Public Works (1890) Department.

RAILWAY BRANCH.

G.O., No. 292 Ry

DATED 25th February

[Despatch Abstract.]

Mr. A. Edwards, Acting cashier Madras Railway
Application to reimburse — with Rs 915-7-5
said to be the loss sustained by him by his
promotion from second assistant to Chief
Auditor refused as the fact that the increase
of pay on promotion to Acting Cashier was
deferred longer than was anticipated does not
in the opinion of Government constitute a claim
to the reimbursement suggested.

Indexed.

[P. W. Ry.
L. 760—25-8-99.]

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

(No. I.) 5,000—14-11-85.

No. 4182 / 101

MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE,

MADRAS, 27th January 1890

From

The Agent and Manager. M.R.

To

The Consulting Engineer for Railways.

SIR,

The Company's Chief Auditor draws attention to a loss of pay which has been suffered by Mr. Edwards Cashier, in consequence of his promotion in April 1888 from 2d assistant to the Chief Auditor, to Cashier, and asks that sanction may be obtained to re-imburse Mr. Edwards, the amount he has lost, namely 19 months at Rs 48-2-11 per month = Rs 915-7-5

The circumstances of the case are as follow:-

Mr Edwards was appointed

to act as Cashier on the 6th April 1888 and at that time he drew from the audit office:

Substantive pay as 2d asstt. to the Chief Auditor . . .	363-10-2
Portion of Chief Accountant's salary in consequence of the absence of Mr Church . . .	116-5-10
Total Rs	480-0-0

On Mr Edwards' promotion to Cashier he drew

one half of his substantive pay exclusive of acting allowance	181-13-1
and one half of the Cashier's pay	250-0-0
Rs	431-13-1

The sanctioned pay for the Cashier is 500 a month & this sum Mr Edwards now draws, but from the date of his first appointment as acting Cashier on 6th April 1888 until the 7th October 1889 when the acting allowance in the Chief

MADRAS RAILWAY.

From

The Agent and Manager.

To

The Consulting Engineer
for Railways.

Dated 188

Read.

No.

Auditor's office ceased, and Mr. Edwards was appointed permanent Cashier, he drew Rs 48-2-11 per month less than he would have drawn if he had remained in the audit office and Rs 68-2-11 less than the pay sanctioned for the Cashier and now drawn by him.

The reason that this was not brought to notice before is that it was expected that the changes in the Audit Establishment would have been completed without the long delay which has occurred; it is felt that this loss of pay of Rs 48/- a month for 19 months to an officer consequent on his promotion to a higher appointment carrying higher pay, is the accidental result of unforeseen circumstances and I have the honour to submit for the consideration of Government this application for reimbursement to Mr. Edwards under

MADRAS RAILWAY.

From The Agent and Manager.

To

The Consulting Engineer
for Railways.

Dated 188

Recd.

No.

the circumstances explained of the
sum of Rs 915-7-5.

I have the honour to be
Sir
Your most Obedt Servt

W. Leitch
Agent & Manager.

do.

£0 2 11
915-7-5

REGISTER
No. 103
FILE
No.

P.W. Dept
1263/90.

MADRAS RAILWAY.

From

The Agent and Manager.

To

The Consulting Engineer
for Railways.

Dated 27 January 1890
Recd. 28th "
No. 101

C.R.

Requesting Sanction
for re-imbursement
to Mr. Edwards of the
Sum of Rs 915-7-5 to be
by him drawn during the
Period he discharged
the duties of Cashier.

FORM No. 1.

PUBLIC WORKS DEPARTMENT.

OFFICE OF CONSULTING ENGINEER FOR RAILWAYS,
Madras, 6th February 1890.

Letter from the Agent and Manager, Madras Railway, No. 4182/101, dated 27th January 1890.

No. 96

SUBMITTED for the consideration and orders of Government.

2. The Agent and Manager, Madras Railway, submits an application from the Chief Auditor for reimbursement to Mr. A. Edwards of Rs 915-7-5, said to be amount of loss suffered by him in consequence of his promotion from 2nd assistant to Chief Auditor to acting Cashier.

3. Mr Edwards' sub-

Cautive

substantive pay as 2d assistant to the Chief Auditor was Rs 363-10-2.

4.—Owing however to the absence of the Chief Auditor (Mr Church), and the distribution of half his pay among the other officers, Mr Edwards drew while in the Audit Department an additional allowance of Rs 116-5-10 thus making up an aggregate salary of Rs 480 per mensem. On Mr Edwards promotion to acting Cashier on the 6th April 1888 he drew one half of his own substantive pay viz Rs 181-13-1 and a moiety of Rs 500 the sanctioned pay of Cashier viz Rs 250—a—a

Rs 431-13-1

5.—These acting allowances ceased on the 7th October 1889, the date on which the revised scale of establishment for the Audit office was sanctioned by the Government of India.

6.— It is thus pointed out that for the 19 months during which Mr Edwards was holding the post of acting Cashier, viz from 6th April 1888 to the 7th October 1889, he was drawing Rs 48-2-11 per mensem less than he would have drawn if he had continued in the Audit department.

7.— There are however two points which suggest themselves in the consideration of this case:—

(1) The fact of Mr Edwards drawing increased emolument in the audit office was purely an accidental

circumstance due to Mr. Church's absence and the distribution of half of that officer's salary between the other officers of the department.

(ii) Mr. Edwards by becoming Cashier on Rs 500 has obtained a substantial increase of Rs 100 per mensem which he would not have got if he had remained in the Audit office; for under the newly sanctioned scale of salaries (G.O. No. 1118R, dated 19th October 1889) he would presumably have obtained the post of 3d Assistant Auditor on Rs 400, seeing that Mr. Dunsterville was brought in to the 1st Assistantship on Rs 700, and Mr. Atkinson, late 1st, to the 2nd "

Assistantship on Rs 550 per mensem.

A.D.G. Strutt Lieut. R.E.,
for Consg. Engr. for Rys.

[Form No. 5.]

GOVERNMENT OF INDIA. P. W. DEPARTMENT.

RAILWAY BRANCH.

OFFICE NOTE.

No. 237

EXAMINER, GUARANTEED RAILWAY ACCOUNTS' OFFICE,

Madras, 18.2. 1890.

To E/R.

Yr office note
No 864C dy 15th July -

Yr. re distribution
of the Clerks Pr salary
was entered amongst the
Office memos Dy the
Audit office until
Date of introduction of
the new scale of salaries
for the Audit Dept -

Sd/ 18/4/90.
E.R.

Sd/ CR
18.2.90

Copy to the
Audit Dept now
21.2.90.

1253
Hun 21-2-90

For orders.

C. J. Smith Col: R.E.
Jt. Secy to Govt P.W.D. Ry Br.

Sir Hamilton of the Staff of the Chaplaincy continues to receive a portion of the new scale. Will this cease when Mr. E. completes his term of service? Or will it continue during his life? Even supposing it to have continued during such term I think the Govt. view is right. Mr. E. took a present loss in anticipation of a future benefit. That benefit was defined. Longer than he Expected, that is all.

W.L.S.
12 Feb

C.J.S.
14.2.5.

yes. The distribution of Mr Church's half salary was continued amongst the other members of the audit office until date of introduction of the new scale of salaries for the audit department.

C. J. Smith Col R.E.
Jt Secy: to Govt P.W.D. Ry: Branch
Hun. 10-2-90 R 14-2-90.

B

Form No. 3.

No 292 R dy 25th Feby 1890.

Sect 22 Feb

It appears that Mr. Edwards accepts a present loss in anticipation of a future benefit.-

The fact that this benefit was deferred longer than was anticipated does not, in the opinion of Government, constitute a claim to the reimbursement suggested.-

C.S.
26.2.90
R

From

THE CONSULTING ENGINEER

FOR RAILWAYS,

MADRAS,

P.W. Cre 1253

No. 96

Dated 6th February 1890.

Received 7th February 1890.

No. of Enclosures. 1

Subject.

Submitting for orders, application for re-imbursement to Mr. A. Edwards of Rs 915-7-5. said to be the loss suffered by him in consequence of his promotion in April 1888 from 2nd asst. to Chief Auditor, to Acting Cashier. Madras Railways.

B. No 292 R dy 25. 2. 90

To The Consulting Engr for Rys
& Exd. to Records.

No 1118 R of 19-10-89
" 356 R " 29-3-89
" 37 R " 14-1-89

Rec'd 25/2

Rec'd 26/2

Rec'd B/B.
Ans. 21-2-90 R 24-2-90

Rec'd 7/3

Rec'd B/B.

19TH OCTOBER 1889, No. 1118 R., PUBLIC WORKS.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read again the following papers :—

G.O., dated 18th April 1889, No. 440 R., Public Works.

From the Consulting Engineer for Railways, dated Madras, 15th April 1889, No. 190.

From the Agent and Manager, Madras Railway Company, to the Consulting Engineer for Railways, dated Madras, 4th April 1889, No. 4182-210/409.

Adverting to previous correspondence ending with my letter No. 4182-210/315 of 16th ultimo, regarding the question of Audit establishment, I have the honor to inform you that some weeks ago Mr. Wake applied for privilege leave to commence in April so as to enable him to visit England and be absent from Madras during the hot weather. He has again renewed his application, and as this is supported by a recommendation from the Company's Medical officer who states—" I am of opinion that in the interests of his health he should avoid if possible a fifth hot weather by visiting Europe at an early date"—I have arranged to grant him three months' leave from 17th instant.

2. In my letter No. 1386 of 21st December last I said, when submitting a revised scale for the Audit office establishment—" It is highly desirable that the question of establishment in the Audit department should be settled as soon as possible, as the Audit staff is at present much below its proper strength and two of its members are desirous to take leave as soon as it can be granted to them."

3. In that letter it was pointed out that owing to the Audit office being unduly weak parts of the work could not be properly attended to. This was written more than three months ago, but I have not yet been favored with any reply.

4. I have the honor to request that you will urge upon the Government of India the importance of dealing with this subject at an early date.

Submitted to Government with reference to Proceedings No. 37 R., dated 14th January 1889 and No. 356 R., dated 29th March 1889.

2. A telegram has already been sent to the Government of India requesting their early consideration of the proposal for a revised scale of establishment for the Audit office of the Madras Railway, submitted with G.O., No. 37 R., dated 14th January 1889, but their decision is at present apparently withheld pending the reply to a requisition from that Government for further information on the subject—see Public Works Department No. 36 D., dated 10th April 1889.

Order—dated 18th April 1889, No. 440 R., Public Works.

Ordered to be forwarded to the Government of India with reference to Proceedings of this Government, Nos. 37-38 R., dated 14th January 1889.

(Here enter No. 441 R., dated 18th April 1889.)

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

Endorsement—dated 18th April 1889, No. 441 R., Public Works.

Forwarded.

(By Order.)

(Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

From G. H. D. WALKER, Esq., Under-Secretary to the Government of India, Public Works Department (General), to the Secretary to the Government of Madras, Public Works Department, dated Calcutta, 2nd April 1889, No. 982 G.

With reference to your No. 38 R., dated 14th January 1889, forwarding with recommendation correspondence regarding a revised scale of establishment for the Audit office of the Madras Railway, I am directed to request that you will intimate to this office what the substantive pay of the three senior assistants is, what is their length of service, and why so large an increase is thought necessary.

No. 36 D.

Referred to the Consulting Engineer for Railways for early report.

OOTACAMUND,
10th April 1889.

(Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

G.O., dated 30th April 1889, No. 477 R., Public Works.

From the Consulting Engineer for Railways, dated Madras, 24th April 1889, No. 210-A.

From the Agent and Manager, Madras Railway Company, to the Consulting Engineer for Railways, dated Madras, 16th April 1889, No. 4182-210 B./456.

In reply to your letter No. 324 A. of 10th instant, I have the honor to quote letter No. 7008/778 of 13th instant from the Acting Chief Auditor :—

"With reference to your endorsement on copy of the above letter, dated 12th instant, I beg to submit the information asked for in the letter from the Government of India, No. 982 G., dated 2nd instant, regarding the revised scale of establishment for the Audit office of the Madras Railway.

"*Proposed First Assistant.*—Salary Rs. 600 rising to Rs. 700.

"This Assistant takes the place of the present Chief Accountant, whose substantive pay is Rs. 727-4-4.

"It is proposed to fill the appointment by transfer of an officer from another department whose present pay is Rs. 600 and length of service over 10 years.

"The arrangement effects a present saving in the Audit establishment of Rs. 127-4-4 per mensem.

"*Proposed Second Assistant.*—Salary Rs. 500 rising to Rs. 550.

"This is the present First Assistant in charge of the Traffic audit, whose pay is Rs. 500 and length of service over 33 years. His last increase of pay was in January 1877.

"The arrangement involves a maximum possible increase of Rs. 50 per mensem.

"*Proposed Third Assistant.*—Salary Rs. 400 rising to Rs. 450.

"This is the present Second Assistant in charge of the Expenditure audit, whose pay is Rs. 363-10-2 and length of service over 10 years.

"His only increase was in November 1882, and in the ordinary course he would have been recommended for a further increment had not the reorganisation scheme put a stop to all promotion during the past two years.

"The revised scale can scarcely be considered to involve an increase in the pay of this appointment as it fixes the maximum at Rs. 450."

2. Should Mr. Edwards (now Second Assistant) be confirmed in the post of Cashier, in which he is at present acting, it is proposed that the post of Third Assistant should be filled by Mr. Wake (now Third Assistant), whose substantive pay is Rs. 272-11-8 and length of service 4½ years. It has already been explained that Mr. Wake, who is a very deserving officer, would have been recommended for promotion long ago had not the question of the establishment of the Audit office been under consideration.

Submitted to Government with reference to Public Works Department No. 36 D., dated 10th April 1889, herewith returned.

Order—dated 30th April 1889, No. 477 R., Public Works.

Ordered to be forwarded to the Government of India with reference to their letter No. 982 G., dated 2nd April 1889.

(Here enter No. 478 R., dated 30th April 1889.)

(True Extract)

(Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

Endorsement—dated 30th April 1889, No. 478 R., Public Works.

Forwarded.

(By Order.)

(Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

Telegram from the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, to the Secretary to the Government of India, Public Works Department, Simla, dated Madras, 30th May 1889.

Madras Railway Agent reports Chief Auditor's health breaking down. Am directed to ask favor of reply to proposals for establishment Audit and Accounts Department.

Telegram from the Secretary to the Government of India, Public Works Department, to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, dated Simla, 14th June 1889, No. G. 228.

Your wire May 31st. Audit and Accounts proposals objectionable because incremental and not fixed salaries are introduced and cost is unduly high. Letter follows to revise accordingly.

From G. H. D. WALKER, Esq., Under-Secretary to the Government of India, Public Works Department (General), to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, dated Simla, 17th June 1889, No. 1741-G.

I am directed to acknowledge the receipt of your letters marginally noted, and telegram of the 31st May 1889, on the subject of the revision of the establishment for the Audit and Accounts Department of the Madras Railway.

No. 38 R., dated 14th January 1889.
„ 356 R. „ 29th March „
„ 441 R. „ 18th April „

2. In reply, I am directed to say that there are two objections to the proposals recommended for sanction, viz., (i) that they introduce the incremental scale of salary, which the Finance Committee has strongly objected to and which is being abolished in the superior and subordinate Revenue establishments of State Railways and in other establishments as opportunity occurs, and (ii) that the cost of the proposed establishment is unduly high compared with that employed on the undermentioned Railways :—

Eastern Bengal State Railway	Per month	Rs.	3,016
	Six months	„	18,096
	Per open mile		22·56
South Indian Railway ..	Per month	Rs.	2,275
	Six months	„	13,650
	Per open mile		18·32
Madras Railway	Per month	Rs.	3,162
	Six months	„	18,972
	Per open mile		22·61

cost including Audit, Accounts and Cash Departments for six months :—

	Rs.
Eastern Bengal State Railway	66,300
South Indian Railway	55,134
Madras Railway (proposed)	70,433 (approximate).

3. I am, therefore, to request that the proposals may be revised and resubmitted to provide for fixed salaries, and, if possible, on a reduced scale.

No. 429 D.

Referred to the Consulting Engineer for Railways for compliance, with reference to para. 3 of this letter from the Government of India.

1st July 1889. (Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

G.O., dated 12th August 1889, No. 872 R., Public Works.

From the Consulting Engineer for Railways, dated Madras, 8th August 1889, No. 313-A.

From the Agent and Manager, Madras Railway Company, to the Consulting Engineer for Railways, dated Madras, 24th July 1889, No. 4182-210/825.

Referring to your letter No. 563, dated 3rd instant, I have the honor to forward copy of letter No. 8889/1416 of 19th idem from the Acting Chief Auditor in which he replies to the remarks made by the Government of India in letter No. 1741 G., dated 17th June 1889, regarding the proposed establishment for his office.

2. I see no objection to fixed salaries being named instead of an incremental scale, and I consider the basis suggested by the Acting Chief Auditor, viz., the *mean* salaries proposed by the Board of Directors in letter No. 786, dated 4th November 1887, the most suitable standard by which those salaries should be determined.

3. I have therefore the honor to propose the following scale, which I trust will meet with the approval of the Government of India :—

—	Board's proposals.	Fixed salary now suggested.
		Rs.
Auditor	Rs. 1,000 rising to Rs. 1,300	1,200
First Assistant	„ 650 „ „ 800	700
Second do.	„ 500 „ „ 650	550
Third do.	„ 350 „ „ 450	450
Fourth do.	„ 200 „ „ 300	350
Cashier	„ 450 „ „ 600	500
Locomotive Accountant...	„ 350 „ „ 450	425
Store Auditor	„ 350 „ „ 450	* 250
Total ...	„ 3,850 5,000	4,425
	Mean Rs. 4,425	
Chief Travelling Auditor	.....	300

* With personal allowance of Rs. 100 to present incumbent who now draws Rs. 350.

4. As you are aware of the great difficulty which has been experienced in carrying on the work of the Audit and Accounts Department with our present weak staff I trust you will once again represent to the Government the importance of an early decision on this matter.

ENCLOSURE.

From J. CRAMP, Esq., Acting Chief Auditor, to the Agent and Manager, Madras Railway Company, dated Madras, 19th July 1889, No. 8889/1416.

In replying to the Consulting Engineer's letter No. 563, dated 3rd instant, with which is forwarded a copy of Government of India letter No. 1741 G., dated 17th ultimo, on the subject of the proposed revision of the Audit and Accounts Offices, it will, I think, be desirable to state the circumstances under which the proposed revision has been made.

2. Under instructions from the Board a committee was appointed early in 1887 with the approval of the Secretary of State and of the Government of Madras, and of which the Government Consulting Engineer was a member, for the purpose, among other things, of making "a close scrutiny of the details of the establishment and working of all departments of the railway * * * with the view of determining what economies are possible whether in the direction of establishments or of the system of working the line." The report of this committee was considered by the Government of Madras in G.O., No. 362 R., dated 16th May 1887.

3. After a full consideration of the report the Board of Directors in their letter No. 786, dated 4th November 1887, express the opinion that the directing and supervising strength of the Audit and Accounts Offices should be fixed at an initial cost of Rs. 3,850 per mensem, rising to a maximum of Rs. 5,000. This gives a mean cost per mensem of Rs. 4,425. The circumstances under which this scale was fixed must, it is considered, guarantee its moderation; but unfortunately, although it has been under consideration in various forms for a period exceeding 18 months, it has not yet been sanctioned.

4. I need hardly say that this long delay in obtaining sanction has greatly discouraged the staff and been detrimental to our working.

5. In the Government of India letter, forwarded with the Consulting Engineer's letter under reply, two objections are raised to the revised scale of salaries which has been submitted for sanction, viz :—

1*st*.—That the salaries are progressive and not fixed.
2*nd*.—That the scale is high compared with the Eastern Bengal State Railway and the South Indian Railway.

6. I think nothing should be urged against the proposal for a fixed scale of salaries, but I am of opinion that such fixed scale should be based on the proposal contained in the Board's letter, and that it should therefore work up to the mean cost per mensem laid down by the Board, viz., Rs. 4,425.

7. As regards the cost of supervision compared with the Eastern Bengal State Railway and the South Indian Railway the following figures are given as the monthly expenditure :—

	RS.
Eastern Bengal State Railway	3,016
South Indian Railway	2,275
Madras Railway	3,162

8. These figures appear to me most favorable, to the Madras Railway especially, if it is remembered that the outlay under this head on the two former lines is probably the lowest in India.

9. I am unable to offer any explanation of the differences, because the published accounts of the Indian Railways give no details regarding the cost of supervision of the Audit offices on different lines. I would point out, however, that Indian Railways have different systems of working as regards supervision. On some lines, especially State lines, the cost of supervision is kept low by employing upper subordinates in the place of officers. Upon the Madras Railway, however, we rely altogether upon the official staff as the most economical arrangement. It is believed to be the most efficient and to give the best results. It follows also that the comparison of the cost of Audit offices should be made on the total outlay.

10. The Government of India in their letter No. 0287 R.T., dated 26th February 1889, forwarded with Consulting Engineer's letter No. 234, dated 13th March 1889, compared the cost of the Audit office, &c., of the Madras Railway with the Great Indian Peninsula expenditure on the same account. In my reply (*vide* my letter No. 8889/830, dated 24th April 1889), I gave the comparison in detail with six Railways and showed that, with the exception of the South Indian Railway, the Madras Railway cost the lowest amount per open mile, while the work done per mile was very much greater than on most of them.

11. The following figures, which are the latest published by the Director-General of Railways, are taken from the letter referred to. They show the mean mileage worked, the total cost, and the cost per mile of the Audit offices of the several railways during 1887 :—

Railway.	Mean mileage worked.	Total cost.	Cost per mile.
		RS.	RS.
South Indian Railway	654·00	94,913	145·13
Madras Railway	832·62	1,48,296	178·11
Oudh and Rohilkund Railway	687·77	1,27,012	184·67
Great Indian Peninsula Railway	1,501·17	2,97,745	198·34
Tirhoot State Railway	249·55	60,706	243·26
Bombay Baroda and Central India Railway ...	460·90	1,50,810	327·21

12. That the cost of working of the South Indian Railway is somewhat less than the Madras Railway is not surprising considering the relative positions of the two undertakings.

13. The cost of the Audit office of the Eastern Bengal State Railway was not included in the above comparison, so I give the figures for this line, taken as before from the Director-General's Administration Report for 1887, as under :—

Railway.	Mean mileage open.	Total cost.	Cost per mile.
		RS.	RS.
Eastern Bengal State Railway	634·82	1,68,367	265·22

14. The above statement shows an expenditure on this line very much in excess of the Madras Railway.

Submitted for the orders of the Government of India with reference to its letter No. 1741 G., dated 17th June 1889, forwarded under Government of Madras Public Works Department endorsement No. 429 D., dated 1st July 1889, herewith returned.

2. The Chief Auditor proposes and the Agent and Manager, Madras Railway, supports a scale working up to the mean cost per mensem laid down by the Board, viz., Rs. 4,425. On this basis the scale provides that the Third Assistant shall draw

Regd N° 69

PUBLIC WORKS SECRETARIAT,

RAILWAY BRANCH.

N° 864 C

OFFICE NOTE.

Station Madras date 15 Feby 1890.

From R

To C. R.

With reference to A. M.'s application for reimbursement to Mr. A. Edwards of Rs 9/5-7-5 said to be the loss suffered by him in consequence of his promotion in April 1888 from 2nd Assistant to Chief Auditor to acting Cashier Madras Railway, will you please inform me whether the distribution of half of Mr Church's salary continues until the sanction of the revised scale for the Audit Establishment was received.— C. S.

14. 2. 90

R

the maximum salary proposed by the Board, and the Fourth Assistant a salary of Rs. 50 per month in excess of the Board's proposal. No reason is assigned for this; but if, as is probable, the salaries now suggested have been fixed in order to meet the qualifications and claims of present incumbents, the maximum pay fixed by the Board should, it is thought, be the limit for each appointment.

Order—dated 12th August 1889, No. 872 R., Public Works.

Ordered to be forwarded for the orders of the Government of India with reference to its letter No. 1741 G., dated 17th June 1889.

(Here enter No. 873 R., dated 12th August 1889.)

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

Endorsement—dated 12th August 1889, No. 873 R., Public Works.

Forwarded.

(By Order.)

(Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

Read also the following paper :—

From G. H. D. WALKER, Esq., Under-Secretary to the Government of India, Public Works Department (General), to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, dated Simla, 7th October 1889, No. 2868 G.

I am directed to acknowledge the receipt of your letter No. 873 R., dated 12th August 1889, forwarding for consideration revised proposals for the Audit and Accounts Establishment of the Madras Railway, and, in reply, to communicate the sanction of the Government of India to the following scale of fixed salaries :—

	Rs.
Chief Auditor	1,200
First Assistant Auditor	700
Second do.	550
Third do.	400
Fourth do.	250
Cashier	500
Chief Travelling Inspector	300
Locomotive Accountant	425
Store Auditor	350

2. I am to add that the Government of India is not satisfied that the above establishment is an economical one, as the principal result of the scheme appears to be to increase the salaries of the several Assistants, whilst an outsider is brought in over their heads as First Assistant Auditor. Moreover, it is observed that the cost of similar establishment on the South Indian Railway is shown in the margin and that the mileage rate of this establishment per half-year is Rs. 24·4, while the corresponding mileage rate of the establishment now sanctioned for the Madras Railway is Rs. 33·4.

	Rs.
Chief Auditor	1,100
First Assistant Auditor	500
Second do.	375
Third do.	300
Fourth do.	...
Cashier	125
Travelling Inspector	120
Locomotive Accountant } Store Auditor ... }	170

ORDER—dated 19th October 1889, No. 1118 R., Public Works.

Communicated to the Consulting Engineer for Railways with reference to Proceedings Nos. 37 R. and 356 R., dated 14th January and 29th March 1889, and to his endorsements as under—

No. 190, dated 15th April 1889.
„ 210-A. „ 24th April „
„ 313-A. „ 8th August „

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

To the Consulting Engineer for Railways.
„ Examiner, Guaranteed Railway Accounts.

Exd. J. Moses,
Spare Copies

RAILWAY.

Govt. of {1889} Madras.

PUBLIC WORKS.

Dated October, 19th.

Recd. *Encl.*

G.O., 19th Oct. 1889, No. 1118 R.

OCTOBER.

Audit and Accounts Establishment, Madras Railway

Orders of the Government of India on the revised proposals for the —, communicated to the Consulting Engineer for Railways.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read—the following paper:—

From the Consulting Engineer for Railways, dated Madras, 19th March 1889, No. 146.

From the Agent and Manager, Madras Railway Company, to the Consulting Engineer for Railways, dated Madras, 16th March 1889, No. 4182-210/315.

With reference to your letter No. 14, dated 8th January 1889, regarding the revised scale for the Audit office establishment, I now have the honor to forward an extract (paras. 15 to 19) from letter No. 810, dated 22nd February 1889, addressed to me by the Company's Secretary, stating the views of the Directors on the question of the Audit establishment.

2. It will be observed that the Board have approved, subject to the sanction of Government, of the appointment of a Chief Travelling Auditor, tentatively, for a period of 12 months, and also of the proposal that Mr. Sherman, the Deputy Cashier, should undertake the duties on a salary of Rs. 350 per mensem, with a personal allowance of Rs. 25, in order that he may not be in a worse position pecuniarily than at present.

3. With regard to para. 16 of the Secretary's letter, I desire to call special attention to the difference in the position of the travelling auditors employed on this railway and that of several of the northern railways.

4. I understand that the Great Indian Peninsula Company employ travelling auditors at the following rates of pay, viz., Rs. 400, 335, 315 and 280 per mensem, while the East Indian Company is said to pay from Rs. 100 to Rs. 600 per mensem to men in similar positions; but on the Madras Railway the highest-paid travelling auditor receives Rs. 200 per mensem, there being only one auditor paid at this rate, the remainder ranging from Rs. 100 to Rs. 150 per mensem.

5. I am of opinion that the proposed new appointment of a Chief Travelling Auditor, if sanctioned, will prove beneficial to the Company, and that it will tend to prevent the recurrence of such a case as that which arose at Mettupálaiyam in 1887, and which is referred to in minute 265 of the official meeting and stores committee held on the 20th of December 1888.

ENCLOSURE.

EXTRACT from a letter from the Secretary, Madras Railway Company, dated London, the 22nd February 1889, No. 810.

Audit establishment.—Proposed appointment of Chief Travelling Auditor.

Para. 15. The Board have again had under consideration the question of the establishment of the Audit department, more especially with regard to the proposed appointment of a Chief Travelling Auditor, the Government Consulting Engineer having, as reported in para. 13 of 1861, suggested that you should make a further reference to the Board on the subject with the view of obtaining their consent to the creation of the post in question before application is made to Government for sanction.

16. The Board continue to be of opinion that too great a multiplication of checks is undesirable, and that, as before stated, an occasional visit of a responsible man of the department would be more effective than deputing the duties to a Chief Travelling Auditor,

17. In consideration, however, of the strong recommendation of the Acting Chief Auditor, in which you concur, the Board are prepared to sanction, subject to the approval of the Government, the appointment in question, as a tentative measure, for a period of 12 months, before the end of which time you will report to them how the arrangement has worked.

18. They also approve, subject to the necessary sanction, of your proposal that Mr. Sherman should undertake the duties, on a salary of Rs. 350 per mensem, with a personal allowance of Rs. 25, so that he may not draw less than he is at present receiving as Deputy Cashier, which post is to be done away with.

19. It is observed that the revised scale for the Audit office establishment, exclusive of the Chief Travelling Auditor, which you have requested the Government Consulting Engineer to submit, for the sanction of Government, is, as regards the maximum salaries, Rs. 300, below that laid down in para. 7 of No. 799, and that with the addition of the proposed new appointment the mean expenditure per mensem will not be more than Rs. 150 in excess of the Board's limit.

Submitted to Government, with reference to correspondence printed with G.O., No. 37 R., dated 14th January 1889.

2. In the establishment proposed by the Agent and Manager, Madras Railway, for the Audit and Accounts office, Madras Railway, was included a Chief Travelling Auditor on a salary of Rs. 250, with personal allowance of Rs. 25, rising to a maximum salary of Rs. 350.

3. In paras. 3 and 4 of my forwarding letter I proposed that the sanction to this appointment should be deferred pending a further reference to the Board.

4. With the Agent and Manager's letter herewith submitted is forwarded the sanction of the Board to the appointment, as a tentative measure, for a period of 12 months.

5. The application is recommended for approval and submission to the Government of India in continuation of No. 38 R., dated 14th January 1889.

ORDER—dated 29th March 1889, No. 356 R., Public Works.

Approved and ordered to be forwarded for the favorable consideration of the Government of India, with reference to Proceedings of Government, Nos. 37-38 R., dated 14th January 1889.

(Here enter No. 357 R., dated 29th March 1889.)

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

To the Consulting Engineer for Railways.
„ Examiner, Guaranteed Railway Accounts.

Exd. P. L. Perira.
Spare Copies

RAILWAY.

Govt. of {1889} Madras.

PUBLIC WORKS.

Dated March, 29th.

Recd. *Encl.*

G.O., 29th Mar. 1889, No. 356 R.

MARCH.

Madras Railway

Application for the appointment of a Chief Travelling Auditor on the —, ordered to be forwarded to the Government of India.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway

Read the following papers :—

From the Consulting Engineer for Railways, dated Madras, 11th January 1889, No. 18.

From W. F. O'DONOGHUE, Esq., Officiating Examiner of Guaranteed Railway Accounts, to the Consulting Engineer for Railways, dated Madras, 26th July 1887, No. 708.

In returning, with the following remarks, the papers received with your Office note, No. 935 of the 29th June 1887, relating to the establishment and working of the Cashier's office, Madras Railway, I have the honor to explain that the delay is due to my anxiety to look somewhat closely into the details of the strength and working of that office before venturing an opinion on the papers before me. I have now, in company with Mr. Cramp, Acting Chief Auditor of the Madras Railway, completed a series of visits and enquiries at the Cashier's office and submit my remarks thereon in a separate Inspection note.

2. Therefore and because the cost of the Cashier's office has already been compared with the statistics of other Railways, it will apparently be sufficient if I confine my remarks here to the subject-matter of the Agent and Manager's No. 482 of 28th June 1887 and to the Acting Chief Auditor's note which accompanies it.

3. From the Consulting Engineer's minute (131 A. of 29th April 1887) on the report of the Committee on the establishments and working of the Madras Railway, paragraphs 5 and 7, the matter having already been considered in committee and elsewhere, it appears to be the general opinion of the officers of Government and of the Company that a re-organization of the Cashier's department should be effected. A memorandum has been recorded by Mr. Wathen, in which I agree generally, and I am entirely in accord with the views expressed in paragraphs 2 and 3 of Major Biscoe's note printed at page 77 of the Committee's report.

4. The object of the re-organization is distinctly to secure a considerable saving in the cost of working the Cashier's branch, which is, I think, rightly considered to be at present extravagant in cost ; at the same time efficiency must not be endangered. In my Inspection notes I have pointed out several directions in which it seems to me work could be reduced and condensed.

5. I look upon the incorporation of the Cashier and staff as part and parcel of the Audit office as an important step towards effecting permanent reduction both in work and cost. These remarks are, apart from the abolition of the offices of Deputy Cashier and Assistant Cashier, in favor of retaining which I have not found any essential reasons advanced in the papers before me. These appointments might apparently be reduced at once without necessarily impairing the work of the present Cashier's office. On the transfer of the Cashier and staff to the Audit office, to work as a branch of that office under the direct orders of the Chief Auditor, I think it will be found that much of the work now recorded as the separate duties of the Cashier will, in part, disappear, and in part be merged in the general duties of the Audit office without appreciably increasing the work of any set of men in the latter. That is to say, as pointed out by Mr. Wathen, there appears to be at present a certain amount of avoidable work necessitated by the upkeep of the separate Cashier's office.

6. I further think that at an expedient time the pay of the appointment of Cashier should be reduced to a maximum more compatible with the proposed change

in the status of the office, holding in view the appointment of a competent native officer on the occurrence of a vacancy. In this light the present sanctioned salary of the Assistant Cashier would appear to me to offer quite sufficient inducement to a capable native of probity to be the responsible Cashier under the orders of the Auditor, finding, of course, adequate security. The senior cash-keeper or clerk should be capable of acting for the Cashier during his temporary absences, and his security might be regulated to provide for the temporary increase of responsibility during the latter's absence. A personal allowance added to the present maximum pay of a clerk, or a higher salary if considered necessary, would probably secure a competent man.

7. With regard now to the Agent's letter. Doubts are expressed in the second paragraph of the Agent and Manager's letter and in paragraph 3 of Mr. Cramp's note whether in the case of the South Indian Railway and other lines, with which the cost of the Madras Railway Cashier's office compares unfavorably, there may not be local circumstances unknown to us which militate in favor of the foreign lines and against the Madras Railway in making this comparison. Well, I am in a position to give the following figures of the cost at date of the *Cashier's branch of the Audit office* of another Railway Company which has not been referred to before in these papers—the Southern Mahratta Railway Company, with 677 miles open for traffic (with detailed Sections and branches) and monthly cash disbursement of $3\frac{1}{2}$ lakhs of rupees. The cash earnings actually handled by the Cashier of that Railway are at present only some $2\frac{1}{4}$ lakhs monthly—perhaps nearly one-half of the Madras Railway amount—but still the work of handling earnings is relatively by far the cheapest work of a Cashier's office. Moreover the Auditor, Southern Mahratta Railway Company, writes me: "The Cashier at Poona is only a temporary expenditure necessitated by the present unfinished state of the line, and probably if one Railway did not run in so many different directions, we might be able to dispense with one or perhaps two of our present staff of pay clerks." With these remarks I give below the cost at date of the branch Cash office in the Southern Mahratta Railway Audit office, and, as it is an office with the working of which I am quite familiar, I am able to say that there are no charges included in the cost of the Audit office proper for Cashier's work and that no part of his or Cashier's duties are performed by the Audit office staff.

Southern Mahratta Railway Company.

Audit Office—Cashier's Branch.

1 Cashier	at Rs.	130	per mensem.
1 Cashier's clerk	"	20	"
1 Head-quarters Pay clerk	"	45	"
5 Pay clerks for line	"	205	"
2 Cash counters	"	40	"
1 Peon	"	7	"
7 Constables to travel with Pay clerks, including monthly allowances, &c.	"	87	"
Guard for Head-quarters office	"	36	"
1 Cashier, Poona	Rs.	80	per mensem.
1 Pay clerk, do.	"	45	"
1 Peon	"	8	"
Guard for Poona office	"	36	"
Total cost per month ...	Rs.	739	

or about one-fourth the sanctioned monthly cost of the Madras Railway Cashier's office.

8. I notice that the Acting Chief Auditor, in paragraph 10 of his note, observes that "The most important part of the Deputy Cashier's duties is inspection of payments on the line, and this part of his work can be transferred to the Travelling Auditors, &c.," and that, while agreeing in this view of his duties, the Acting Agent and Manager states (paragraph 4 of his letter) he is not prepared to adopt the suggestion that the appointment (of Deputy Cashier) should be abolished. The Agent and Manager also states that the appointment, which was first known by the name of

"Paymaster," has been found to be absolutely necessary for the protection of those (the Company's subordinates) servants. I may remark that a Paymaster was engaged on the Southern Mahratta Railway when I joined the joint Audit office, who interpreted his duties much as they are here described as pertaining to the Madras Railway Deputy Cashier. I abolished the appointment because I found it to be useless, extravagant, and to lead to the mistaken notion that because of the appointment it was necessary to have a separate office, separate correspondence, and separate every thing.

9. It may at times be found desirable to put a Travelling Auditor or other official to watch certain payments; but to make this the rule appears to me a waste of time and money, whether in the presence of a Deputy Cashier or in that of a Travelling Auditor. The proper system by which to protect such of the Company's servants and laborers as are unable to read, sign their names and complain in English, is to nominate responsible officers or subordinates to witness and attest all pay sheets, bills and other documents on which money is disbursed. This practice is, I find, followed on both the Madras and South Indian Railways, and, carefully worked, appears to me to afford every reasonable protection to payees. Moreover, I very much question whether in a large number of cases either the Deputy Cashier or the pay clerk himself can identify the payees with the pay sheet entries. In the case of fixed workshop and other establishments it is possible; but on large and all new works it appears to me it must frequently happen that neither the Deputy Cashier—if present at the time of payment nor the pay clerk is in a position to identify the men (I have had many practical illustrations of the correctness of this view). This duty must, and I think rightly, devolve on the responsible officer or subordinate in charge of work, who is, after all, principally concerned in the interests of his work that his men are not defrauded or delayed in their payments and thereby induced to levant.

10. In my opinion there is no good or sufficient cause for a Deputy Cashier, the principal part of whose duties is described as being such as I consider are rightly performed at present by the system of witnessing payments through the agency of the department which spends the money. And I gather from Mr. Cramp's note (paragraph 10) that he is practically of opinion that by a very slight modification of present arrangements the Deputy Cashier's occupation would be gone.

11. I have stated elsewhere the duties on which the Assistant Cashier is engaged (paragraphs 7 to 10 of my Inspection notes) and the means by which the principal part of the duties at present performed by him could be effectively carried out if the appointment were abolished.

12. It appears to me not improbable that, when amalgamated with the Audit office, the office staff of the Cashier's branch will be found susceptible of some reduction in numbers and cost, and I would urge the desirability of this amalgamation at the earliest possible date.

13. I do not think that because, as advanced in the Agent and Manager's second and third paragraphs and in paragraph 5 of Mr. Cramp's note, the combined cost of the Audit, Accounts and Cashier's offices of the Madras Railway is stated to compare favorably with other Railways; this should delay for a moment all possible reduction in the cost of the expensive Cash office. Moreover, that considerable reduction is necessary and practicable is, I think, clearly demonstrated both by comparison with neighbouring Railways and a due consideration of the present system of working. For these reasons I would strongly urge that Government should remind the Company that the time has now arrived when some more definite scheme for retrenchment should be drawn up than that referred to in paragraphs 9, 10 and 11 of the Acting Chief Auditor's note and the views of the Board might be again invited.

From W. F. O'DONOGHUE, Esq., Officiating Examiner of Guaranteed Railway Accounts, to the Consulting Engineer for Railways, dated Madras, 26th July 1887, No. 709.

I have the honor to submit my notes on an inspection of the Cashier's office, Madras Railway, on the 11th, 13th and 18th July. The Acting Chief Auditor, Mr. Cramp, kindly accompanied and assisted my enquiries.

Enclosure.

Notes on an Inspection of the office of the Cashier, Madras Railway, Rayapuram, on the 11th, 13th and 18th July 1887.

I visited this office and went pretty fully into the details of its working on the 11th, 13th and 18th July 1887, accompanied by Mr. Cramp, the Acting Chief Auditor. The Cashier, Mr. Bartoli, was present throughout our visit.

2. *Verification of Cash balance.*—An attempt was made to balance the cash book on the 13th for the 12th July, but unsuccessfully. The cash balance, as it stood at the close of business on Saturday, 16th July 1887, was, however, verified with—

(1) The Cashier's cash book.
(2) The cash balance book.

On the 18th July the balance of the former stood at Rs. *21,743-2-0*, that of the latter at Rs. *15,272-14-1* on the 16th July. The figure last given is the true cash balance of all funds in Cashier's hands, the cash balance book being up to date of latest cash transactions, while the cash book is in slight but current arrear and deals only with the Cashier's own balance. The details of the balances as actually verified are given in Appendix A. It should be noted that the balance is abnormally high.

3. *Composition of office and distribution of staff.*—The office is subdivided into two distinct branches :—

A. The Revenue branch,
B. The Pay branch,

including receipt of miscellaneous cash and all disbursements and general work.

The work of each will be dealt with separately further on.

4. *Staff employed.*—The staff sanctioned and actually engaged and the monthly cost is given below The letters A and B denote the branch of the office in which each officer is engaged (see paragraph 3) :—

Sanctions, June 1887.				Pay-sheet for June 1887.					
No.	Rate of pay per mensem.	Designation.	Monthly cost.	Section in which employed.	Designation.	No.	Rate of pay per mensem.	Monthly cost.
	Rs.		Rs.				Rs. A. P.	Rs. A. P.
1	500	Cashier	500		Cashier	1	500 0 0	500 0 0
1	364	Deputy Cashier ..	364		Deputy Cashier ..	1	363 10 2	363 10 2
1	200	Assistant to Cashier ..	200	A	Assistant Cashier ..	1	200 0 0	200 0 0
		Personal allowance ..	25		Personal allowance		25 0 0	25 0 0
12	50	Cash-keepers	600	B	Cash-keepers	12	50 0 0	600 0 0
	Maximum.			B	Clerks	2	60 0 0	120 0 0
				A	Clerk	1	57 8 0	57 8 0
			295	A	Do.	1	42 8 0	42 8 0
7	60	Clerks		A 1 / B 1	Clerks	2	27 8 0	55 0 0
				B	Clerk	1	20 0 0	20 0 0
	Maximum.			A	Shroffs	3	25 0 0	75 0 0
				A	Shroff	1	20 0 0	20 0 0
5	25	Shroffs	110	A	Do.	1	15 0 0	15 0 0
				B	Head Cash peon ..	1	10 0 0	10 0 0
	Maximum.			B 14 / A 1	Cash peons	15	7 0 0	105 0 0
25	10	Cash peons	189	B 6 / A 1	Do.	7	8 0 0	56 0 0
				A 1 / B 1	Do.	2	9 0 0	18 0 0
	Maximum.			B	Havildar of guard peons.	1	9 0 0	8 8 6
16	9	Guard peons	114	B	Guard peons	15	7 0 0	105 0 0
2	5	Punkah pullers ..	10	B	Punkah wallahs ..	2	5 0 0	10 0 0
		Total ..	2,407		Total Salaries for June 1887 per pay-sheet ..	..	..	2,406 2 8
		Travelling allowances ..	219		Travelling allowances ..	..	..	115 8 0
		Grand Total ..	2,626		Grand Total for June 1887	..	..	2,521 10 8

5. *Securities furnished by staff.*—With the exception of guard peons, who are drawn from the ranks of Government pensioners and whose pension certificates are retained by the Company as security, every one in the Cashier's department finds security in cash or Government securities according to the following scale :—

Cashier	Rs. 10,000
Deputy Cashier *	£ 1,000
Assistant „	Rs. 5,000
Cash-keepers	„ 3,000 each.
Shroffs and Clerks	„ 500 „
Cash Peons	„ 50 „

A. The Revenue Branch.

6. *Particulars of its working.*—The work of this branch—which consists of the receipt, weighment, count, test, acknowledgment and final lodgment in Her Majesty's Treasury of all stations cash collections of the Railway—was inspected while these operations were in progress. The branch is in the special charge of the Assistant Cashier. During his absence on account of sickness, the Deputy Cashier was, during my visits, conducting his duties.

7. *Duties allotted to Assistant Cashier.*—The chief of these appeared to me to be the sealing of the cash bags before opening, the scale-reading being called out by the Deputy Cashier (acting for the Assistant Cashier) to, and recorded by, a separate clerk in the register of bags weighed. There is a lot of clerical work and there are several records and registers maintained, as will be seen further on, but this work is done by the shroff and clerical staff. In the opinion of the Acting Chief Auditor, the appointment of Assistant Cashier is absolutely necessary, and much stress is laid by Mr. Cramp on the advantages of having a close European control on the operations of the Revenue branch, the more particularly, I understood, with regard to the satisfaction with which such agency is usually regarded by the station-masters in all matters in which the correctness of their remittances, the genuineness of coin and many other points may be questioned at head quarters. It should also be mentioned that the Assistant Cashier accompanies the cash paid daily by the Company into Her Majesty's Treasury.

8. In Mr. Cramp's opinion Rs. 150 per mensem should, under ordinary circumstances, be the maximum pay of this appointment; but there are stated to be special reasons in favor of the higher amount of Rs. 225 per mensem paid to the present incumbent.

9. In my opinion the working of the Revenue branch would in no way suffer by the abolition of this post. I do not say that, under the present system, the Assistant Cashier may not be fully employed every day (I was told he has night work in connection with the receipt or despatch of station cash bags which keeps him at work until 9 P.M.); but I do question the *necessity* for paying Rs. 225, or even at the lower estimate Rs. 150 per mensem, to avoid possible objections of those station-masters who may prefer their collections tested by an European officer of the Company. My own experience is that native agency is efficient if guarded by adequate security. Moreover, the interval between the receipt of stations earnings and their final deposit in treasury is so brief, and should be under such strict surveillance by audit in regard to clearances by treasury receipts, that it seems to me there is no reasonable fear of accidents other than are *possible* under any class of supervision.

10. *Traffic cash witness suggested.*—For the satisfaction of station-masters and the Traffic Manager, and to avoid disputes, the State Railway plan might be suggested It is for the Traffic Manager to nominate daily, weekly, or as he thinks convenient, off-duty guards who attend the Cashier's office and are present at the receipt, weighment, count, test, and disposal of stations earnings. It is usual to nominate Europeans or Eurasians for this duty, the guard, or as he is known, the "Traffic Witness," attests all alterations, rejected coin, &c., discovered by the Cash department, and thus is secured, *without a rupee of extra cost*, the European supervision on which so much stress is laid.

11. *Count of cash.*—Five shroffs are engaged daily in the opening of bags, separation of coins, test and count of the same. The system is that usually followed. Each man takes a certain proportion of the bags, opens each separately, hands the remittance note *folded up* to the clerk who keeps the stations detail cash book, and, having counted the contents of the bags, calls out the station name (from the brass label on the bag) and the amount by details of coins to the registering clerk, who compares and signs the remittance note and posts the stations detail cash book. In the event of a difference between the stations remittance note and the amount counted by the shroff, the whole bag with its contents, seals, string, &c, is reweighed and compared with the weight first recorded in the weighment register before any excess is acknowledged or debit raised against station for short remittance. On Monday (18th July) nine men were engaged on this work assisted by as many or more peons to get through the two days' collections on that day. The extra men are drawn from the Pay branch, being generally off-duty cash-keepers (pay clerks).

12. *Separation of change and coppers.*—A very appreciable amount of labor throughout the staff of shroffs and peons is caused by the receipt of station earnings of every denomination of

* The Deputy Cashier's case is exceptional; he has furnished an English Assurance Company's bond for £ 1,000 which has been accepted by the Board.

coin in bulk. For instance, rupees, half rupees, quarter rupees, two-anna pieces, and, in copper, half-anna pieces, quarter-anna pieces and pies are received, higgledy-piggledy, all together, anyhow, and each class of coin has to be separated in the Cashier's office. Why should not the 120 odd railway station establishments help in this? A very simple expedient, and one I have found to answer, is to have separate rough country cloth bags for $\frac{1}{2}$ rupees, $\frac{1}{4}$ rupees, 2 anna pieces, $\frac{1}{2}$ anna coppers and $\frac{1}{4}$ annas, and, if necessary, for pies too. Each bag is roughly stamped with the value of the class of coin, three or four complete sets are furnished to each station with instructions to place the different coins remitted in their appropriate bags; the rupee coins can of course go in bulk, and the whole being placed in the leather station cash bag and so sent to audit, work is distributed and made easier and lighter, and possibly the services of a shroff and one or two peons might be dispensed with. In dealing with the work I have described there is a considerable amount of avoidable labor thrown on the Cashier's office.

13. *Currency half notes.*—In another corner of the Revenue branch a peon was engaged in pasting together half notes received in that state from stations. I never saw him doing anything else, though possibly he may have other important duties. Every station has a gum-pot, and if stations were warned that credit would not be afforded them for notes received in halves or mutilated, I take it this man's occupation would be gone and the large number of peons might be reduced. The number throughout the office is noticeably high, and might, I think, be found capable of considerable reduction.

14 *Subordinate Clerks and Shroffs.*—Working under the Assistant Cashier in the Revenue branch there are—

3 Clerks,
5 Shroffs,

the principal part of their duties being, as described, the receipt, check, weighment, and count of all stations and refreshment-room remittances down to the final make up of the money for payment into treasury.

15. *Books and Records.*—The principal records of this branch are—

I. Stations main cash book.
II. Do. detail do.

The former of these cash books appears to me to be quite unnecessary. The stations detail cash book (II) is the initial record of cash counted, and the only difference between it and the stations main cash book (I) is that II is in greater detail and meets every requirement. There is space enough for abstracting the totals of each class of coin at foot, if necessary. No. II is a complete and neatly kept record, and with very slight, if any, modification to provide a "total" column and a foot-note reference to the treasury receipt, I think it will be found that No. I might be abolished without any hesitation.

16. *Principal Books and Records, III and IV—III. Register of Currency notes, IV. Register of Credit notes.*—The purposes of these registers are sufficiently explained by their titles and they are usual. The number of credit notes is heavy and involves some work. Credit notes are sent to the treasury accompanied by abstracts of each batch drawn by authorised persons.

17. *Books and Records—V. Cashier's Cheques Registers.*—Under Standing Orders, the Cashier is authorized to pay sundry items for which Company's cheques have been drawn and received by him from stations earnings by means of "Cashier's cheques" drawn on station-masters. These are registered in the Cashier's cheques register, and on return from stations as "vouchers" with payee's receipts, the cash earnings of the station concerned are recouped, the Cashier's cheque withdrawn, and the gross earnings paid into treasury. The Cashier's cheques are in four-foil—two foils are returned by the station, one of which, with payee's receipt, eventually forms the voucher to the general cash book of the Company, while the other is pasted to the counter-foil of the Cashier's cheques book. The Cashier's cheques book is now complete, earnings having been recouped and the disbursed cheque pasted to its counter-foil. Those counter-foils which have no corresponding paid cheque pasted to them are readily seen at a glance, and I do not understand with what object the separate "Cashier's cheques register" (V) is kept up. In my opinion it is unnecessary work.

18. *Books and Records—VI. Register of Cheques received.*—In this register is recorded all cheques drawn by authorized persons received with stations earnings; also private cheques of Company's officers cashed for them as a matter of convenience. It is stated the treasury accepts all as cash at par without question.

19. *VII. Manuscript Register of Collections at refreshment-rooms and at stations for return tickets sold—VIII. Register of Payments at refreshment-rooms.*—A good deal of miscellaneous work is thrown on this office by the refreshment-room work. Separate remittance notes for *Tickets* and *Refreshments* are received from stations in stations cash bags, the collection being separately done up from stations earnings. Two rough manuscript registers are kept up to record the collections from refreshment-rooms and by stations for refreshment tickets sold and payments from collections made by refreshment-room butlers. A daily abstract of all receipts is drawn up and sent to audit with the remittance notes and vouchers.

20. *IX. Sundry remittances through stations.*—A separate register of miscellaneous receipts paid in through stations is maintained.

The shroff's cash counting duties are usually over at 2 P.M. daily, from which time they are said to be engaged in office work.

B. The Pay Branch.

21. *General work of Branch.*—Under this head may be included the greater part of the particular work which devolves on the Cashier himself. This branch is stated also to engage the greater part of the Deputy Cashier's attention when at head-quarters. At present, as before stated, the Deputy Cashier is doing the duties assigned to the Assistant Cashier during the latter's absence. Arrangements are here made for the disbursement of all moneys payable by the Company, whether in cheque or by cash. Miscellaneous cash receipts other than those received through stations are also dealt with here.

22. *Staff of Pay Clerks.*—The staff of pay clerks, or cash-keepers as they are known here, engaged on pay clerks' duties consists of 11 men. There is a twelfth cash-keeper engaged in the receipt, custody and disbursement of all moneys received otherwise than from stations or disbursed through pay clerks whose work will be referred to later on. That is, 12 men costing Rs. 684 * per mensem for 830 miles of railway, or an average of 1 pay clerk to say 70 miles. This strikes me as much in excess of the number necessary. During the busiest period of payment in each month, from about the 16th to 27th, 10 of these men are said to be fully engaged in making payments throughout the line. As a rule, all line payments, including contractors' bills, &c., are finished about the 27th of a month; so that for a clear half of each month 10 of the 12 pay clerks appear to have little special pay clerks' work to do. Of course they have to clear themselves with the Cashier, produce proper receipts, assist the Revenue branch in busy days, possibly write some letters, receipt forms, and help in the miscellaneous work of a Cash office; but practically their monthly work is over in about 11 days. In the Acting Chief Auditor's opinion, too, there is undoubtedly a slack time among the pay clerks.

	Rs.
* Wages	600
Allowances	84
Total ..	684

23. *Distribution of payments by sections.*—On enquiry I ascertained that the system of payment by sections of line at different periods of the month has not been tried. This was successfully worked on a railway in the north of India some years ago. The arrangement is to split the line up into sections to meet the convenience of heads of departments and their employés and draw up all pay-sheets for, say, A section from the 1st to the close of a month, while all those for, say, B section should be drawn up from the 16th of one to the 15th of the month following. This equalizes the time of departments which draw the pay-sheets, of the Audit office which audits them, and, lastly, that of the Pay office. No violation of principle is involved, as six months' payments will fall in each half-year, and I think suitable arrangements might be made which would result in so distributing the work of the pay clerks that, allowing that the time now spent on line by a pay clerk should be doubled and leaving 8 days per man per mensem to clear up accounts with Cashier, &c., at head-quarters, a reduction in numbers should be effected, which I do not consider is over-estimated at 5 pay clerks, without in any way delaying payments beyond the normal time allowance now occupied on the line. I hope this matter may receive attention. I gather the Acting Chief Auditor considers the time of the cash-keepers is not nearly fully occupied in discharging pay clerks' duties, and an effort will, I hope, be made to reduce the apparently unnecessarily large staff of cash-keepers.

24. *Books and Records.*—In addition to the general work of a Pay office and the many registers, note books, &c., necessarily kept up, the main records of this branch are—

1. The Cashier's cash book,
2. The petty cash book,
3. Traffic Manager's cash book,

(*Kept up in rough and fair*, latter in large form of cash book).

4. Cash balance book.
5. Register of deductions (principally Locomotive Department).
6. Rough day book of miscellaneous receipts.
7. Register of Bank transactions (miscellaneous sundry receipts creditable to Bank accounts other than Government).
8. Two registers in connection with securities.

With regard to Nos. 2, 3, 5, and 6, I must record my opinion that they are unnecessary. I would include No. 4 in this remark, but that it is a small manuscript book with few entries, which in themselves do not cause much labor in posting, although, to arrive at the results from details, some considerable work is involved.

25. *Petty Cash Book.*—No. 2, the petty cash book. All disbursements by Cashier might, I think, be posted as they occur in the Cashier's cash book No. 1. It is undesirable to have two separate books where one will suffice.

26. *Traffic Manager's work.*—No. 3, the Traffic Manager's cash book. The upkeep of this cash book, and the large amount of work in connection with it which is thrown on the Cashier's office, is by far the most formidable point in the many directions in which, it appears to me, the Cashier's office is saddled with work not strictly belonging to the Cash office, and in others in which I think the system of working somewhat circuitous. The Traffic Manager's cash book is based on two distinct sources of receipt, viz. :—

(1) His authorized standing advance of Rs. 1,000.
(2) Miscellaneous receipts of revenue, among which are noticed such items as (*a*) attachments on salaries, (*b*) sales of unclaimed goods, (*c*) received from Agent and Manager for water-pandal, Jalárpet, and scores of others.

It appears self evident that if the Traffic Manager practically banks his standing advance (1) with Cashier instead of keeping it by him to meet urgent petty demands, the only object with which such advances are granted is defeated, and it would be far preferable, more regular, and quite as expeditious for the Traffic Manager to abandon his advance and requisition the Chief Auditor in the usual course for all bills payable by his department. To understand the position, it should be noted that the Traffic Manager has to write from the Central station to the Cashier, who is at Rayapuram, to make payments from his own (Traffic Manager's) standing advance; the Cashier has to pay, post Traffic Manager's cash book, and advise of the payment made. These payments will subsequently appear in Traffic Manager's advance account and be subject to audit, instead of being audited, passed and paid through audit in the first instance.

27. Again with regard to receipts, I hold that the Traffic Manager has no authority to retain at his credit with the Cashier sums of money realised on account of revenue or miscellaneous receipts of any kind. The orders of Government require that all moneys received by the Company shall be paid into treasury without deduction, and while I find this point so strictly attended to in other directions, I cannot understand the reasons for its omission in this particular. Of the letter writing to and fro, receipts, acknowledgment, postings and miscellaneous duties caused in connection with the Traffic Manager's cash book, it would be difficult to give an accurate idea; but I believe the work would be understated at the services of one clerk, and although I understand a clerk is allowed by the Traffic Manager for the work thrown on Cashier's office, I consider the system irregular and productive of much unnecessary labor. On the payment side of this cash book, I observed such items as clothing account payments to Messrs. Oakes and Company and others, for all of which bills should have been submitted to, and pre-audited by, the Chief Auditor and Government Examiner and paid in usual course.

28. *Balance of Traffic Manager's cash book on 16th July* 1887.—The balance of the Traffic Manager's cash book in hands of Cashier on 16th July 1887 was *Rs. 3,134-6-9*, and assuming the traffic standing advance at that date was at its maximum of Rs. 1,000, there remained a sum of over two thousand rupees, which should have been in the Government treasury. This appears to be about the normal balance. In view of the irregularity and on the ground of clerical economy, I beg that the Company be invited to close this account in the manner indicated. If the Traffic Manager still desires to retain the standing advance of Rs. 1,000 or a less sum for urgent petty disbursements usually post-audited, there is no objection to this, provided he relieves the Cashier's office altogether of the work of keeping account of it, and confines the operations of his advance account to those which legitimately belong to it. I do not understand under what system the Traffic Manager is in a position to receive miscellaneous revenues of the Company; but as he appears to be the medium for many classes of cash recoveries from the staff, &c., the proper course is to pay the money at once into treasury through audit, though to me it is difficult to conceive why the pay-sheets cannot be utilized for all deductions from the staff.

29. *Cash balance book.*—The records which lead up to the necessity for this book ought not, I think, to be kept by the Cashier's office. Chief among these are the Traffic Manager's cash book, the system of Locomotive deductions from pay-sheets and the separate rough booking of "sundry receipts." The necessity for the first does not exist, nor for the second. A system of deductions on pay-sheets which involves the withdrawal from treasury in cash of the gross amount of the pay-sheet, letters between the Locomotive Superintendent and the Cashier with regard to the disposal by Cashier of sundry deductions, while others are made over in cash to the Locomotive Superintendent, appears to me somewhat circuitous. It would seem simpler to draw cheques net for the actual amount payable and for lodgment in treasury or Bank of the several sums creditable to service and other funds. I gathered that the Acting Chief Auditor is satisfied with this system, but it seems to me to give rise to avoidable work. Further, I do not understand the necessity for the concern of heads of departments with deductions shown by them for recovery on pay-sheets once they have been so entered. Each payee can himself see the deductions when receiving balance of pay due him, and also the fund to which creditable, or cause of retrenchment, and, as I presume half-yearly accounts are furnished to depositors of the state of their fund accounts, all reasonable information is always at the disposal of every servant of the Company. This is noticed because it appears to me to be productive of work in the Cashier's office apart from what may arise in that of the Locomotive Department.

Traffic Manager's cash book—Locomotive deductions.

Sundry receipts book.—The balance in this book in hands of Cashier on 16th July 1887 amounted to *Rs. 5,403-9-3*. All receipts finally creditable should apparently be posted at once into the Cashier's cash book and cleared by prompt payment into treasury. The necessity for this intermediate book is not apparent.

As will be seen from the cash balance sheet (Appendix A), the "Cash balance book" is the record of the true balance of funds of all descriptions in the hands of Cashier, and with regard to the necessity for some of the component accounts I have already given my opinion.

30. *Ex-officio work in Cashier's office.*—There is nothing further of special import in the working of Cashier's office, although it should be noted that there is a lot of *ex-officio* work in connection with volunteering, libraries, co-operative stores, &c., which ordinarily fall to the lot of a Railway Cashier's office.

31. *Conclusion.*—It will be understood, I hope, that my remarks apply to the system at present in force in the Cashier's office and not to the manner in which that system is worked; and after careful enquiries on the spot in company with Mr. Cramp, the Acting Chief Auditor, I have come to the conclusion that in the directions I have pointed out, and others not noticed here, the incorporation of the Cashier's office as a branch of the Audit office would afford the means for a marked reduction of work, and by bringing the Cash branch in closer contact with the Audit—its proper controller—could not fail to be productive of equal efficiency, while it would probably remove the tendency which appears to exist on the part of departments of thrusting work on the Cashier's office.

Madras,
25th July 1887.

(Signed) W. F. O'DONOGHUE,
Offg. Examiner, Railway Accounts.

Appendix A.

Balance of the Cashier, Madras Railway Company, on 16th July 1887.

				Rs.	A.	P.
General Cash book balance				21,743	2	0
Cr.		Rs.	A.	P.		
17 bills paid for		1,598	12	4		
18 receipts paid for		185	0	10		
17 „ „		175	5	0		
34 „ „		350	10	0		
38 „ „		409	1	0		
1 „ „		10,000	0	0		
1 „ „		14	11	0		
1 cheque „		118	13	0		
1 „ „		396	7	0		
1 „ „		225	0	0		
1 „ sent to the Agent and Manager, with letter No. 3160		20	0	0		
1 „ sent to the Traffic Manager, with letter No. 2852		13	1	0		
1 bill of exchange sent to Wilkinson, Haymond and Clarke, Bombay, with letter No. 3120		120	0	0		
Amount remitted to the Locomotive Superintendent, with letter No. 3179		108	8	1		
Paid petty cash vouchers		3,734	5	9		
„ advance „		1,185	8	9		
Wages of Police staff as per Cashier's receipt.		288	0	0		
				18,943	3	9
				2,799	14	3
Traffic Manager's cash book balance				3,134	6	9
Locomotive deductions				3,921	7	10
Sundry receipts as per book				5,403	9	3
Private deductions				13	8	0
	Total			15,272	14	1

Details of balance, 16th July 1887.

				RS.	A.	P.
Receipt, dated 16th July 1887, from Cash-keeper, advanced for Madras Locomotive wages				6,035	10	3
Capital orders on stations for tickets				37	6	9
Stamps						
Cheques on hand 1/40, 1/542-14-0, 1/3,000, 15/P. F. cheques 1,653-11-0				5,236	9	0
Notes, currency, 4/5						
One receipt for payment to Guard Robertson of unpaid wages.				20	0	0
One cash order, Sholingur station, recouped				29	9	10
Cash ... Coppers				21	6	9
Silver charge			13	4	5	
Rupees			11	12	0	
			* 3,806	0	0	
Cash paid in my presence			57	2	7	
				3,888	3	0
Stamps				4	0	6
		Total ...		15,272	14	1

MADRAS,
26th July 1887.

(Signed) W. F. O'DONOGHUE,
Offg. Examiner, Railway Accounts.

Cash and Pay Departments of the Madras Railway.

In continuation of my note of the 10th instant, from information since received I append statements showing the cash and pay staff of the Great Indian Peninsula Railway, Bombay, Baroda and Central India Railway, and the Rajputana-Malwa State Railway, also a table comparing the cost of cash establishment of these three Railways with that of the Madras and South Indian Railways.

On all these lines except the Madras Railway, the cash and pay establishment are under the Chief Auditor and are part of his office.

MADRAS,
21st May 1880.

(Signed) H. A. D. WATHEN,
Deputy Examiner, Railway Accounts.

STATEMENT comparing the Cost of Establishment on different Railways.

Railway.	Length.	Cash dealings, half-yearly.			Half-yearly cost of establishment.	Percentage of cost on cash handled.	Cost per mile open.
		Expenditure.	Collections.	Total cash handled.			
	MILES.	RS.	RS.	RS.	RS.		RS.
Madras	861	26,45,000	40,68,900	67,13,900	15,756	·235	18·3
South Indian	662	12,57,000	24,84,000	37,41,000	7,812	·209	11·8
Great Indian Peninsula ..	1,504	61,94,650	1,51,40,780	2,13,35,430	23,508	·110	15·6
Bombay, Baroda and Central India	461	24,14,666	75,81,217	99,95,883	9,720	·097	21·1
Rajputana-Malwa State ..	1,664	33,42,938	55,98,144	89,41,082	14,605	·163	8·7

MADRAS,
21st May 1887.

(Signed) H. A. D. WATHEN,
Deputy Examiner, Railway Accounts.

DETAILS of Pay and Cash Staff on the following Railways:—

Great Indian Peninsula Railway.

			RS.	
One Cashier			500	per month.
Personal allowance			100	,,
Assistant Cashier			250	,,
Twelve Pay clerks, Rs. 150—95			1,580	,,
Clerks			785	,,
Sepoys			153	
	Total ...		3,368 × 6 =	RS. 20,208 half-year.
Travelling allowance				2,100
Special man for Wadi Bunder				1,200
Total for the half-year ...				23,508

* Rs. 3,000 tested by weight, Rs. 806 seen and weighed in small scales of 50s.

Bombay, Baroda and Central India Railway.

	Per month. RS.	Half-year. RS.
1 Head cashier, at Rs. 340	340	
4 Pay clerks, at Rs. 150	600	
1 Traffic cashier, at Rs. 120	120	
1 Assistant cashier, at Rs. 70	70	
1 Shroff, at Rs. 30	30	
3 Clerks, at Rs. 40 to 80	180	
2 Peons	23	
1 Hamal	11	
6 Police constables	71	
Total ...	1,445 × 6 =	8,670
Travelling allowances	175 × 6 =	1,050
Total for the half-year ...		9,720

Rajputana-Malwa State Railway.

	Per mensem. RS.	Half-year. RS.
1 Head cashier	150	
1 Assistant cashier	80	
10 Potdars, each	12 to 20	
2 Clerks, each	22½	
2 Peons, each	6	
2 Cash coolies, each	6	
		2,023
1 Paymaster	340	
22 Pay clerks, each	30 to 120	
11 Pay circars, each	15 to 20	
1 Duftry	10	
16 Peons, each	6	
2 Coolies, each	6	
Travelling allowances	200	
		12,582
Total for the half-year ...		14,605

NOTE.—Contingencies, stationery and abnormal charges have been eliminated in comparing establishment charges.

MADRAS,
21st May 1887.

(Signed) H. A. D. WATHEN,
Deputy Examiner, Railway Accounts.

No. 389.

Note on the Cash and Pay System on the South Indian and Madras Railways.

The strength and cost of the Cashier's department on the South Indian and Madras Railways are compared below:—

South Indian Railway.

	Half-yearly Cost. RS.
1 Cashier, Rs. 125—security Rs. 5,000	750
1 Assistant cashier, Rs. 75—security Rs. 5,000	450
13 Divisional cashiers, Rs. 50 to 70—security Rs. 2,500 to 5,000 according to pay	4,140
4 Shroffs, Rs. 30	720
18 Cash peons, Rs. 8 to 10	972
1 Clerk Rs. 50 2 Clerks Rs. 20 Police guard Rs. 40 } in Audit office	780
Total ...	7,812

Madras Railway.

		Rs.
1	Cashier, Rs. 500	3,000
1	Deputy cashier, Rs. 364	2,184
1	Assistant do. Rs. 225	1,350
12	Cashkeepers, Rs. 50	3,600
7	Clerks, Rs. 60	1,770
5	Shroffs, Rs. 25	660
25	Cash peons, Rs. 10	1,134
16	Guard peons, Rs. 9	684
2	Punkah coolies, Rs. 5	60
	Travelling allowance	1,314
	Total ...	15,756

The following table shows comparative cost according to mileage and to cash dealings:—

Railways.	Length.	Half-yearly cost.	Cash dealings.			Percentage of cost on cash handled.	Cost per mile open.
			Collections.	Cash Expenditure.	Total.		
		Rs.	Rs.	Rs.	Rs.		Rs.
South Indian Railway ..	662	7,812	24,84,000	12,57,000	37,41,000	·209	11·8
Madras Railway	861	15,756	40,68,900	26,45,000	67,13,900	·235	18·3

Taking percentage comparison the Madras Railway exceeds the South Indian Railway by about 12 per cent. The Madras Railway being a longer line and dealing with larger sums should show a smaller instead of a larger percentage in cost of establishment.

South Indian Railway System—*Head Cashier, Assistant Cashier.*—On the South Indian Railway the chief cashier's duty is to count earnings and remit to treasury. The shroffs work under him. The assistant cashier is on duty at the station at night to take over earnings arriving by night trains; if the trains were more convenient his duties would disappear.

Divisional or Paying Cashiers.—The paying cashiers work under the Chief Auditor directly. They receive all cheques and pay all bills, pay sheets, &c.; they travel on the line accompanied by one peon. Their security is supposed to cover the sum of money they carry, but sometimes the cash carried is in excess of the security deposited.

Nature of security.—All security is in cash or Government promissory notes; all payments, without exception, are made by the cashiers, the only imprest is Rs. 50 with the Chief Engineer.

Distribution of Divisional Cashiers.—Each Engineering division (seven in number) has a cashier attached to it, who pays all coolies and engineering staff. The remaining six cashiers are at head-quarters and make payments to all departments, except Engineering department.

On the South Indian Railway the Chief Auditor performs the general duties of the chief cashier.

The deputy cashier does not exist nor do his duties; and the duties of the assistant cashier and minor duties of the chief and deputy of the Madras Railway are performed by the head cashier of the South Indian Railway.

The main difference between the two systems is that, on the South Indian Railway, the cash branch is part of the audit department, and the cashiers work directly under the Chief Auditor; while, on the Madras Railway, there are two distinct departments supervised by independent officers. The latter system is more expensive and necessitates extra work. By amalgamating the two departments, the following work would disappear:—

(1) Correspondence between the two offices.
(2) Checking of cash-book by cash department; it is now checked by cash department and afterwards by Chief Auditor.
(3) Bills referred to by Mr. Bartoli, in paragraph 8 of his note which have already been checked by audit department, are checked by cash department again.
(4) Petty cash book and vouchers are checked by cash department, and again by the Chief Auditor.

Under the present system (1), (2), and (4) cannot be avoided, but (3) might disappear at once without impairing efficiency.

Reform.—Probably the Madras Railway cash system would be most effectually and economically reformed by abolishing the cash department and substituting in the place of three

European officers, whose monthly aggregate cost is Rs. 1,089, two native cashiers on Rs. 250 and Rs. 100 a month, thereby saving Rs. 739 a month. The head native cashier could supervise the cashiers and be responsible for counting collections and remitting the same to treasury. The assistant could take part of his work and be available in case of sickness.

But the head cashier would work directly under the Chief Auditor; he would carry on no correspondence, but would act as supervisor of the cash branch of the Chief Auditor's office. This saving in officers' pay would not be the only saving, for by amalgamating the two offices some saving in clerical establishment should be possible.

It is an acknowledged fact that native labor is cheaper than European, and the experience of the South Indian Railway, Rajputana-Malwa State Railway, Nagpur and Chattisgarh State Railway and several others is that native agency is thoroughly efficient in dealing with cash.

If the Company object to the introduction of native agency and the Government are not anxious to press the matter, I do not see how the assistant cashier in the present system can be abolished. The sole time of one man must be employed in counting and remitting earnings to treasury, while one officer must supervise a distinct branch.

Deputy Cashier might be abolished.—The office of deputy cashier, however, might, I think, be abolished forthwith, without altering the system and without prejudice to efficiency.

Present duties of Deputy Cashier.—The principal duties of the deputy cashier on the Madras Railway from Mr. Bartoli's note appear to be—

(1) Payment of locomotive workshops.
(2) Supervising divisional cashiers on line.
(3) Acting for chief cashier when absent.

(1) His presence appears to be quite unnecessary. An ordinary cashier on Rs. 50 in presence of foreman could perform this duty, as is done on the South Indian Railway.

(2) Travelling on the line to supervise paying cashiers appears also to be quite unnecessary. So long as no complaints are received, it may be safely presumed that the cashiers are punctuals, for payees complain fast enough if payments are not punctual.

As the deputy cashier cannot be over the whole line at one time, he cannot ensure safety of cash and if at any time inquiry is necessary, the travelling auditors are always available.

3. It appears to be an unnecessary luxury to pay a man Rs. 364 a month to be ready to act for the chief cashier if he is on leave. On the South Indian Railway the senior divisional cashier acts in case of absence of the head cashier.

(Signed) H. A. D. WATHEN,
Deputy Examiner, Railway Accounts.

Madras,
10*th May* 1887.

From W. R. ROBINSON, Esq., Acting Agent and Manager, Madras Railway Company, to the Consulting Engineer for Railways, dated Madras, 28th June 1887, No. 482.

Referring to your letter of the 23rd ultimo, No. 330, I have the honor to forward herewith copy of a letter addressed to me by the Acting Chief Auditor, No. 4120/1324, dated the 8th instant, in which he expresses his views upon the "Note" by the Examiner of Railway Accounts, prepared at your instance, suggesting reductions in the establishment of this Company's cashier.

2. Mr. Cramp shows that the comparison as made by Mr. Wathen between the cashier's staff on this and other railways is unreliable, inasmuch as for the purposes in view the staffs of both the audit and cashier's departments should be included.

3. A comparison on this basis has already been made, and, as is shown in statement C embodied in the report of the recent committee on our establishments, the results are greatly in favor of the Madras Railway.

4. As regards the appointment of deputy cashier, you are aware that the chief part of this officer's duty is to inspect the payments of wages made to the subordinate servants of the Company. The appointment was made, in the first instance, under the name of "Paymaster," because experience had shown that such a course was absolutely necessary for the protection of those servants, and I am not prepared to agree to the opinion expressed by Mr. Wathen that "travelling on the line to supervise paying cashiers appears to be quite unnecessary," nor am I prepared to adopt the suggestion that the appointment should be abolished and that in the mean time we should wait for complaints of irregularities to be made.

5. I am of opinion, too, that the whole of the audit staff have more than enough to do in looking after the station accounts, and I would strongly deprecate the travelling auditors being asked to look after the payment of wages in addition to their present legitimate duties.

Enclosures.

From the Acting Chief Auditor, to the Acting Agent and Manager, Madras Railway Company, dated Madras, 8th June 1887, No. 4120/1324.

Consulting Engineer's letter No. 330 of 23rd May 1887.

The Committee that has recently reported on the cost of establishments of the Madras Railway appears from its report to have contemplated placing the cashier's department under the Chief Auditor, and the Consulting Engineer has undertaken to report to Government on the subject, because he is of opinion that the present arrangement is unnecessarily costly.

2. The Committee, in recording its approval of the proposed transfer, was no doubt of opinion that the change would effect some reduction in the present cost of the cashier's department.

3. The "Note" which has been prepared by the Deputy Examiner of Railway Accounts, and which is enclosed in the Consulting Engineer's letter, compares in detail the cost of our system with that in force on the South Indian and other lines, where the cash establishment is worked as a branch of the Chief Auditor's department, but I must premise that any such comparison should be received with caution, because—

(*a*) All the circumstances existing on a foreign line working under a system different to our own cannot be known to us.

(*b*) That expenditure is included under a general head in the Chief Auditor's establishment of the foreign line which is shown specially in the outlay on our cashier's establishment, *e.g.*, superintendence, travelling allowance, &c.

4. As an illustration under the former head (*a*), I have been informed that some payments on the South Indian line are made by special train, and if this be correct the cost of such train ought to be taken to account. The cost of a special train running over the whole system of the Madras Railway monthly would be a serious item of outlay.

5. When the subject of the cashier's department was last under consideration, it was pointed out that on lines where the cashier's establishment formed a branch of the audit, a comparison of cost with our own could only be made by taking the total cost of both offices, and that this gave results greatly in favor of the Madras Railway. This will also be very clearly seen by referring to statement C embodied in the report of the Committee on establishments.

6. The remarks immediately preceding are not intended to prejudice the proposal to transfer the cashier's department to the audit office, but merely to keep in view the fact that our system of cash establishment has been well and economically worked, and that any large reductions based upon such comparisons as that prepared by the Deputy Examiner cannot be expected.

7. It is necessary that I should point out in reply to that paragraph of the Deputy Examiner's "Note" which states that our present system necessitates extra work, that practically the work will be the same as at present after amalgamation takes place, the correspondence referred to being merely advices regarding vouchers, credit notes, &c., required by other branches of the audit office, and the informal check of cash-book, bills and vouchers, such as would necessarily still be made.

8. Before remarking on any possible changes that might be made in the staff of the cashier's department if transferred, I would refer to the superintendence staff of the audit office, and it is satisfactory to note that the Committee on establishments in their report recognize the fact with regard to the engineering department that the superintendence of the superior staff, or, in other words, a strong supervising staff, is, in some cases, a measure of economy. For similar reasons as are there referred to the audit office, which has to deal with all receipts as well as payments, requires careful European supervision. The European staff at present is barely equal to the work, and no part of it could be diverted for employment on new duties.

9. If it should appear to you that the proposed transfer of the cashier's office to the audit is a desirable arrangement, and if Government and the Board of Directors decide on ordering us to make this change in our present system of working, I am of opinion that no immediate reduction should be made in the cashier's staff, but think that the whole should be handed over to us and effect be gradually given to any reductions that it may be found possible to make.

10. An important saving in the future will undoubtedly be effected, as a part of the deputy cashier's work can be otherwise provided for. The most important part of the deputy cashier's duties is inspection of payments on the line, and this part of his work can be transferred to the travelling auditors. The services of the present deputy cashier (Mr. Sherman) if not, after a time, required in the cash office, can most usefully be employed in the audit office, and it is very desirable that they should be retained.

11. No further changes could safely be made in the European staff. If any reductions in the subordinate staff be found practicable they will, from time to time, be made.

From the Agent, South Indian Railway, to the Consulting Engineer for Railways, dated Trichinopoly, 13th April 1887, No. 304.

Your telegram of the 9th instant. I have the pleasure to send herewith a memorandum describing the manner in which monthly wages are disbursed on this railway to the engineering maintenance and traffic establishments.

Enclosures.

SOUTH INDIAN RAILWAY.

The engineering maintenance establishment and the traffic staff are paid their monthly wages by cashkeepers who travel in special trains.

Each train pulls up on reaching a gang of platelayers, and their wages are disbursed by the cashkeeper in the presence of the inspector in charge of the section, who travels in the train and certifies to the payments being correctly made. The train is also pulled up at each station for the payment of the traffic staff wages.

Advantage is taken of the running of these pay specials to despatch and distribute the monthly stores requirements of the engineering and traffic departments.

The following shows the working of those specials during last month :—

			Carriage.	Trucks.	Vans.
16th March,	Trichinopoly to Madura		1	7	2
17th „	Madura to Tuticorin		1	4	1
16th „	Tanjore to Cuddalore		1	8	1
17th „	Cuddalore to Madurántakam		1	7	1
18th „	Madurántakam to Madras		1	5	1
18th „	Negapatam to Trichinopoly		1	2	1
19th „	Trichinopoly to Erode		1	2	2

The staff employed on the Tinnevelly, Arkónam and Pondicherry branches are paid by a cashkeeper who travels by trolly.

No special staff is maintained for this service, the payment of wages by special train, the cashkeepers who disburse the amount being engaged on other duties during the remaining 28 days of the month.

The cost of running the trains, taking as a basis the estimated locomotive expenses per train mile during last half-year, would be Rs. 240 per mensem.

(Signed) W. S. BETTS,
Agent.

Trichinopoly,
13th April 1887.

MEMORANDUM.

The system of payments at present in force in the cashier's department of the Madras Railway Company is carried out during the month as follows :—

2. The deputy cashier resides at Madras, but necessarily spends a portion of his time over the line personally superintending the payments made to the several departments by eleven cashkeepers by trains and trollies, in shops, offices, &c. (including contractors) in the presence of a departmental witness, who identifies the employés. This departmental witness is responsible for the identification of his men.

3. This officer signs and arranges for the despatch by the cashkeepers of the notices for the payments of all departments both on the South-West and North-West Lines, in all 860 miles.

4. He is under the orders of the cashier, his immediate superior, to whom he sends a daily report of payments supervised by him while up the line. He visits the South-West Line this month and the North-West Line next month ; on a rough average visits and inspects the payments of each cashkeeper every alternate month.

5. He personally superintends the payment of the locomotive muster rolls at the Perambúr Works, amounting to more than Rs. 30,000 odd, where about 3,000 workmen are paid specially by six cashkeepers, simultaneously within two hours on the Saturday after the 10th of each month.

6. He attends at the Ráyapuram cash-room early in the morning about the 15th or 16th of the month to see the cashkeepers take out the money required for the payments of traffic, locomotive, &c., salaries and wages payable by trains, &c.

7. The average length of an engineering division is about 123 miles paid by trolly by one cashkeeper, assisted by one cash peon and one guard peon. The permanent-way inspector of the section who is responsible for the safety of the line and trolly accompanies the cashkeeper and identifies the gang coolies, traffic gatemen, &c., over his section, and, at the completion of the sections' payments, certifies the pay sheets as "paid in full" or "paid with the exception of"

as the case may be. The cashkeeper also certifies the pay sheets to that effect. These certificates protect the Company's interests, and, in a great measure, are a guarantee that the workmen receive their wages correctly and regularly as per notices issued.

8. Seven sets of cashkeepers and cash and guard peons as above pay the seven engineering divisions given in detail at the end.

9. The average number of traffic and locomotive stations paid by a cashkeeper, assisted by one cash and one guard peons as above, generally by goods or mixed trains, is 42 and miles 287.

10. Three sets of cashkeepers and cash and guard peons as above pay at present, as an experiment, the whole of the South-West and North-West Lines given in detail at the end, at the request of the locomotive department, as per my letter No. 4334 of 2nd October 1886 to the Acting Agent and Manager.

11. One set of men, viz., one cashkeeper and one cash and one guard peons make all local payments of the engineering, traffic and locomotive, &c., departments at Ráyapuram, Central Station, Salt Cotaurs and Perambúr throughout the month.

12. One cashkeeper is in charge of the office cash chest and is virtually the head cashkeeper, for the distribution of which is about Rs. 4 lakhs during the month. He hands over money to the cashkeepers for payments in different kinds, about Rs 2,44,000, viz., full rupees, silver change, copper, currency notes and receipt stamps for salaries and wages above Rs. 20 each. (See details of his work with the other papers.)

13. As soon as payments are completed, cashkeepers return to head-quarters (Ráyapuram), close their accounts, pay over the unpaid wages and salaries into the office cash chest for payment into the Bank, deliver the pay sheets with the accounts current and unpaid lists to the deputy cashier, who in turn examines them to see that all the payments have been duly vouched for and that the unpaid amounts are correctly brought to account in the abstracts, &c.; he then enters the sums "paid" and "unpaid" in the register book of pay sheets, and forwards them to the cashier for disposal.

14. These unpaid salaries are subsequently paid by cheques drawn on stations by the cashier on receipt of applications from the departments concerned, chiefly the traffic department.

15. The cashkeepers also submit abstracts of all "since paid wages," chiefly the engineering department, and the deputy cashier examines them to see that they have been correctly paid and initialled by the permanent-way inspectors, and that vouchers are furnished in support of such payments, &c., before they are sent to the cashier for entry in the petty cash book.

16. The guard peons and cash peons watch by turns the Company's treasure secured at night in the several cash godowns provided over the line, and the cashkeeper himself sleeps in the cash godown to further protect and take care of the money. On the South-West Line there are cash godowns at Arkónam, Vellore, Jalárpet, Bangalore, Tirupatúr, Salem, Tirupur, Pódanúr, Pálghat, Shoranur and Beypore; and on the North-West Line at Renigunta, Reddypalli, Cuddapah, Guntakal and Raichur. At Erode and Gooty stations only cash chests are now provided owing to the recent remodelling of the station buildings, such as enlargements of third-class waiting room, &c.

17. The monthly route of cashkeepers is generally prepared by the deputy cashier showing the divisions, &c., allotted to each cashkeeper for payment.

18. When large amounts are required from the Bank of Madras for payments of up-country locomotive and traffic salaries and wages, the deputy cashier obtains a cheque from the cashier and goes to the Bank to bring the required money, &c.

19. During the temporary absence of the cashier on duty, &c., the deputy cashier acts for him.

20. On Monday and Saturday, when there is pressure of work, the deputy cashier signs the station remittance notes on behalf of the cashier occupied on other important duties.

21. The total amount of pay sheets, C. bills, &c., received by the cashkeepers for payments was for the month of March 1887, Rs. 2,66,523.

22. The total number of Europeans, East Indians and Natives in the Company's service on the 31st December 1886 was 12,050 as under:—

Administration	667
Traffic and telegraph	3,075
Engineering	4,341
Locomotive	3,967
Employés ...	12,050 in number.

23. The average number of employés paid by each cashkeeper is about 1,095, which multiplied by 11, the number of paying cashkeepers, gives a total of 12,045 men paid by trains and trollies monthly.

24. The number of men in the engineering department for the seven divisions, maintenance including gatemen and fuel watchmen and contractors in March last, was 4,979,

representing Rs. 42,307, or an average of 711 men and Rs. 6,044 paid by trolly by each cashkeeper thus:—

—	Number of men.	Amount.	Remarks.
		RS.	
1st Division, South-West Line	845	5,121	These cashkeepers paid also portion of the sums mentioned in para. 26.
2nd do. do.	976	8,026	
3rd do. do.	681	4,159	
4th do. do.	1,083	5,879	
1st do. North-West Line	691	6,538	
2nd do. do.	480	6,733	
3rd do. do.	403	5,851	
Number of men	4,979	42,307	

25. Three other cashkeepers paid the up-country traffic, locomotive and telegraph salaries and locomotive wages, amounting to about Rs. 52,000, and the cashkeeper for all local payments paid about Rs. 53,000.

26. The cashkeepers paid the Perambúr Locomotive Form A and muster rolls about Rs. 45,000 and all other miscellaneous payments, such as General Stores, Madras Police, Arkónam Telegraph, &c., amounting to Rs. 12,000 about.

27. The cashkeeper in charge of the office cash chest retained and paid into the Banks, &c., all the deductions made through the several pay sheets amounting to about Rs. 22,000.

28. The average strength and cost of each cashkeeper and peons is three men and Rs. 64-10-8 thus:—

		RS.
7	Cashkeepers to pay Forms A. Engineering Maintenance sheets and C. Bills, seven divisions at 50 each	350
7	Cash peons for do. at 8 and 7 each	52
7	Guard peons do. at 7	49
21		451
3	Cashkeepers to pay traffic and locomotive South-West and North-West Lines, viz., Eastern and Western divisions, and North-West Line (by trains) at 50 each	150
3	Cash peons for do. at 7 each	21
3	Guard peons for do. at 7 each	21
9		192
1	Cashkeeper for local payments of all departments at Ráyapuram, Perambúr, Central Station and Salt Cotaurs, &c., at Rs. 50 ...	50
1	Cash peon for do.	8
1	Guard peon do.	7
3		65
1	Cashkeeper for office chest, &c.	50
1	Head cash peon	10
1	Cash peon	8
3		68

Abstract.

21	Employés as above	451
9	Do. do.	192
3	Do. do.	65
3	Do. do.	68
36		776
3	Average in number and Rs. 64-10-8 for each set.	

(Signed) C. BARTOLI,
Cashier.

MADRAS,
13th April 1887.

Succinct Account of the duties of the Cashier.

General Office.

1. Correspondence with all heads of departments including Assistant Traffic Managers and Divisional Engineers in matters of accounts, payments, &c.

2. To open daily and stamp all letters received from the several departments, about 50 in number.

3. After these letters are entered in the register book by the clerk, the cashier has to write opposite to each letter entered the necessary note regarding the reply to be written by the correspondence clerk.

4. Passing and signing fair copies of the letters forwarded to the officers concerned, about 5 in number daily.

5. In daily consultation with the Chief Auditor and occasionally with the Traffic Manager and Chief Engineer on matters of accounts, payments, &c.

6. To daily examine, pass and sign the Company's cheques drawn in the several requisition books * passed by the Chief Auditors for the final signature of the Agent and Manager. These cheques are signed by the cashier and by the Agent and Manager.

* The Capital advance account, revenue advance account, general account, fire insurance fund employés G. fund, contractors' S. fund, provident fund, sick and allowance and Savings Bank special fund account.

7. To daily check and pass all entries in the Company's cash book and examine and compare the abstract of assets and liabilities entered in that book; also to verify the statement of assets and liabilities and now and then check and examine the cash, &c., of the office chest.

8. To daily examine, pass and initial all contingent bills, advertisements bills, refreshment rooms bills, stock-taking, muster rolls, cart and carriage hire bills, &c., received from the Chief Auditor with the petty cash requisition book.

9. To examine and sign all "Cashier's cheques" drawn by me on the stations on account of unpaid salaries, advances to locomotive foremen, interest on security, &c.

10. To pass and initial all these cheques received from stations after payment to the parties concerned, about 25 in number daily.

11. To daily examine, pass and sign all the transactions relating to the amounts paid into the Banks to the credit of the several accounts of the Company, and to obtain receipts for the same for entries in the Company's cash book.

12. To examine and sign all receipts granted for amounts received by the Company on account of general stores bills, bills against the Postal department, collection of rent on company's premises, &c.

13. To daily see the pay sheets and money distributed to the cashkeepers generally for payments at Madras and for the line as required, to grant receipts for cheques received on account of above pay sheets, and to obtain receipts from cashkeepers for the money delivered to them on those accounts.

See paras. 12 and 21 of the Cashier's memorandum, dated 13th April 1887.

14. To examine, compare and pass the entries made in the register of pay sheets with the accounts current and unpaid lists furnished by the cashkeepers after payment (see para. 13 of Cashier's memorandum dated 13th April 1887). To certify the book for the information of the Chief Auditor as under :—

	Rs.	A.	P.
Paid vouchers (in February 1887)	2,51,188	1	2
Unpaid salaries and wages	3,681	9	0
Total ...	2,54,869	10	2

I hereby certify that the above amounts have been paid as above set forth ; that the vouchers are correct, and that the amount remaining unpaid is also correct.

Madras,
16th March 1887.

(Signed) C. BARTOLI,
Cashier.

15. To see that all unpaid salaries and wages of all departments are duly and correctly posted in the general unpaid book specially kept, to enable the cashier subsequently to pay such unpaid employés on receipt of applications from the several departments (see para. 14 of cashier's memorandum dated 13th April 1887).

16. To receive all cash securities deposited by the employés and contractors of the several departments and lodge them into the Bank and to grant receipts for the same.

17. To return all cash securities deposited by the employés and contractors of the several departments as per requisition book received from the Chief Auditor, and obtain receipts from them ; also for the return of provident fund subscriptions to them.

18. To receive all Government promissory notes deposited by the employés and contractors as security, and see that they are properly endorsed, and to lodge them for safe custody with the Bank, accompanied by letters, and to see that safe custody receipts are obtained.

19. To return all Government promissory notes to the employés and to the contractors of the Company when required, after obtaining the requisite endorsements of the Agent and Manager, Chief Auditor and Chief Accountant.

20. At the end of each month the cashier examines all the paid vouchers entered in the petty cash book and compares them with that book and forwards them to the Chief Auditor for final audit. The number of paid vouchers entered in the above book for March 1887 was 601.

20-A. The bills furnished by the Chief Accountant for stores issued by the general stores department on credit to the Government offices and the officials, subordinates and contractors of the Company are forwarded for collection by the cashier with the requisite letters as received from time to time.

20-B. The in and out of the transactions of the cashier's office in January 1879 was about Rs. 25,78,420 against Rs. 26,78,299 in December 1886, an increase of nearly one lakh of rupees.

Revenue Department.

21. Daily correspondence with the Traffic Manager, Chief Auditor and stations about accounts and money remittances, &c.

22. To examine and endorse * on behalf of the Agent and Manager all credit notes and warrants received from stations and from the Traffic Manager, the average of which is about 100 daily.

* Pay Bank of Madras.
(Signed) C. BARTOLI,
for Acting Agent and Manager.

23. To daily examine and sign all abstract statements on account of credit notes against the different heads of departments of Government, viz. :—

General Superintendent of Public Works Workshops,
Inspector-General of Police,
Bank of Madras,
Accountant-General,
Manager, Government House,
Paymaster, Presidency,
Remount Agent,
Murree Brewery Company,
Assistant Commissary-General,
Superintendent of Stationery,
Do. of Prisons, and
Postmaster-General.

24. To daily pass all cheques drawn on Banks and firms by the public and officers of the Company, cash orders, such as refreshment rooms, butlers' bills and cashiers' cheques drawn on stations on account of advances to locomotive foremen, unpaid salaries, interest on securities received from stations ; and to endorse the cheques drawn on the Banks in favor of the cashier ; those in favor of the Company by the Agent and Manager.

25. To daily supervise now and then when not otherwise engaged the weighing of cash bags and the counting of money by the several shroffs received from the stations, about 124 cash bags.

26. To daily examine and sign chellans for traffic earnings payable into the Bank of Madras, and obtain the receipts required for the Company's cash book.

27. The average total daily collections received from stations in the cash bags mentioned in paragraph 25 are about Rs. 21,930 as follows :—

	Rs.
Full rupees	8,985
Silver change	1,157
Copper	142
Currency notes, consisting of several denomination about 325 in number	9,170
Cheques	1,205
Railway warrants and credit notes	1,271
Total ...	21,930

28. The average daily collections received from the several refreshment rooms are Rs. 180, paid in to the Bank to the credit of the Company's general account. The sundry collections received from stations, such as rent of post offices, damages, claims, municipal license fees, and delivery of parcels, &c., are also daily credited and lodged to their respective accounts.

29. To sign all receipts for remittances received from all stations, including those for refreshment rooms' collections, and to note and sign all advices regarding the short and over remittances, defaced, uncurrent, base and light coins received from stations, and such credit notes that are disallowed and returned to stations being incompletely prepared.

30. To occasionally send telegrams for non-receipt of cash bags and short remittances, &c.

31. To send daily telegrams to those stations, advising them of the return of the defaced, uncurrent, base and light coins and disallowed credit notes, returned in the empty cash bags, as arranged with the Traffic Manager, to prevent miscarriage of such coins, &c.

32. To furnish the Traffic Manager with a monthly statement of the traffic earnings received from all stations lodged into Bank of Madras, amounting to about Rs. 6,62,000 a month, showing also the short and over remittances from the stations.

33. *Traffic Manager's Cash Book.*—Correspondence with the Traffic Manager, Assistant Traffic Managers, and Chief Auditor on account of sales of unclaimed goods and property, clothing, advances, sundries, petty disbursements and recoveries on account of claims from employés, &c., stewards of the hospitals for diet of sick employés, &c., Registrar of the Madras Court of Small Causes, and the District Munsifs on account of attachments.

34. To pass daily the entries made in the above book and check them with the vouchers received from stations and the Traffic Manager, and the advices from the Chief Accountant, and to receipt the remittance notes received from the stations for transmission to the stations, &c., concerned; also to grant receipts for monies received on account of traffic contingencies, &c., entered in this book.

35. To see that this book is closed weekly, and then to examine and sign the weekly abstract furnished to the Traffic Manager.

Madras,
14th April 1887.

(Signed) C. BARTOLI,
Cashier.

Extract from Board's letter to the Agent and Manager, Madras Railway Company, dated 4th November 1887, No. 786.

16. *Audit and Accounts and Cashier's Department.*—On a careful analysis, based on both revenue and number of stations, the Madras Railway is shown to stand well in respect of cost of the Audit and Account establishment as compared with all other broad-gauge railways. There is room for reduction under the head of Direction, and when the offices of Chief Auditor and Chief Accountant are amalgamated under the general superintendence of Mr. Cramp, who is now acting in the former appointment, the Deputy Cashier, a post which is not found on any other line, should be dispensed with. A reduction of office work in the direction indicated by the Government Examiner * will, it is hoped, admit of meeting demands due to even a material increase of traffic without additions to the establishment in this department. The views of Mr. Church as to the advisability of including in the Chief Auditor's department all officers dealing with audit, cash, stores and accounts are approved.

* Page 77 of Committee's Report.

17. The Board would desire that action be at once taken upon the remarks of the Examiner † on the checking of foreign invoices, and as to the duty of the Great Indian Peninsula Railway in this connection. This matter belongs to a class of questions which should be promptly and definitely settled by the authority of the Agent and Manager.

† Page 77 of Committee's Report.

18. There are no sufficient grounds for assimilating the pay of the Chief Auditor to that of the heads of other departments. On the contrary, the Board consider that an initial salary of Rs. 1,000 a month, rising to a maximum of Rs. 1,300 by biennial increments of Rs. 100, is sufficient remuneration for a fully qualified officer.

19. The Board desire that the establishment of the Audit and Account department may be revised by their Agent and Manager in the spirit of these remarks, and they are of opinion

that the future scale of the directing and supervising establishment might stand as noted below:—

Statement C present.	—	Initial per mensem.	Maximum per mensem.	Per annum.	Per annum.
Rs.		Rs.	Rs.	£	£
2,090	Chief Auditor and Accountant ..	1,000	1,300	1,100	1,430
..	Deputy	650	800	715	880
1,137	1st Assistant	500	650	550	715
	2nd do.	350	450	385	495
	3rd do.	200	300	220	330
500	Cashier	450	600	495	660
364	Deputy Cashier	..	..	..	..
575	General Storekeeper	500	650	550	715
364	Locomotive Accountant	350	450	385	495
350	Store Auditor	350	450	385	495
5,380		4,350	5,650	4,785	6,215
			Rs.	£ s. d.	
	Mean per mensem		5,000 =	458 6 8	
	Per annum		60,000 =	5,500 0 0	

Extract from letter from the Agent to his Board, dated 8th February 1888, No. 1817.

20. Adverting to paragraph 16 a recommendation has already been sent to the Board that Mr. Church should be induced to retire by the offer of a bonus, and on his retirement the offices of the Chief Auditor and Chief Accountant will be amalgamated under the superintendence of Mr. Cramp. I would suggest that Mr. Cramp's official designation be "Auditor." On the amalgamation of these two departments the appointment of Deputy Cashier will be abolished.

21. With reference to the Examiner's remarks regarding the checking of foreign invoices, the Acting Chief Auditor states (letter No. 6118/2858 of 8th December, a copy of which is enclosed)—"The traffic interchanged with foreign lines is increasing, and the labor in the audit of these invoices, as stated by Major Biscoe, is very considerable. The following statement shows exactly what our present practice is with regard to them:—

Invoices.	Audit.
"Received traffic ...	Both the Madras and Foreign Railways proportions are audited, as we are responsible for the charges, and in order to see that the correct amounts have been accounted for by our stations.
"Forwarded traffic ...	On "Paid" traffic both proportions are audited in order to check the amounts brought to account by our stations, but on "To pay" traffic only the Madras Railway proportion is audited to enable us to check the amount credited to us by the Foreign Railway.
"Through traffic where the Madras Railway is an intermediate Railway ...	The Madras Railway proportion only is audited.

"The Government Examiner's proposal to transfer this work to the Great Indian Peninsula Railway Company has, I think, been made under some misapprehension.

"In the first place the Great Indian Peninsula Railway Company could not be compelled to undertake a duty which, in the ordinary course of Railway working, belongs to, and should be paid for by, the Madras Railway.

"Further, the audit is necessary not only to arrive at the correct proportions due to each Railway, but at the same time to arrive at the amounts that should be accounted for by the stations which collect the charges.

"Nearly two-thirds of the charges on traffic passing Raichur are collected by Madras Railway stations, and if we resign our check upon the invoices we shall be dependent on the advices of the Great Indian Peninsula Railway as to the sums that should be accounted for by our own stations as well as of the proportions due to us on all traffic interchanged between the several companies. Such advices could certainly not be accepted from another Railway Company interested in the traffic.

"The only remedy for the detailed audit of foreign invoices, which all Railways in India at present undertake, would be in the establishment of a clearing house. If this were effected, it is probable, though by no means certain, that the work would be done more economically."

22. I fully concur in Mr. Cramp's views of the subject, and no change will therefore be made in the present system.

23. After a full discussion with Mr. Cramp of the scale of establishment suggested in paragraph 19, I would propose —

	Rs.	Rs.
Auditor	1,000 to	1,300
One Assistant, 1st class	600 „	750
One do. 2nd class	500 „	600
Two Assistants, 3rd class, at	300 „	450
Cashier	450 „	600
Locomotive Accountant	350 „	450
Store Auditor	350 „	450
Chief Travelling Auditor	250 „	400

24. It will be observed that in the above list no mention is made of the General Storekeeper. This officer is the executive head of a department spending about 10 lakhs yearly, and it seems to me inconsistent with the most essential principle of audit to place him under the direct orders of the Auditor by whom his accounts are checked.

25. In view of the opinion expressed by the Consulting Engineer in clause 6 of his note on the Committee's report on establishment, see page 81, and of the fact that after full discussion on three occasions it has hitherto been decided not to press for an alteration, I am not prepared at present to recommend the transfer to the Audit Department of the Locomotive Accountants. But notwithstanding the very able arguments adduced by the Locomotive Superintendent against alteration of the present system, I am of opinion that the change should eventually be made.

26. Recent losses at Mettupálaiyam and other stations have pointed to the desirableness of strengthening the travelling audit, and I would suggest the appointment of a Chief Travelling Auditor at a salary of Rs. 250 rising to Rs. 400. His duty would be to visit all parts of the line and to check at intervals the work done by the various Travelling Auditors. By an inspection of this kind, made at uncertain times, the work of the Travelling Auditors would be at once checked whenever any large balances appeared outstanding in the station books, and frauds such as those lately brought to notice would be rendered much more difficult of accomplishment.

Extract from Board's letter to Agent, dated 30th July 1888, No. 799.

7. *Chief Auditor's Department.*—Paras. 23 to 26. Pending receipt of further information from you, the Board are not prepared to approve of a larger initial expenditure for this department than Rs. 3,850, rising to a maximum of Rs. 5,000, exclusive of the General Storekeeper and the proposed Chief Travelling Auditor. They are of opinion that the duties proposed for the Chief Travelling Auditor might be more efficiently performed by deputing one of the assistants from head-quarters from time to time. The Board are also of opinion that the Locomotive accounts should be transferred to the Audit Department without further delay, even if it involve some extra expense.

From F. B. HANNA, Esq., Agent and Manager, Madras Railway Company, to the Consulting Engineer for Railways, dated Madras, 21st December 1888, No. 1386.

With reference to previous correspondence ending with the remarks made in para. 7 of the Secretary's letter No. 799 of 30th July 1888, I have now the honor to submit a revised scale for the Audit office establishment, which I trust will meet with the approval of Government. It will be seen that the total initial salaries amount to Rs. 3,850, and the maximum salaries to Rs. 4,700, which latter sum is Rs. 300 below the maximum named by the Board of Directors in the letter quoted above. In addition to the staff whose salaries are included in this amount, I think it highly desirable to have a Chief Travelling Auditor on a salary of Rs. 250 rising to Rs 350. The present Deputy Cashier, whose post will be done away with if the proposed scale is sanctioned, is well fitted by the training and experience he has gained during 21 years' service on the Madras Railway for the post of Chief Travelling Auditor. His present pay is Rs. 364, so I propose that he be appointed to that post and granted a personal allowance of Rs. 25 in order that his salary may not be reduced.

2. It is highly desirable that the question of establishment in the Audit Department should be settled as soon as possible as the audit staff is at present much below its proper strength, and two of its members are desirous to take leave as soon as it can be granted to them.

3. When writing on this subject, the Acting Chief Auditor in his letter No. 7008-1931 of 16th October says:—

"The Audit Department of State Railways employs what is called an 'upper subordinate' grade of employés who hold rank between the official staff and the clerks; these men draw salaries ranging, I believe, from Rs. 200 to Rs. 450 a month. We have no men of this class employed at present, and as a consequence since Mr. Edwards' transfer to other duty the detailed audit of the Company's payments has been practically without supervision.

"Again both Mr. Edwards and Mr. Wake desired to avail themselves of leave to which they were eligible during the past hot season and to proceed to England, the former on furlough and the latter on privilege leave, but under our present reduced strength leave could not be granted to either of them. Mr. Edwards has almost completed ten years' service and needs the benefit of a change.

"For these, among other reasons, I trust you will be able to obtain sanction to have the vacancy filled without further delay.

"In the next place the Board refer to the duties of the proposed Chief Travelling Auditor, and state their opinion that these duties might be more efficiently performed by deputing one of the assistants from head-quarters from time to time.

"This in effect is what it is proposed to do, but the new duties cannot be undertaken by our ordinary staff of assistants, and the work is large enough and of sufficient importance to occupy the full time of an assistant.

"In the first place it is intended that the Chief Travelling Auditor shall supervise the audit of station accounts, new work which in my opinion is of great importance; he will also from time to time travel with the pay clerks and see that all instructions are observed and the payments are correctly made. This work has hitherto been done by the Paymaster or Deputy in the Cashier's office and has been attended by the best results."

4. When comparing the proposed salaries with those now sanctioned, it should be remembered that Mr. Wake has twice been recommended for promotion, so that his pay would probably have been raised long ere this had not the question of establishment been under consideration The long delay which has taken place has thus pressed hardly on some of the officers by giving them extra work and at the same time postponing their well-deserved promotion.

5. I shall be glad, therefore, if the sanction of Government is given at an early date to the establishment now proposed.

Enclosure.

Proposed establishment for Audit and Accounts office, Madras Railway.

	Rs.	Rs.
Chief Auditor	1,000	1,300
Assistant, 1st	600	700
Do. 2nd	500	550
Do. 3rd	400	450
Do. 4th	300	350
Cashier	450	550
Locomotive Accountant	350	450
Store Auditor	250	350
Total ...	3,850	4,700
Chief Travelling Auditor	250	350
With personal allowance	25	...

(Signed) F. B. HANNA,
Agent and Manager.

24th December 1888.

From F. B. HANNA, Esq., Agent and Manager, Madras Railway Company, to the Consulting Engineer for Railways, dated Madras, 9th January 1889, No. 13.

In reply to your letter No. 14 of 8th instant, I have the honor to state that the Audit office is so short-handed at present that it is of the utmost importance to obtain

the earliest possible settlement of the question of establishment. As you consider that a further reference to the Board of Directors regarding the appointment of a Chief Travelling Auditor is desirable, I shall be glad if you will submit, for the approval of Government, the proposal sent forward with my letter No. 1386 of 21st December, and inform them that the reference you suggest will be made to the Board by to-day's mail.

2. I trust that, pending the receipt of the Board's reply, the rest of the proposal may be sanctioned as there will be great difficulty in carrying on the work of the office for many weeks longer with the present establishment.

Submitted to Government for the orders of the Government of India.

2. The amalgamation of the office establishments of Chief Auditor, Chief Accountant and Cashier formed one of the subjects of inquiry of the Committee on the establishments and working of the Madras Railway, convened under the orders of the Secretary of State's despatch No. 1 R. of 10th February 1887. The matter has been under discussion between the Agent and his Board for a considerable time, and the establishment as now proposed, excluding the appointment of a Chief Travelling Auditor, and which commences with an initial total of Rs. 3,850 rising to a maximum of Rs. 4,700, is within the limits approved in the Board's letter No. 799, dated 30th July 1888.

3. In that letter the Board are not satisfied as to the necessity of a Chief Travelling Auditor; the Agent advocating this post has referred the matter for their further consideration; the Government of India will probably defer sanction to this appointment until the views of the Board have been received.

4. The present and proposed establishment (excluding Chief Travelling Auditor) are as given below :—

Present establishment.

	Rs.
Chief Auditor	1,363
Chief Accountant	727
1st Assistant to Chief Auditor	500
2nd do. do.	364
3rd do. do.	273
Cashier	500
Deputy Cashier	364
Locomotive Accountant	364
Store Auditor	350
Total	4,805

Proposed establishment.

	Rs.	Rs.
Chief Auditor	1,000	1,300
Assistant, 1st class	600	700
Do. 2nd class	500	550
Do. 3rd class	400	450
Do. 4th class	300	350
Cashier	450	550
Locomotive Accountant	350	450
Store Auditor	250	350
Total	3,850	4,700

5. The subject has received my best consideration, and the salaries as proposed by the Agent and given above are recommended for sanction.

Order—dated 14th January 1889, No. 37 R., Public Works.

The revised establishment as proposed in the Consulting Engineer's endorsement is approved and recommended for the favorable consideration of the Government of India.

(Here enter No. 38 R., dated 14th January 1889.)

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

To the Consulting Engineer for Railways.
" Examiner, Guaranteed Railway Accounts.

Exd. J. Henricus.
Spare Copies

RAILWAY.

Govt. of {1889} Madras.

PUBLIC WORKS.

Dated January, 14th.

Recd. *Encl.*

G.O., 14th Jan. 1889, No. 37 R.

JANUARY.

Madras Railway

Revised scale for the Audit office establishment of the —, approved and ordered to be forwarded for the favorable consideration of the Government of India.