence taken by the Committee of Public Accounts, ordered by the House of Commons to be printed, 21st July 1868.

On the Subject of Greenwich Hospital Accounts.

Wednesday, 29th April 1868.

MEMBERS PRESENT :

Mr. Childers.	Mr. Liddell.
Mr. Algernon Egerton.	Mr. Pollard-Urquhart.
Mr. Hankey.	Mr. Seely.

HUGH C. E. CHILDERS, Esq., IN THE CHAIR.

WILLIAM GEORGE ANDERSON, Esq., and JAMES BEEBY, Esq., were called in and examined.

336. “ *Chairman* (to Mr. *Anderson*).] You are the Assistant Comptroller and Auditor under the Exchequer and Audit Act, are you not?—I am.

340. “ Will you state to the Committee in full what the exact purport of that objection is?—The accounts are neither accounts of the sums actually relating to the year, nor accounts of the actual receipts and payments of the year. The principle which is generally recognized in the preparation of all public accounts now is, that they shall contain nothing but the actual receipts and payments within the period to which the account relates. That is the case with regard to the Balance Sheet of the Income and Expenditure Account of the Treasury; it is the case with regard to the account which is now before this Committee for the Consolidated Fund Services; and it applies also to every account, and to every Vote included under the general term ‘Supply Services.’ Therefore the principle which applies to the whole of the public accounts now is that all statements for Parliament of receipt and expenditure shall be accounts of actual receipt and actual expenditure within the period of the account. These accounts have not been so prepared. There is nothing in the Act which exempts the Greenwich Hospital Accounts from that principle, and the Comptroller and Auditor General conceives that unless there is some specific authority in the Act of Parliament for departing from the general principle which regulates all other accounts, it is a matter which he is bound to report to Parliament.

347. “ Then your objection is not to the account of expenditure as against the Vote, but to the Capital and Income Accounts of Greenwich Hospital proper?—Yes, our objection is not against the items of the account, but against the principle upon which the account has been prepared. That is, that transactions relating to a subsequent year are introduced into an account for a prior year to which they do not relate.

349. “ We may put out of the question at this moment the audit of the account of expenditure in the first instance charged upon public moneys as being correct?—The application of the Vote for Greenwich Hospital has been correctly

accounted for as a Vote; but the account of the Capital, and the account of the income (the Vote being one of the items of the Income Account), have not been prepared in conformity with the intentions of Parliament.

350. "In other words, the appropriation Account has been properly rendered, and properly audited; but the Capital and Income Balance Accounts have not been properly rendered in your opinion?—Precisely so.

351. "(To Mr. *Beeby*.) What answer have you to give to that?—As the 51st clause of the Greenwich Hospital Act prescribed certain transactions that were to take place after the termination of the financial year, such as the recouping to the Consolidated Fund of the amount paid out of the Votes in the first instance, and the payment of the 15*l.* per head, between the number of pensioners borne and 1,400, and also the investment of the surplus balance according to the directions of the Admiralty; and as all those transactions could not take place till after termination of the financial year, and yet appeared to be necessary to be included in the account, in order to give it completeness, the Admiralty considered that according to what appeared to be the intentions of the Act we were right in closing the account in the way we have done.

354. "But how is it possible for you to state a balance at the end of the half-year, which I think you do, both in the income and in the capital account, if that balance cannot be verified by the actual balance at that time?—We should state the actual balance as a cash balance, and we must explain those transactions that have taken place afterwards in a note.

355. "Did you do that in either the capital or the income account as laid before the auditors?—No, there was no note; but in the manner in which we closed it no note was necessary; it explained itself, because we had included the transactions which appeared to be intended to be so included.

356. "Do I rightly understand you to say that if the practice that you have followed in this half year was to be the established practice, it would be necessary that the balance stated on each account should be reconciled with the actual cash balance in a note?—Yes, exactly so; in a note.

359. "(To Mr. *Anderson*.) Is your objection to the account an objection in form, as being opposed to the words of the Act, or is it an objection in principle, as being an inconvenient way of stating the account?—It is an objection in principle, that the accounts for a particular period should be submitted for audit not containing the transactions of that particular period. Allow me to refer to the account itself to explain what I mean; the Capital Account begins with the balances; now these are the actual balances which existed on that day when they are stated to have been taken up, namely the 1st of October 1865. But if you take the balances at the close of the account, they are not made up upon the same principle. Thus the account is at the very first starting inconsistent with itself. The next item is the loans; that we do not object to; but with regard to the produce of the sale of Stock, we find not only sales of stock which had taken place within the period of the account, but the produce, according to this account, of a sale of stock which took place in March 1867, the account ending in March 1866. They then go on to a further purchase of stock: you find an entry of the purchase of 5,479*l.* 9*s.* of stock, which was not purchased till twelve months after the account was closed; therefore it cannot relate to the account, and it produces a false balance. On the opposite side, you find that on the 2nd March 1867 they purchased 5,479*l.* 9*s.* stock, that has no relation to the account ending March

1866. And again, when we come to the cash, there is a payment of cash on the 13th March 1867, of 1,283*l.* 2*s.* 2*d.* for the purchase of Stock which was taken out of the account twelve months after the account was closed. An account made up upon that principle is, I think, indefensible. It is impossible to test the balances of it. If you can shift the transactions of the different years, and put them back in that way, there is no possibility of properly auditing an account. Now, I will take up the Income Account in the same way. The balances are perfectly correct at the starting of the account. I have nothing to say to that, but they are totally incorrect when you come to the close of the account. The Admiralty state that they wish to prepare an account of the transactions relating to the period of the account, whether the moneys were actually realized or not, because if they were not realized they were due, and still belong to that account. I will take them upon their own principle. The item I take first is, 'Rents of the Hospital property at Greenwich and the Isle of Dogs, 2,919*l.* 19*s.* 9*d.*,' and there are also the rents of the Northern Estates. Now, those are the sums actually received in the year, not the rents actually due in that year. Therefore the Admiralty are inconsistent with themselves. That vitiates the account altogether, even if you take their own principle. Then, when we come to the credit side of that account, we find the repayment to the Consolidated Fund stated to be 65,949*l.* They state that they paid that over to the Consolidated Fund in the year, or at least they have charged it in the account of the year, ending 31st March 1866. When I refer to the Treasury accounts, I find no such sum in the accounts for that year. Now, a mere transfer of money from one hand to the other, as between two departments, surely ought to appear in their accounts on the same day. But here a whole twelvemonth elapses between the dates when the two departments bring the same transfer to account. These discrepancies the Comptroller and Auditor General has had under his serious consideration, and he thinks that they vitiate the account altogether. It is not one which he can possibly receive and pass.

365. "But, on the other side, they have included the repayment to the Consolidated Fund on account of the Greenwich Hospital expenditure of the half year, and the payment to the Consolidated Fund on account of the 15*l.* a head, and the transfer to the Capital Account of the 5,000*l.*, but you exclude those sums?—We exclude all transactions which do not belong to the period of the account. The difference between the Comptroller General and the Admiralty is one of principle; all these transactions may be perfectly correct, if they are brought to account at the right time; they are quite wrong in being introduced in an account to which they have no relation as to the period.

366. "Then it is strictly correct to say that the account as prepared by the Admiralty, that is, the Appropriation Account, shows the actual transactions of the year in respect of the Vote, and that they have carried into the Capital and Income Account all the consequent entries, although those actual entries were made after the end of the year?—Yes, they have included in the Capital and Income Accounts of the year, ending in March 1866, transactions which belong to the accounts of the year ending in March 1867.

367. "Those transactions, however, all having reference to the results of the Appropriation Account of the Vote?—No doubt they have some connection with the year; but as they did not take place within the year, they cannot properly be included in the account of the year.

368. "The distinction between you is that they say that all the consequent transactions ought to be considered transactions of the year, whereas you say that all the consequent transactions ought to be considered transactions of the period in which they were actually passed through the books?—Yes, certainly. We have no other way of testing our balances unless we keep the accounts upon that principle. This is a principle which the Comptroller and Auditor General contends for as one of universal application to public accounts.

374. "(To Mr. *Beeby*.) Do you not feel the inconvenience of your practice involving, as you admit it would, a distinct foot-note of reconciliation between the accounts?—None whatever.

375. "Why not?—As has been stated, we can state the cash balances. We have the cash balances on record, and those transactions which took place after the period of the account, and which are on record, are only three in number. The principal of charging an expenditure back to the year in which it relates, is not a new one in the Public Accounts, because the Navy Accounts themselves have been kept on that principle.

376. "But has not that principle been given up altogether now?—It has.

377. "Was not that principle given up in accordance with a distinct understanding that it should be discontinued, not only with respect to the Army and Navy Accounts, but also subsequently with respect to all the Civil Accounts?—Quite so; I quite agree with the principle laid down by Mr. Anderson. The only point which struck us at the Admiralty was that this was a very peculiar account, differing from the accounts of the Woods and Forests, inasmuch as there are no transactions prescribed with regard to the Woods and Forests similar to some of those required with regard to the Greenwich Hospital, such as the recouping of the Consolidated Fund. I am not aware of any other account in this country which is kept upon the same principle as this.

380. "(To Mr. *Anderson*.) The account would not show what had been done with the money received from the Vote and otherwise, unless it was prepared in this manner, would it?—The voted moneys have been properly accounted for. No objection has been raised against that account, because it is prepared in strict conformity with the Act. It is with regard to the Capital and Income Accounts that the question arises. This question of the principle of making up public accounts has been under discussion, and has been brought before Parliament for the last century in a great number of reports. It was formerly the practice to keep the accounts open for years. You never could get a public account closed. The voted moneys were kept sometimes for 10 or 20 years; the balances were never surrendered. In 1832 a great step was taken by Sir James Graham, when he altered the first principle of the Appropriation Act. The principle he introduced was one which had been recommended to Parliament over and over again. I will give the Committee a few of the Reports in which the question has been discussed, and in which recommendations have been made to Parliament enforcing the principle of accounting only for payments actually made within the year. In the 12th Report of the Commissioners in 1784 (pages 171 and 173), they maintain that no public accounts are worth anything which are not founded upon actual payments. This was a Report, not of a Committee of the House of Commons, but of a Commission appointed by Parliament to inquire into gross abuses

which existed in the public accounts in those days. In the 21st Report of the Select Committee on Finance in 1797 (pages 16 and 18), they again enter into the question of keeping open public accounts, and they recommend that the principle of actual payments should be the basis of all accounts of expenditure laid before Parliament. In the 10th Report of the Committee on Public Expenditure, in 1810 (page 163), there is the same recommendation. In the 14th Report of the Commissioners of Military Inquiry in 1811 (pages 263 to 270), the same subject is again taken up. In the 8th Report of the Select Committee on Finance, in 1818 (page 72), they again recommend actual payments as the basis of our public accounts. In the 3rd Report of the Select Committee on Finance, in 1819 (page 10), the same recommendation is repeated. The subject was also fully discussed in the 4th Report of the Committee of Inquiry into the system of Account and Audit in the Ordnance Department, composed of Sir William Herries, who was the head of the Audit Board; Mr. Brooksbank, who was the head of the Finance Department of the Treasury, and a very eminent public servant; Mr. Seth Thomas, of the Ordnance Department; and myself. The first three gentlemen are dead; but I refer to this Report and to another, the 6th Report, made by the same gentlemen, dated the 6th day of December 1845, in which this subject was fully discussed, and the same recommendations were repeated. In consequence of those recommendations, the Naval Votes were first all brought under that principle; that is to say, moneys were granted for the sums which should come actually in course of payment during the year. The same principle was extended afterwards to the War Office and the Ordnance Department; and it is only within the last three or four years that the principle has been carried to completion, by putting all the Civil Services on the same principle; that is, that the moneys granted shall only be applied to services which are actually paid for during the year, and that any moneys which remain unexpended at the close of the year shall revert to Parliament for fresh appropriation. All the expenditure included as permanent charges upon the Consolidated Fund Accounts has been always so accounted for, and it was the inconsistency which existed between the different branches of the public accounts which led to those changes. Now we have arrived at a complete account, in which both sides are uniform, consisting of actual transactions; and this Greenwich Hospital Account is the first attempt during recent years to depart from that principle. I quite agree with the report of the Comptroller and Auditor General: I consider that not only is the principle followed in this Greenwich Hospital Account inconsistent with the proper mode of accounting for public moneys, but it is inconsistent with the Act itself.

396. "Is there any money included in the account which was not received on the 31st of March 1866?—Yes, there is some.

397. "Then to some extent it is an assumed account?—We purposely included transactions occurring not within, but for or on account of the period of the Account.

401. "Then your strong objection is, that this does not give the actual facts as stated in the account?—That is the objection to this account, that it contains facts which were not facts at the date of the close of that account.

402. "*Chairman*] For instance, the produce of 1,283*M.* 2*s.* 2*d.* of stock sold on the 13th of March 1867, is taken in as a receipt of the year ending the 31st of March 1866?—Yes, precisely.

403. "Though, as a matter of fact, the only connection between that item and that year is that it is an adjusting investment on the Capital Account of the year?—Yes; and it leads also to this inconsistency, that the stock itself is shown to have been parted with in the account ending 31st March 1866, when it was actually existing in the books of the bank at that date.

404. "Mr. Hankey.] That item which the Chairman has alluded to as included in the receipt of the year ending 31st of March 1866, does not appear to have been realized till the 13th of March 1867; how could you possibly make an audit of such an account agreeing with the heading by which the account is described as being 'An Account of the Receipt for the half year ended 31st of March 1866'?—It is precisely for that reason that the Comptroller and Auditor General objects to this account as one that he cannot audit. If you refer to pages 12 and 14 of this Paper, you will find the accounts stated in a form in which they can be audited. These accounts were prepared by the Comptroller and Auditor General as showing the transactions that ought to have been accounted for in the accounts submitted to him for those periods. There are two accounts in this Parliamentary Paper, the incorrect account, and a second, which we consider the correct account."

On the Subject of Extra Receipts.

Wednesday, 8th July 1868.

MEMBERS PRESENT:

Mr. Childers.
Mr. Algernon Egerton.
Mr. Hankey.

Mr. Howes.
Mr. Liddell.
Mr. Selater-Booth.

HUGH C. E. CHILDERS, Esq., IN THE CHAIR.

MORGAN HUGH FOSTER, Esq., C.B., called in and further examined.

802. "Chairman.] The Treasury, I believe, have come to an opinion now on the extra receipt question, which has been in agitation for the last four years?—Yes.

803. "Will you be good enough to state from the Treasury point of view, exactly what that question is, and what the decision is to which the Treasury has provisionally come?—I think in a few words, the decision arrived at is that in every case where there is not a strong objection to that course, the extra receipts should be paid into the Exchequer, and that the Estimates for the Votes of the House of Commons should be for the total expenditure to be incurred by the department; because, unless that course be followed, there is a want of sufficient control over the expenditure, and the accounts do not show exactly the facts as they occur.

804. "Then your view would be to apply to all classes of extra receipt the rule which has for many years past been in existence with respect to the sale of old stores?—It would. There may possibly be one or two exceptions; but I would make those exceptions as rare as possible.

805. "When, therefore, the Government sell, either to foreign Governments, or to individuals, Government stores for which there is a store vote, you would in every case pass the proceeds of those sales to the Exchequer, and swell your estimate by what you expect to have to pay to replace replace them?—Unless you follow that course, the accounts of expenditure will not represent the whole sum expended by that department.

825. "The object, I presume, of laying down the rule stringently, is what is stated in the Treasury Minute of the 10th of February last, where it appears that in consequence of the state of the accounts for warlike stores in 1866-67, the Treasury think that 'the present system of crediting transfers and repayments in aid of the Votes, entirely vitiates the control of Parliament over expenditure, by introducing into the grant an element of great uncertainty, which occasionally places at the disposal of the department large sums beyond the amount appropriated by Parliament to the service?—I think the inconvenience of the present system is shown very strongly in that case, where the Army Account represents a saving of 133,000*l.*, and explanations are given for such a saving, whereas in reality there was an excess of expenditure of 60,000*l.* beyond the sum appropriated by Parliament to the service, and no explanation regarding this excess is given.

826. "The practical case is this, is it not; a certain amount was considered to be required to make up the stock of Army stores to a particular point, but large amounts were received from other sources representing issues of those stores, and in that way the Army Department was able to expend upon the purchase of stores very much more than was intended by Parliament?—Exactly.

827. "They were not enabled to fill up their magazines to a larger extent than Parliament had intended, but the act of filling them up involved a larger purchase than Parliament intended?—Yes.

828. "And that is inconvenient, in so far as, though it did not enable the War Office really to be in possession of more material than was intended, it did enable them to be larger purchasers than was intended?—Yes, and besides that, it may lead to this, that the purchases and repayments may not fall within the same year, so that the department having purchased the stores in the one year and not obtained the repayment, there will possibly be an excess of expenditure which will have to be voted by Parliament, and in the next year the receipt will come in in excess of what Parliament has granted, and no corresponding purchase will be required. Therefore, it places that sum entirely in the hands of the War Office for expenditure beyond either what was intended by Parliament to be spent, or what is necessary to replace the stores which have been supplied to a foreign or colonial Government.

829. "In passing, let me ask you whether you remember that the same difficulty was raised in previous examinations before the Committee, and that it was then got over by an arrangement under which the account would remain open during the usual period for which sub-accountants' accounts are allowed to remain open?—My view is, that it would be a bad principle to admit that a receipt in May should be credited as a receipt in March, and unless you do that, I do not see how the difficulty can be met."

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APPENDIX B. II.

No. 683 of 1868.

FINANCIAL DEPARTMENT.

Bombay Castle, 26th May 1868.

Resolution on a Memorandum submitted by the late Honourable Stewart Gordon, regarding certain proposed alterations in the mode of keeping Talooka Accounts.

1. The main object has been to keep the Financial Accounts separate from those required for purposes of Revenue or Administration, but at the same time to ensure that the latter may act as an efficient check on the actual realization given in the former; in other words, to enable an Officer to at once ascertain what is the precise sum due to Government from any particular village, or on account of any particular item of revenue, and to satisfy himself that it has been, or is in the course of being punctually realized and brought to account.

APPENDIX C.

(Vide Para. 3 of Report.)

Questions put by the Municipal Committee on Accounts to the Chief Auditor and Accountant of the B. B. & C. I. Railway.

1. You keep the accounts of the current Revenue and Expenditure of the Bombay, Baroda, and Central India Railway I believe?—Yes.

2. In addition to this, have you any account of construction or expenditure distinct from the ordinary working expenses of the Line?—Yes.

3. As regards your Revenue or Receipts you have income from various sources. Please state how it is collected and what check you have over the Collectors.—Cash is collected for current traffic chiefly at stations, only a few large accounts being settled on special bills at the Head Offices. Station Masters remit their cash to Head Quarters daily, and send periodical (some daily, others weekly) returns of business done to the Revenue (Traffic) branch of the Audit Office. These are examined, and the audited charges debited to the stations, the Station Master being advised daily of errors discovered in the audit of his returns. The cash for which the Station Master takes credit in his returns is checked in the Revenue Audit Office with the daily advices sent by the Chief Cashier to the Revenue Auditor of cash received from stations. A further check is obtained by periodical examination of the books at the stations made by the Travelling Auditor, who reports thereon direct to the Chief Auditor, who, after due notice of any special points, sends the reports for record to the Revenue Auditor.

4. Is all money received paid at once into your Treasury, *i. e.* the Government Treasury?—Cash received at stations is remitted daily (except on Sundays) to Traffic Cashiers in Bombay, each of whom receives and counts the cash of a section of the line. The money is paid daily into the Government Treasury direct by these Cashiers.

5. And all money expended must be drawn from that Treasury?—Money required for current expenditure is drawn from the Government Treasury on requisitions signed by the Agent and the Chief Auditor of the Railway Company. Money so required is placed to the Company's credit with the New Bank of Bombay on advices from the Accountant General until its actual disbursement.

6 *a.* Can you apply money received for current expenditure without its passing through the Treasury?—Such an application of Traffic receipts to current expenditure would be against established rules.

6 *b.* Please state generally your mode of controlling and checking expenditure.—All expenditure is understood to require the previous sanction of Government. For working establishments and current revenue expenses this is given on estimates for each Department half-yearly, such estimates showing the probable average strength and monthly cost of the staff required, as well as the other probable outlay. All changes in salaries over Rs. 300 per month, and increases from rates below to rates above that figure, require the special sanction of Government and confirmation by the Board of Directors. Expenditure for construction of works requires separate and special sanction from

Government in each case on proper estimates. No payment of any kind involving charge is made without the Account or Pay Sheet being first passed by the Chief Auditor, and all accounts so passed are paid by Cheques on the Company's Bankers, signed by the Agent and Chief Auditor. Accounts so passed are debited monthly in the General Ledger to the Department by whom they were certified, and the Department concerned sends to the Chief Auditor monthly Statements of the appropriation of such passed accounts to heads of service and sanctioned estimates, upon which Statements credit is given to the Department, and the final charge made to Capital or Revenue heads in the General Books. Registers of all sanctions given are kept in the Chief Auditor's Office, and the appropriated expenditure written up monthly against each sanction. If an estimate appears to have been exceeded, the Chief Auditor calls upon the Head of the Department concerned to apply for sanction for the excess on a supplementary estimate. It is easy to check Establishments or Contract work disbursements by preaudit, and so to avoid excesses over sanctions; but for Departmental work it is often practically impossible to keep expenditure strictly within sanction by this means, as the Appropriation Returns have to be awaited, and thus the excess, when outlay of all kinds is concentrated in one head, is not apparent until the work is done, and supplemental sanction thereby becomes the only remedy practicable.

7. Do you close your cash account monthly, showing cash in hand. If not, how often?—All cash accounts are written up as nearly as possible from day to day, and closed monthly. The General Cash Books kept in the Head Office of the Audit Department show all the receipts and disbursements of the Company. They are regularly examined and certified by the Chief Auditor.

8. Will you give this Committee a sketch of the system under which your receipt and expenditure is booked?—I have partly answered this question in replying to No. 6b. Every account passed is recorded on a "Register of Accounts passed by the Chief Auditor and Accountant for payment." As regards *Expenditure* the process is as follows:—By monthly Journal entries the various Departments are charged, and the neutral heads of accounts (such as "salaries and wages," "personal accounts," "general expenses," &c.) credited in the General Ledger. The charge from cash on payment is then, of course, to the neutral heads of account, which are thereby cleared. The Departments remaining thus debited with expenditure passed for them send in monthly Appropriation Returns, which are by Journal entry placed to their credit and the debit of final heads of service. As regards *Receipts*:—Traffic accounts are made up in four-weekly periods, except at the close of each half-year. Station returns are examined in the Revenue branch of the Audit and Accounts Department, a section of that branch being employed on each main section of Traffic accounts (Goods, Passengers, Parcels, &c.) On completion of the examination of each four weekly set of returns, the Revenue Auditor prepares a Balance Sheet for the period, showing on the one side the audited earnings under classified heads, and on the other the cash received and deposited in the Treasury, as well as Bills that he may have passed on for collection through the General branch of the Department for earnings not collected at stations (*see para. 3 above*). The balance of this Balance Sheet is the total amount of outstanding earnings due by the stations at the closing date of the return. This Balance Sheet is journalized in the General Books; "Revenue Audit" account being debited from it in the General Ledger with the total amount of earnings, and the various subordinate heads of Revenue receipts credited in their due proportions. The "Revenue Audit" account receives credit

daily from the Cash Book for cash remitted by stations. Cash is remitted by Station Masters daily, as before stated, to Traffic Cashiers with a Remittance Note. The Station Master sends a duplicate of this Remittance Note under a separate cover to the Chief Cashier and Paymaster daily. The Traffic Cashier counts the cash received, signs the Remittance Note, and returns it to the Station Master. He then enters the cash received in his Cash Book, and pays in the whole to the Government Treasury, with a Summary showing in detail the amount deposited on account of each station in his District. The Treasury Officer signs a receipt at the foot of this Summary, and returns it to the Traffic Cashier, who hands it to the Chief Cashier so receipted. The Chief Cashier compares the details of the Summary with the duplicate Remittance Notes received by himself from the stations, and, if correct, enters the totals in his own Cash Book, and, after advising the Revenue Auditor of the amounts received, passes them on daily to the General Accounts branch of the Audit Department, where they are entered in the General Revenue Cash Book of the Company to credit of Revenue Audit. This Cash Book is compared regularly with the Treasury Returns of Receipts, and so certified by the Chief Auditor. These are the main rules for booking revenue receipts and general expenditure. Besides traffic earnings and advances from Government some miscellaneous receipts come in from time to time, which are dealt with either by special rules, or according to circumstances, which would, however, require illustration from the books to make them clear.

9. How is expenditure of *Stores*, either purchased in the market, or indented for from England or elsewhere, treated in your accounts?—All stores purchased in the market here, or received on indent from England, are debited at cost on receipt to the Stores Department in the General Ledger. Departments using stores indent on the Stores Department for what they require, and are charged with the cost of supplies so obtained on Monthly Bills. The amount of these Bills is credited to the Stores Department, and charged to the Department supplied, in the General Ledger monthly. The Departments using stores report their consumption to the Chief Auditor monthly in detail, and send returns to him of their appropriation, upon which returns the Departments are credited and heads of service charged in the General Books. All Departments, except the Engineering and Locomotive, appropriate the whole of the stores issued to them either monthly or within each half-year, and, therefore, hold no balance in stock. The Engineering and Locomotive Departments hold unused stocks of stores, which are periodically examined and reported in detail, the aggregate value in hand at stock-taking times being adjusted with the balance of the account against the Department, in the General Ledger. As regards Engineering materials, each Resident Engineer of a District keeps a small but complete set of books, showing all his expenditure for stores and other outlay. These books are uniform in system for all Districts. The Engineering Departmental Accountant keeps accounts with each District, and the whole are regularly adjusted with the General Books in the Chief Auditor's Office.

10. How do your Disbursing Officers state the value of stores expended in their accounts?—The value of stores used is separately shown on all Engineering and Locomotive Returns monthly, and supported by detailed Statements of the particular materials consumed, showing quantity, rate-price, and total value. Other Departments, except the Stores Department itself, simply certify the Monthly Bills sent to them for supplies, and return them to the Chief Auditor,

such supplies being comparatively small in quantity. The cost of stores used by the Stores Department itself in ordinary working is charged to the Expenses account of that Department, in the General Ledger monthly, and appropriated at the end of each half-year to Capital and Revenue.

11. Are you bound by limits as to expenditure. If so, how is the control exercised?—All expenditure requires sanction, and no outlay beyond sanction is admitted by Government in their examination of our accounts. As before stated, Establishment charges and specific contract work expenditure are readily kept within limits by preaudit. Works carried on departmentally are not so easily controlled, because the excess (if any arise) is not always apparent until after it has been incurred. Some allowance must be made for circumstances in controlling outlay, as at times an Auditor's refusal to disburse money in excess of a strict sanction might cause confusion and greater ultimate loss than rigid adherence to a formal rule might be worth. It is, however, his duty to bring every such case to the notice of the proper persons without delay, and to insist on due sanction being obtained. If sanctions were habitually disregarded by Executive Officers stronger measures would be taken, but as this is not the case on the Baroda Railway, the Chief Auditor has very rarely to refuse immediate payment of any duly certified account.

T. W. WOOD,

Chief Auditor and Accountant,

B. B. & C. I. Railway.

Bombay, 22nd July 1869.

APPENDIX D.

LEDGER HEADS OF RECEIPTS AND DISBURSEMENTS OF THE MUNICIPALITY OF BOMBAY. (Furnished by the Controller.)

ASSISTANT COMMISSIONER AND ASSESSOR'S DEPARTMENT:—

- I. Assessor's Salary.
- II. Establishment.
- III. Salary of Superintendent of Wheel Tax, Tent Department.
- IV. Tent Establishment.
- V. Contingencies, Stationery.
- VI. Office Rent.

ASSISTANT COMMISSIONER AND COLLECTOR'S DEPARTMENT:—

- I. Collector's Salary.
- II. Establishment.
- III. Salary of Warrant Officer.
- IV. Office Establishment of Warrant Officer.
- V. Salary of Receivers.
- VI. Contingencies, Stationery, and Printing.
- VII. Office Rent.

(To be apportioned at the end of the year to the different Funds.)

Applications for Water connections:—

Balances Account:—
Books of Fares.
B. B. & C. I. R. Company.

COMMISSIONER'S DEPARTMENT:—

- I. Commissioner's Salary.
- II. Establishment.
- III. Contingencies, Stationery, and Printing.
- IV. Office Rent.

CONTROLLER'S DEPARTMENT:—

- I. Controller's Salary.
- II. Office Establishment.

17 M

- III. Contingencies, Stationery, and Printing.
 - IV. Office Rent.
 - V. Account Branch of the Health Department.
 - VI. Account Branch of the Engineer's Department.
 - VII. Loan Department.
- (To be apportioned at the end of the year to Market, Drainage, and Municipal Loans.)

CLERK TO THE JUSTICES OF THE PEACE:—

- I. Salary of the Clerk.
- II. Establishment.
- III. Law Charges.
- IV. Printing and Advertising Charges.

CONTRIBUTIONS:—

- I. Drainage.
- II. Agri-Horticultural Society.

CLOTHING FUND:—

- I. Commissioner's Department.
- II. Controller's do.
- III. Clerk's do.
- IV. Assessor's do.
- V. Collector's do.
- VI. Municipal Engineer's Department.
- VII. Health Department.
- VIII. Registrar of Births and Deaths Department.
- IX. Store Department.

COMMISSION ON PRIVATE WORKS:—

Chief Inspector, Municipal Engineer's Department.
Chief Inspector, Water Works Department.

Sundry Inspectors, Health Department.
(Applicable to both Debits and Credits.)

CREDITS AGAINST REFUNDS:—

Police Rate.
Lighting Rate.
Hallalcore Cess.

CONTRACTORS AND DEALERS:—

(Major Heads of persons dealing extensively are opened separately, while of Petty Dealers are tabulated under the Head "Sundry Dealers.")

COLLECTIONS ACCOUNT:—

Superintendent, Wheel Tax Collection.
Collection of Municipal Rates and Taxes.
Health Officer.
Executive Municipal Engineer.
Senior Magistrate of Police.
Collector of Bombay.
Police Commissioner.
Commissioner of Customs.
G. I. P. Railway Company.
B. B. & C. I. Railway Company.
Collector of Certificate Tax.

CERTIFICATE TAX:—

Through the Collector of Certificate Tax.

DEPOSIT ACCOUNT:—

(Deposits received from and refunded to Contractors and others are tabulated under this Head.)

DEPOSITS UNDER SECTION CXLII. OF ACT II. OF 1865.

(Names of Parties are tabulated under this Head.)

DEPARTMENTAL WORKS.

(Works performed by one Department for another are temporarily tabulated under this Head until finally adjusted.)

DRAINAGE ACCOUNT:—

CHARGES—

Engineer's Department.

- I. Proportion of Engineer's Salary.
- II. Resident Engineer, Fort Drainage.
- III. Assistant do. do.
- IV. Establishment.
- V. Office Rent.
- VI. Contingencies, Stationery, and Printing.

OTHER HEADS—

Balances Account. (This does not form a minor head in the Municipal Fund Account but as major head in the Drainage Account.)
Clothing Fund.
Contribution from Municipal Fund.
Cost of General Superintendence, share of.
House Rate Loan.
Income and Expenditure.
Interest on House Rate Loan.
Loan Establishment.
Municipal Fund. (Remarks opposite Balances are applicable to these also.)
Do. Do. Loan Account.

NEW WORKS LOAN ACCOUNT:—

- I. Fort Sewers.
- II. Camateepoora Drains.
- III. Branch Sewer, Bellasis Road.
- IV. Drains, Funuswaddy Lane and Agiary Road.

PANWELL BRICK WORKS:—

- Produce of Bricks—
- I. Salary of Manager.
 - II. Establishment.
 - III. Contingencies, Stationery, and Printing.
 - IV. Labourers.
- Factory—
- V. Materials.
 - VI. Machinery.
 - VII. Works done by contract.
 - VIII. Purchase of Land.

SAVINGS ACCOUNT.

SUNDRY RECEIPTS.

SINKING FUND.

DUTY ON TOBACCO AND SNUFF.

Through the Commissioner of Customs.

ENGINEER'S DEPARTMENT:—

- I. Proportion of Engineer's Salary.
- II. Office Establishment.
- III. Building and Notices Establishment.
- IV. Surveyors and Draftsmen.
- V. Office Rent.
- VI. Contingencies and Stationery.

EXECUTIVE ENGINEER (PERSONAL ACCOUNT):—

Municipal Branch.
Drainage do.
Water Works do.
(This embraces items of Recoverable Advances.)

ESTABLISHMENTS FOR LICENCES:—

PUBLIC LAND CONVEYANCE DEPARTMENT—

- I. Office and other Establishment.
- II. Contingencies for Stationery, Printing, Paint, Oil, &c.
- III. Cost of Badges.
- IV. Do. Tin Plates.
- V. Do. Stores.

LIQUOR LICENSE DEPARTMENT—

- I. Office Establishment.
- II. Contingencies, Stationery, and Printing.
- III. Cost of Stores.

MUSIC AND POISON LICENSE DEPARTMENT—

- I. Office Establishment.
- II. Contingencies, Stationery.

ELPHINSTONE LAND PRESS COMPANY.

ESPLANADE FEE FUND COMMITTEE.

FINES AND PENALTIES:—

Through Senior Magistrate of Police.
Collector of Bombay.
On Municipal Establishments.
Contractors.

FEES ACCOUNTS:—

Through Municipal Engineer—
Fees for Projecting Galleries.
Weather Frames.
Scaffoldings.
Rewas.
opening Roads.
constructing or cleaning Drains.
Miscellaneous.

Through Police Commissioner—
For Licensing Public Land Conveyances.

Liquor Licenses.
Music do.
Poison do.
Coffee and Chandool Licenses.
occupying Public Roads.

Through Health Officer—

For carrying on Offensive and Dangerous Trades.

cleaning Drains.
digging Graves.
drawing Toddy.
Miscellaneous Fees.

Through Collector of Rates and Taxes—

Notice Fee.
Warrant do.
Transfer do.
Battakee do.
Inspection do.
Duplicate Licences, &c. do.
Rearing Fish.
Miscellaneous.

FEES FOR HOUSE RATE LOAN:—

Registration Fee.
Transfer do.
Enfacement do.

FRERE FOUNTAIN.

FINANCE AND STANDING COMMITTEE'S CLERK.

GENERAL SAVINGS ACCOUNT:—

Engineer's Department.
Health Department.
Assessor and Collector's Department.

GOVERNMENT PROMISSORY NOTES:—

Original value.
Premium.
Discount.
Total or Net cost.
Interest.
Grand Total.

GENERAL SALES ACCOUNT:—

Unclaimed Vehicles.
Ditto Property.
Cocoanut Trees.
Sundry Articles or Sundries.

GROUND RENT:—

(Press Companies and Parties are tabulated under this Head.)

GAS COMPANY.

G. I. P. RAILWAY COMPANY.

GRATUITIES.

GOVERNMENT OF BOMBAY.

HEALTH DEPARTMENT:—

- I. Salary of the Health-Officer.
- II. Superintendence Establishment.
- III. Bunder Establishment.
- IV. Office do.
- V. Veterinary do.
- VI. Night do.
- VII. Drain Cleansing Establishment.
- VIII. Scavenging Establishment.
- IX. Feed and keep of Cattle, Night Department.
- X. Do. do. do. Drain Cleansing Department.

- XI. Feed and keep of Scavenging Department.
- XII. Contingencies, Stationery, and Printing.
- XIII. Office Rent.
- XIV. Ground Rent for Stables.
- XV. Conveyance of and emptying Town Sweepings at Coorla.
- XVI. Repairs to Stables.
- XVII. Do. to Railway Waggon, Carts, Dust Bins, &c.
- XVIII. Cost of Stores.
- XIX. Live Stock.

HALLALCORE ACCOUNT:—

CHARGES—

- I. Office Establishment.
- II. Inspectors (1st and 2nd Class), Detectives, and Chawl Mucadums.
- III. Time Keepers, Ticket Distributors, and Lantern-men.
- IV. Cart Drivers.
- V. Hallalcores—Men, Women, and Boys.
- VI. Feed and keep of Cattle.
- VII. Floating Latrines.
- VIII. Office Rent.
- IX. Stores.
- Other charges, as the case may be.

OTHER HEADS—

Income and Expenditure Account.
Hallalcore Cess. (Through the Collector of Rates and Taxes.)
Savings.
Fines.
Clothing Fund.
Rent of Chawls, &c., &c.
Balance Account.*
Municipal Fund Account.*

* These heads are not treated as minor heads in the Municipal Fund Account, but as major heads in the Hallalcore Account Journal and Ledger.

HOUSE RATE LOAN CONTINGENCIES:—

HOUSE RATE—

(Through the Collector of Rates and Taxes.)

HEALTH OFFICER (PERSONAL ACCOUNT).

IMPROVEMENTS OF STREETS:—

- I. Compensation for Grounds and Buildings.
- II. Arbitration Fees.
- III. Contingencies.

INCOME AND EXPENDITURE ACCOUNT:—

INTEREST ON HOUSE RATE.

LOAN INTEREST ACCOUNT.

INCOME TAX ACCOUNT.

LIGHTING ACCOUNT:—

CHARGES—

- I. Gas Charges.
- II. Sundry Charges, such as Lighting, Cleaning, Repairing, and Extinguishing, &c.
- III. Lighting Stables.
- IV. Lighting Markets.
- V. Establishment.
- VI. Contingencies.
- VII. Lamp Posts and Brackets, cost of, and fitting and fixing.

OTHER HEADS—

- * Balances Account.
- Cost of Assessment and Collection, share of.
- Cost of General Superintendence, share of.
- Lighting Rates.
- Through Collector of Rates and Taxes.

* These are not treated as minor heads in the Municipal Fund Account, but as major heads in the Lighting Account Journal and Ledger.

LOCAL PRESSES:—

(Amounts due on account of works, advertisements, &c., and payments made to all presses are tabulated under this head).

MARKET ACCOUNT:—

CHARGES—

- I. Market Establishment.
- II. Bandora Slaughter-house Establishment.
- III. Feed and keep of Cattle.
- IV. Cost of Meat Trains.
- V. Contingencies and Petty Stores.

OTHER HEADS—

Balances Account.†
Clothing Fund.
Fees, Slaughter.
„ Stall.
„ For Market Loan.
Registration Fees.
Transfer „
Enfacement „
Ground Rent.
Registration Fees for Butcher-shops.
Rent of Chawls at Bandora.
Standing Fees.
Government Promissory Notes on account of Sinking Fund.
Original value.
Premium.
Discount.
Total or Net cost.
Interest.
Grand Total.
Income and Expenditure Account.
Interest Account on account of Loans.
Municipal Fund.†
Market Loan.
Supplementary Loan.
New Market on the Esplanade.
Null Bazaar Market.

† These are not treated as minor heads in the Municipal Fund Account, but as major heads in the Market Account Journal and Ledger.

MARKET ACCOUNT—*continued.*

OTHER HEADS —
Bandora Slaughter-house.
Sinking Fund.
Savings Account.

NEW WORKS LOAN ACCOUNT:—

I. Green Market on Esplanade.
II. New Boree Bunder Mutton Market.
III. New Beef Market.
IV. New Fruit and Vegetable Market.
V. Fort Market.
VI. Bhooleshwur Market.

MUNICIPAL COMMISSIONER (PERSONAL ACCOUNT):—

Munguldass Nuthoobhaee's Clock.

NEW BANK OF BOMBAY.

NEW BANK OF BOMBAY ON ACCOUNT OF GOVERNMENT LOAN.

PRIVATE WORKS ACCOUNT:—

Chief Inspector, Municipal Engineer's Department.
Do, do. Water Works do.
Sundry Inspectors, Health Department.
(All works done are debited and recoveries credited to respective Inspectors.)

POLICE ACCOUNT:—

MUNICIPAL POLICE —

I. Salary of Commissioner.
II. European Land Police.
III. Native Land Police.
IV. Native Mounted Police.
V. Office Establishment.
VI. House Rent.
VII. Secret Service.
VIII. Contingencies, Stationery, and Printing.
IX. Repairs to Police Chowkies.
X. Hire of Horses during Mohurum.
XI. Lighting Police Chowkies.
XII. Cost of Stores.

POLICE ACCOUNT—*continued.*

MEDICAL DEPARTMENT —

I. Salary of the Surgeon.
II. Hospital Establishment.
III. Medicines and Surgical Instruments.
IV. Contingencies, Stationery, and Printing.
V. Cost of Stores.

FIRE ENGINE ESTABLISHMENT —

I. Establishment.
II. Repairs to Engines, &c.
III. Contingencies for extinguishing Fires.
IV. Charges for Buggy Hire, feed of Horses, &c.
V. Rent of Stables.
VI. Lighting Fire Engine-sheds.
VII. Cost of Stores.

OTHER HEADS —

Balances Account.*
Contributions by Government.
Cost of General Superintendence, share of.
Assessment and Collection, share of Government of Bombay.
Income and Expenditure Account.
Municipal Fund.
Police Rate.
Through Collector of Rates and Taxes.
Share in Girgaum Police Court.
Pensions.

REGISTRAR OF BIRTHS AND DEATHS:—

I. Registrar and Office Establishment.
II. Contingencies, Stationery, and Printing.

ROAD REPAIRS:—

I. Road Metal.
II. Sand Stone.
III. Slab Stones.
IV. Kerb Stones.
V. Paving Stones.

*These are not treated as minor heads in the Municipal Fund Account, but as major heads in the Police Account Journal and Ledger.

ROAD REPAIRS—*continued.*

VI. Ground Rent for stacking Metal.
VII. Walls and Drains, construction of.
VIII. Out-door Establishment.
IX. Labourers.
X. Hire of Carts.
XI. Hire of Bullocks.
XII. Watering Roads.
XIII. Scraping Roads.
XIV. Contingencies, General.

STOREKEEPER'S DEPARTMENT:

I. Salary of Storekeeper.
II. Office Establishment.
III. Contingencies and Stationery.
IV. Wages of Labourers.

SUNDRY ADVANCES:—

(Advances to sundry Officers (excepting Municipal Engineer, Commissioner and Health Officer) and recoveries from them are tabulated under this Head).

SUSPENSE ACCOUNT:—

(Items of an undecided nature are temporarily debited and credited by tabulation.)

STOCK ACCOUNT:—

Purchases are debited to this Head, and when issued to Departments they are debited to the Personal Accounts noted on the reverse and credited to this Head.

Dead Stock.	}
Quick Stock.	
Live Stock.	
Stock for Cattle.	

Sale of Ground. (Parties to whom sold are tabulated under this head.)

Special Contingencies.
Surat Municipality.
Smith, Fleming, & Co.
Stanger Leathes.

STOCK ACCOUNT (PERSONAL):—

Municipal Commissioner.
Controller.

STOCK ACCOUNT (PERSONAL)—*continued.*

Clerk of the Peace.
Assistant Commissioner and Assessor.
Assistant Commissioner and Collector.
POLICE COMMISSIONER —
Police Department.
Medical Department.
Fire Brigade.
Public Land Conveyance.
Liquor License.
Executive Municipal Engineer.
Engineer, Water Works.
Engineer, Drainage Works.
Health Officer.
Registrar of Births and Deaths.
Workshop Superintendent.
Panwell Brick Works, Manager of.

TOWN DUTIES:—

Through the Commissioner of Customs.
„ G. I. P. Railway Company.
„ B. B. & C. I. Railway Company.

WHEEL TAX:—

Through Collector.
„ Superintendent, Tent Collections.

WORKSHOP:—

I. Salary of Superintendent.
II. Office Establishment.
III. Mechanics and Artificers.
IV. Labourers.
V. Contingent Establishment.
VI. Stores.
VII. Sundry Charges.

(Against these charges credits are given by debiting the Departments for which works are done in the workshop).

WORLEE SLICES AND PUMPING STATION, MAINTENANCE OF:—

I. Establishment.
II. Contingencies.
III. Cost of Stores.

WATER WORKS ACCOUNT:—

CHARGES—

Engineer's Department.

- I. Proportion of Engineer's Salary.
- II. Office Establishment.
- III. Out-door do.
- IV. Turncocks, &c.
- V. Contingencies, Stationery, and Printing.
- VI. Office Rent.

MAINTENANCE OF VE HAR
WATER WORKS:—

- I. Labourers' Wages.
- II. Cost of Stores.
- III. Repairs to do.
- IV. Contingencies, General.

WATER WORKS ACCOUNT—*contd*

OTHER HEADS—

- Balances Account.*
- Clothing Fund.
- Contribution to Government Water Works Debt.
- Government of Bombay.
- General Savings Account.
- General Superintendence, share of.
- Assessment and Collection Department, share of.
- Harbour and Pilotage Board.
- Income and Expenditure Account.
- Municipal Fund.*
- Water Supply to Shipping.
- Workshop and Store-shed (building).

* These are not treated as minor heads in the Municipal Fund Account but as major head in the Water Works Account.

Public Department

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following ~~letter~~ papers

*Administration Report of the
Madrass Municipality / Here enter. 7th April / 70. No 146 /*
Report from Lt Col. J. G. Touch - Auditor / - - - 27th June / 70 - -

*Order thereon Colabaumund 10th Aug / 70 -
No 998.*

*The foregoing papers
contain the annual report of
the Municipality of Madras
for the year 1869; and the
report on the accounts of the
year submitted by Lieu-
tenant Colonel Touch, the
Auditor appointed by Govt
in G.O. 234th February 1870.
No 234.*

*The following abstract
statement exhibits the re-
ceipts of the Municipal-
ity under the various
heads.*

Correct

2680

Proc. 10th Aug / 70

L. J. 57

Pub. 10th 17 / 70In Pub 10th 20 / 70

Receipts		Current & Prospective		Total	Remarks
Amount	Mo.	Amount	Mo.	Mo.	
Rents on house buildings and lands					
42,340.3.9		1,84,237.9.0			
41.15.1		1,84,237.9.0		2,06,555.10.8	Refunds.
Rents on lands, professions &c. 1864-71					
30.0.0	7339.7.1			7339.7.1	Refunds.
4683.0.0		64,360.8.0			
368.0.0		22.0.0			Refunds.
4315.0.0		64,810.8.0		69,133.8.0	
Tolls					
4000.0.0		42000.0.0			
685.8.0		73.13.2			Refunds &c. - - - - - houses
3314.8.0		41,926.2.10		45,240.10.10	
Tax on carriages &c.					
328.0		44,080.8.0			Includes Rs 9125 Prospective
		40.8.0			Refunds.
Registration of Cattle					
22.0.0		12,986.0.0		13,008.0.0	Includes Prospective Rs 58.
Vignettes &c.					
242.0.0		11,165.0.0		11,407.0.0	
Expenditure					
Government grant for roads					
Miscellaneous					
Balance					
Amounts recovered					
57,565.11.9		3,59,173.3.10		6,88,308.13.3	
		9183.0.0			
		3,49,990.3.10			

whereas it appears that the ^{net} ~~current~~ ^{collections} ~~are~~ ^{from taxes} ~~only~~ ^{are} Rs 3,49,990-3-10; and that the arrears amount to Rs 57,565-11-9, and the miscellaneous receipts to Rs 39,061-11-4.

3. The demand under the head of House-rates was Rs 2,43,529-14-1. The collections within the year therefore fell short of the demand by 24.4 per cent, but on the 21st April 1870, the arrears of 1869 had been reduced to Rs 23,274-6-1. The cause of ^{the short collection} ~~the~~ is stated to have been that the registers were not completed until August, owing to a change in the determination of the Commissioners with respect to the valuation on which the registers were to be based. It has been finally determined that the provision of the Act shall

shall be carried out at the rate of two divisions a year.

If this revision be well executed and the street vari system be strictly enforced there will be little to be desired as regards the administration of the tax.

The remarks of Colonel Touch in para 8 ²³⁰²⁴ on the street vari system have the full con-

currence of Government.

The demand for the last four years has, it is observed been steadily rising, and doubtless the revision of assessments will cause a still further increase.

The attention of the Commissioners is called to paragraph 6 of the auditor's report relative to the omission in the registers of the names of owners ^{or} ~~and~~ occupiers of houses.

The Govt observe that the omission is clearly illegal and suggest to the Commissioners that

be the last ~~at the~~ ~~term~~

of issuing bills according to sheets.

that it be rectified in the registers of 1871. The utility of the information for the purposes of the census to be carried out in that year would be so great that a portion of the extra cost, if any, involved in obtaining the information might with propriety be debited against the Census grant. Of the old arrears of house tax, Rs 53,559-15-6, four fifths were collected during the year and on the 22nd of April, only Rs 5128-4-5 were outstanding.

4. The decreased yield of the Trade License tax merits the serious attention of the Commissioners. The collections on account of current demand have fallen considerably below the realizations of this and similar taxes in the three years 1866-68, and are less than

have been enforced with conspicuous benefit, especially in the latter department. The President will draw the Collector's attention to the remarks made by the Auditor in paragraph 36.

The Govt await the President's report which will be due on the expiry of the extension of probation for 6 months allowed to Kesava Pillai under G.O. 16th February 1870. N:180.

With regard to the Auditor's Department, the Govt are of opinion that the Commissioners will practice better economy if they starve, or fail to place on the most efficient footing, a Department on the working of which, the revenue of the Municipality so largely depends.

The Govt concur in
Colonel

Colonel Touch's observations contained in paras 58-60 of his report.

The expenditure was as follows:-

Salaries.....	49,373-5-3
Establishments.....	14,377-6-6
Conservancy { Estab ^t - 124,932-1-7 Other expenses 40,050-3-1	1,84,990-4-8
Rice.....	1,07,232-0-0
Costs, registry of Births & marriages	
Charges.....	14,363-4-6
Roads { Maintenance 1,08,177-11-9 New metalling 4,62-13-1	1,13,140-8-10
Buildings.....	10,239-13-10
New Works & Improvements ^{Int.}	52,884-9-7
Lighting.....	22,175-6-5
Miscellaneous expenditure	49,146-8-10
Advances recoverable.....	9,566-0-11
	5,57,489-5-4
Balance on 30th April 1870.	31,819-7-11
	6,88,308-13-3

The expenditure fell short of the income by Rs 30,819-7-11, besides which the Commissioners had at the close, as at the beginning, of the year Rs 37,300 in Govt papers.

The

9. The accounts of the
 water supply project are
 kept separately. On the
 portion of the works en-
 -trusted to the Municipal
 -ity, Rs 64,005-0-0 were
 expended. Two thirds of
 the earthwork of the de-
 -livery channel were com-
 -pleted, and the masonry
 works were well advanced.
 A portion of the salary of
 the Executive Engineer
 is debited to the project
 and has been omitted
 from ^{"Salaries, in"} the statement given
 in para 8. From the
 postscript to the report, the
 Govt learn that a tender
 for the execution of the
 water works at about Rs
 8,00,000 has been accepted.
 The outdoor sanitary es-
 -tablishment numbers
 1150 men; ~~and~~ 293 pairs of
 bullocks were used ^{and} 2,43,568
 cart loads of rubbish were
 removed from the streets.

I must omit this. There does
 not seem to be anyone in saying that
 the latrine question is surrounded
 with difficulties & the nuisance
 of the main drain is as great as
 ever. The cure of that nuisance
 is said to be in the discharge of the
 drainage into deep water, by
 means of an iron pipe with the
 pipe has not been fixed. I think
 San's lately lying on the sand. ^{As a}
 little effort has been made to diminish
 the nuisance arising from the Black
 Town Main Drain.

The nuisance arising from the offensive trades

11/3/6
~~was~~ The rubbish was for
 the most part deposited
 in selected depots; ^{but} the
 introduction of smoke
 consuming Cinerators
 or kilns, for reducing the
 rubbish to ashes appears
 to promise a successful
 and economical solution
 of the difficulty of dispo-
 -sing of the street sweepings.
 2081 cart loads were burnt
 in these kilns during the year. 141 stone
 boxes of an improved pat-
 -tern were constructed.
 The number of latrines
 is now 139, 11 permanent
 and 35 temporary ones
 having been added during
 1869. 718 establishments
 for offensive trades have
 been registered; but little
 appears to have yet been
 done for their supervision
 or regulation. The question
 is no doubt surrounded
 with difficulties. Every pos-
 -sible effort has been made to diminish
 the nuisance arising from the Black
 Town Main Drain.

experiments in ~~which~~
the Commissioners have
been engaged, for the
utilization of sewage, have
been fully reviewed in
G.O. 18th November 1869, No.
1577, and if the recommen-
-dations of the Improvement
Committee with respect
to drainage be carried
out, the system will re-
-ceive considerable de-
-veloement. The proposals
of the Committee in this
respect have the general
concurrence of Govt. The
proposal of the Executive
Engineer to try subsoil
sewage irrigation on the
explanades in connexion
with the Black Town main
drain does not commend
itself to Govt at present.
They request the Sanitary
Commissioner to report
on this subject. The ex-
-periments

1157th
the
experiment should, Govt
think, be first tried in
some other locality. The
Superintending Engineer
and the Sanitary Commis-
-sioner will also report on
the proposal to transfer
the Conservancy of the
Crown to the Municipal
Commissioners.

12 The outlay of the year
upon Roads (including the
Govt grant of Rs 35,000) was
Rs 148,140. 8-10 against Rs.
78,418 in 1868. 154 miles of
road were maintained ^{in order}. The
quantity of work was how-
-ever only 10 per cent in ex-
-cess of that done in 1868.

The chief causes assigned are
an increase in the Contract
rates, and the want of power
(since remedied) for regu-
-lating the heavy traffic.
27 streets were newly me-
-talled during the year.
Improvements

Improvements to light streets and roads were in progress, and Rs 65794-3-1 were expended, of which Rs 14803-8-2 were recovered by the sale of materials &c. Adverting to the remarks of the Executive Engineer as to the increased cost resulting from the acquisition, under the provisions of Act II of 1857, of property required for these works, the Govt observe that by so taking the land, the Commissioners acquire an indefeasible title, which they otherwise would not do.

13. The lighting of the city was considerably extended during 1864. 355 new lights were added, and there are now 1253, of which 268 are Kerosine lamps. 10 new public wells were sunk, and 122 repaired or enclosed.

W. H. C.

Laurel
Hark.

The construction of filtering wells, charcoal mud and gravel being packed round the brickwork is worthy of notice. It is not stated whether the plan has been successful.

14 With regard to Madras
Parkap Chintarepeta,
the Govt ^{columns from} call the attention
of the President to the fact
that the completion of the
negotiations for the purchase
of the Shrotrium land re-
quired, on which the Go-
vernment grant was con-
ditional, has not yet
been reported.

15. The registration of
births and deaths during
the year does not appear
to have improved; on the
contrary, the Executive
Engineer states that it
has retrograded. The
question has been referred

to the Improvement
Committee, but nothing
has been done. The mat-
ter is of too great impor-
-tance to be deferred, and
the Gov^t request that it
be taken up in earnest.

15. In L. O. 4th December 1864. No 1685, the Govt deferred the consideration of the request of the Commissioners for a state loan of 3 lakhs of rupees to be expended on a new General Market, on Drainage and other improvements, until definite information should be before them. They await the information promised by the President in para 24 of his report. The engagements into which the Commissioners have entered in connection with the water supply of the town

town are heavy, and be-
fore incurring further
liabilities, their plans
should be fully matured.

16. The working of the Municipality during the year appears to have been ^{on the whole} satisfactory. The office is now in good order, as shown by the Auditor's report. The shortcomings of the Assessing Department are now fully understood. The Board are encouraged to hope that ~~these~~ ^{these shortcomings} will be remedied during the current year, and that the finances of the Municipality, which have shown a declining tendency, will be put upon a healthy footing.

The Government desire to
offer their thanks to Col
Jones for the careful exam-
-ination he has made
of the Municipal accounts
& the many valuable
suggestions he has made
offered for the improvement
of the Municipal Administration.
~~The~~ The best regret that
they are unable to ^{offer} ~~sanction~~

14 The Govt thanks
Lieutenant Colonel
Ly Touch for the careful
examination

examinations which he has made of the accounts and financial system of the Municipality, and sanctioned the disbursements performed by him from the Municipal Funds, of such sum, not exceeding Rs 1000, as the Commissioners may see fit to grant for his remuneration.

H.S.

to Col Touch the usual fee for ~~his audit~~ ^{this audit}, but Colonel Touch made his acceptance of this heavy task, ~~on the condition~~ ^{on the condition} which he has so thoroughly performed, conditional on ~~to satisfy his wishes being agreed~~ ^{to satisfy his wishes being agreed} without any remuneration. Yes, Mr. Touch told me he would not accept of any consideration. Only Rs 500 is provided in the Budget. The Govt merely nominates the auditor, and under section 8 of the Public Accounts Act, the Municipal Funds.

- To
 20/ The Resident Municipal Commissioner, Madras
 20/ The Accountant General
 20/ The Sanitary Commissioner
 20/ The Inspector General of Police
 20/ Lt. Col. J. G. Touch.
 20/ P.W. Department.

The Administration Report and the auditor's report together with these ~~proceedings~~ ^{proceedings} will be in the Supplement to the St. George Gazette of 6 Sept 1870.

Port. of 18 1 20 adms.

Adm.

To
The Pres^t & Council
of 1871
Graduate
fee

Dated Aug 4th 1870. } 1870, No 990
Recd.

Nos. 57. 58.

Received the annual debt.
-ments of books & and 84 cents.
-one of the Graduate Council.
-paid for the year 1869.

My Note