(1)
16

J.

Revenue Department

Minutes of Consultations

21st July 1857

Back Numbers 11 - 12.

Order No. 716 dated 14th July 1857

பாதுகாப்பு பிரிவு - 1

செப்பனிடுபவர் பெயர்

செப்பனிடுவதற்காக எடுத்துக் கொள்ளப்பட்ட நாள்

செப்பனிட்டு முடித்த நாள்

சரிபார்க்கும் முதல் மு. தி. பா. கையொப்பம்

சரிபார்க்கும் நி. பா. எ. கையொப்பம்.

ஆராய்ச்சி உத்தியோகர் கையொப்பம்

1784

Fort Saint George, Revenue Consultation of 21st July 1857.

No. 11. Read the following Extract from the Minutes of Consultation in the Financial Department under date the 12th June 1857, No. 336.

Read Extract from the Proceedings of the Right Honorable the Governor General of India in Council, in the Financial Department, under date the 8th May 1857, No. 2130.

Read the undermentioned papers on the proposition to introduce a uniform system of Account in the several Presidencies, with a view to gathering in from the several Accountants, at an earlier period, the Estimates and Annual Accounts, so as to accelerate the transmission of them to the Honorable the Court of Directors:—

Letter to the Accountant to the Government of Bengal, No. 3854, dated 6th October 1855.

Ditto. from the Accountant to the Government of Bengal, No. 1740, dated 12th November 1855, and its enclosures.

Ditto. to the Government of N. W. Provinces, No. 496, dated 4th February 1856.

Ditto. to the Government of Bombay, No. 497, dated 4th February 1856.

Ditto. to the Government of Madras, No. 498, dated 4th February 1856.

Ditto. from the Government of Bombay, No. 251, dated 10th April 1856.

Ditto. from the Government N. W. Provinces, No. 125 A., dated 11th April 1856, and enclosures.

Ditto. from the Accountant General to the Government of India, No. 343, dated 4th June 1856, and its enclosure.

Ditto. to the Government of Bombay, No. 3057, dated 27th June 1856.

Ditto. to the Government of Madras, No. 3058, dated idem.

Ditto. from the Government of Madras, No. 545, dated 8th November 1856, and enclosures.

Ditto. to the Government of Madras, No. 5343, dated 5th December 1856.

Ditto. from the Government of Bombay, No. 1069, dated 8th ditto.

Ditto. to ditto, No. 336, dated 26th January 1857.

Ditto. from the Government of Madras, No. 7, dated 7th January 1857, and enclosures.

Ditto. to ditto, No. 337, dated 26th idem.

Ditto. from the Accountant General to the Government of India, No. 2777, dated 23rd April 1857, and enclosure.

Resolution.—The Right Honorable the Governor General in Council observes, from the papers submitted, that in October 1855, this Government, having in view the improvement of the system under which the Provincial Accounts of Revenue and other Officers in the Madras and Bombay Presidencies are sent to the Accountant General of each Presidency, by altering and conforming the system more nearly to that in force in Bengal, from which it differs in some essential points, directed the Accountant to the Government of Bengal to submit a full Statement of the manner in which the District Accounts in Bengal are prepared and sent to his office, and the process of check, abstract and adjustment, to which they are subjected by him, in order to the entry of the transactions recorded in them on his General Statement of Receipts and Disbursements and on the General Books of the Bengal Presidency.

The Accountant to the Government of Bengal accordingly submitted a Report, containing a full detail of the Bengal system, together with letters from the Civil Auditor and the Accountant General at Bombay, explanatory of the practice that prevails at that Presidency.

From a perusal of these papers, the Governor General in Council considered that there could be no doubt that the Bengal system was by far the best, the checks appearing to be more efficacious, and the mode of preparing and submitting the accounts more simple; and under these circumstances, a copy of the papers was forwarded to the Government of each of the other Presidencies, including the N. W. Provinces, with instructions to report whether there would be any difficulty in introducing the Bengal system of account at those Presidencies.

The reports submitted by the several Governments, in accordance with the above requisition, have now been received.

The Honorable the Lieutenant-Governor of the N. W. Provinces reports, that in the General form of the Public Accounts in those Provinces, there appears to be a continuing uniformity with the system of Bengal, and that the subject of the separation of the Cash and Account Departments of the District Treasuries has been long under the consideration of the Sudder Board of Revenue, whose attention will again be drawn to the subject.

The Bombay Government, after a careful consideration of the system in force in that Presidency and in Bengal, and after calling for detailed information on certain points from the Accountant General to this Government, state that they consider that there are no objections to the introduction of the Bengal system at Bombay, which are of sufficient importance to outweigh the advantage of a uniform system throughout India.

But the Government of Madras, in forwarding a report from their Accountant General, objecting to the introduction of the Bengal system at that Presidency, observe that the Accountant General has shown good and sufficient reasons for the retention of the existing practice, which seems to possess advantages, both as regards accuracy and despatch; and they therefore recommend that the present system be allowed to remain undisturbed: adding that they are also in favor of continuing the existing system of audit under recent improvements, in preference to the introductio. f the Bengal system in its integrity.

On a persual, however, of the reply of the Accountant General to this Government, to whom the correspondence was forwarded for report, the Governor General in Council is unable to concur with the Government of Madras in the opinion expressed by that Government as to the validity of the objections urged by the Accountant General in that Presidency.

Although the *present* cost of the Offices of Account at Madras appears to have been overrated by the Accountant General to this Government, to the extent of Rupees 2,429 per mensem, in consequence of the appointment of Deputy Accountant General at Madras having been abolished, the Governor General in Council thinks there can be no doubt, not only that uniformity of system throughout India can most easily be obtained by the general introduction of the Bengal system, but that that system is in itself, on the whole, the best.

On the above grounds, the Governor General in Council is pleased to resolve, that the Bengal system of account shall be introduced at the Presidencies of Madras and Bombay from the 1st of May 1858-59. Meanwhile, His Lordship in Council requests that the establishments in the Collectors' offices and the offices of the Accountants General at the above-mentioned Presidencies may be revised, and that statements of the establishments necessary under the Bengal system may, with as little delay as possible, be submitted by the respective Governments for the consideration and orders of this Government; and that the Honorable the Lieutenant-Governor of the N. W. Provinces may be desired to report the result of the reference made to the Sudder Board of Revenue in regard to the separation of the Cash and Account Departments of the District Treasuries of those Provinces.

Should any difficulties in respect to "Talook" Treasuries, or other questions of detail, be experienced at Madras and Bombay, on the introduction of the Bengal system of account, the Governor General in Council requests that a further reference regarding them may be made for the orders of this Government.

Letter from the Accountant General to the Government of India, No. 2777, dated 23rd April 1857, and its enclosure.

ORDER.—Ordered that a copy of the above Resolution be forwarded to the Government of Madras, together with a copy of the paper noted in the margin, for information and guidance.

Ordered, that a copy of the Resolution be forwarded to the Government of Bombay and the N. W. Provinces, for information and guidance.

Ordered, that a copy of the Resolution be forwarded to the Accountant General to the Government of India, for information.

(A true Extract.)

(Signed) C. HUGH LUSHINGTON,
Secretary to the Government of India.

From E. DRUMMOND, Esq., Accountant General to the Government of India; to C. HUGH LUSHINGTON, Esq., Secretary to the Government of India, Financial Department, dated 23rd April 1857.

Sir,

I have the honor to return the papers relating to the different systems of Account and Audit obtaining in this Presidency and at Madras, forwarded to me for report, with your docket No. 326, of the 24th January last.

2. These papers, emanating as they do from an officer for so many years connected with the Department of Accounts as the present Accountant General of Madras, have received my most attentive consideration, and I will endeavour to explain as clearly and concisely as I can, for the information of the Right Honorable the Governor General in Council, the points wherein they appear to me to fail in supporting the conclusions which they are intended to maintain.

3. The subject, as observed by the Accountant General, Madras, may be divided into three general heads, *first*, the system upon which the local district Accounts are kept; *secondly*, the form in which these Accounts are to be rendered to the Accountant General; and *thirdly*, the system of audit of civil charges: and in considering these, the questions at issue respecting the Bengal and Madras systems appear to be, first, in which are the checks the more efficient; and, secondly, in which is the mode of preparing and submitting the accounts most simple and expeditious.

4. The Accountant General at Madras claims for his system, that it is an improvement upon that of Bengal, recognized and adopted by the Honorable Court a quarter of a century ago, that the Accountants on the establishments of Collectors have now become conversant with double entry, which is the one clear and comprehensive method which has superseded every other; and that one special advantage of the monthly Journal and annual Ledger is, that every account under every officer is complete for the year and kept complete from year to year.

5. In this view, however, as it seems to me, there are two great fallacies, which, indeed, more or less, pervade the report: One, that the accounts in Bengal are kept on the system of *single entry*; the other, that our monthly Treasury accounts, which are admitted in para. 10 to be abstracts of the daily Ledger, are (as assumed in para. 11) similar to the monthly and annual accounts current formerly in use at Madras, and which have been definitively condemned by the Honorable Court.

6. I am not in the least disposed to question "the intrinsic superiority of double entry" (para. 19), but in discussing this subject, the Accountant General, Madras, appears to have adopted the not uncommon, but not the less erroneous conclusion, that the existence of a *Journal* is the grand and necessary characteristic of the system; the simple and correct definition of which system is, however, as I understand it, that for every transaction there must be *two* distinct entries in the *Ledger*, equal in value, one deducting the article delivered *from* some account and the other adding the article received *to* some account, in other words for every debit there must be a per contra credit, and any method of book-keeping which dispenses with one of these two Ledger entries is book-keeping by *single entry*.

7. It is not necessary, in applying the system of double entry, rigidly to adhere to forms originally adopted to meet the peculiar and varied requirements of commercial transactions; the practical value of a science is in the application of its principles in the most direct and simple form possible towards the attainment of the object in view; and, accordingly, one result of all the improvements of late years in Banking Book Keeping has been the substitution of the Day Book for the mercantile Journal.

8. The Bengal system of account then, instead of being the defective one of single entry, accords strictly with the most approved system of the Banks in which the *Day Book* takes the place of the Commercial *Journal*. The transactions of a Treasury, like those of a bank, being all in cash, the Treasury Officer is regarded simply as a Cashier of Government, the Cash Books and Waste Books contain the original entries, the Ledger Account, or Day Book, is made up each night, and a trial balance made, and in the monthly Treasury account, which is the counterpart of the Day Book, the whole of the transactions are exhibited in the Ledger

form, as a personal Account Current with Government, and balanced "By Cash," the balancing of the real accounts (such as Profit and Loss, &c.) *inter se*, being left to the Government Accountant, or (as "Land Revenue") shewn in separate statements, or (as "Stamps") in plus and minus Memoranda at foot of the Accounts, and subjected to separate and independent Check.

9. The Accountant General, Madras, has apparently (para. 5,) accepted as correct, in principle at least, the system upon which the district accounts are now kept in Bengal; but it must be obvious that, if that system is unobjectionable, then the simplest form of submitting those accounts must also be the best, and what can be more simple than the monthly transmission of a *copy of the daily Ledger*. So far then from being defective, our system is, critically speaking, considerably in advance of that of Madras; for, dispensing with the technical formality of a Journal, we obtain from subordinate offices the Ledger or Day Book itself, exhibiting every transaction in the detail sought for by the Honorable Court, and constituting in the Accountant's office *a complete record duly vouched*, of every monetary transaction in the Empire.

10. The Accountant General, Madras, again, appears to think that his system has the support of the Honorable Court of Directors, because the Account Current form of furnishing subsidiary Accounts to the Court was, so to speak, abolished by the Court, (para. 24), and the present form of Journal and Ledger has continued under the Court's annual inspection from the year 1832-33 up to the present time (paras. 16 and 18); but I see little resemblance between the abstract account current of the Madras Presidency, which was condemned by the Honorable Court, and the Treasury accounts of this Presidency; and the general argument founded upon the non-interference of the Court is obviously as much in favor of the Bengal or Bombay system as that of Madras. The fact seems to be, that the Honorable Court, in addition to the General Books of the different Presidencies, wished to be furnished with the detailed subsidiary accounts from which those books were prepared; this was at once complied with in Bengal by transmitting the monthly and annual Treasury accounts; but the Court being unable to attain their object in the case of Madras were constrained to prescribe a form, and none would probably so readily occur to them, as free from liability to misconception, and calculated to ensure what their previous orders had failed to elicit, as the well known form of Journal and Ledger.

11. It appears hardly correct then to assume, from these orders, that the Honorable Court intended to introduce the complicated machinery of a complete set of Books into each Collector's office, when a simpler form of account was sufficient for every purpose; or that, in prescribing a form in which certain accounts should be rendered to them, they had it in contemplation to prescribe a general system of account for the Presidency, which should relieve the Accountant General's office (the central one of account) of its chief duties, and constitute each Collector his own accountant.

12. To view the whole question, however, in its proper aspect, it must be considered not only as related merely to the form in which Local Officers should keep and render their accounts, and whether this should be done in the form of Account Current or of Journal and Ledger, but as involving considerations affecting the entire system of account, the principles of audit and responsibilities of check as observed in the two Presidencies.

13. As already observed, no objection appears to be taken to the first step in the Bengal system, and the peculiarity noticed by the Accountant General, Madras, (Para. 6) in respect of Talook Treasuries, has already been experienced and provided for in the Oude, Nagpore, and Hydrabad Provinces. The accounts submitted to the Accountant's office have also been explained to be the counterparts of the district Ledgers, of which the disbursements are supported by vouchers audited by the Civil Auditor, whose duty is confined simply to passing charges duly authorized. The Land Revenue accounts of Demand, Collections, and Balances (of which the amount of collections only is credited in the monthly cash accounts), are submitted in the form of statements for the independent check and examination of the Revenue Authorities and the Accountant, and the whole of these accounts are then thrown, with the accounts of every other Department in the Presidency, into one general Journal and Ledger in the Accountant General's office, which form the General Books of the Government.

14. In Madras, to which I may here remark, that from want of information my report, dated 12th November 1855, had no reference, it would appear that a monthly journal, instead of an account current, is prepared by each subordinate officer; and, it is presumed, from the report of the Accountant General, Madras, as scientifically prepared as it would be in the Accountant General's own office. These Journals contain the adjustments of demand of Revenue, and all transfer and closing entries, which are needlessly multiplied by the number of officers attached to the Presidency, and I question whether in this complete form they can possibly be checked with the same facility as an account current. But be that as it may, the adjusting officer, who is also the disbursing officer, cannot be left uncontrolled in the admission of charges in his own Journal, and the Civil Auditor is therefore called upon to perform a double duty (para. 35) and is required not only to audit the charges as in Bengal, but to see to what is called the completion of audit, or in other words to satisfy himself that the audited vouchers are duly brought to account.

15. Now this seems a very singular arrangement of duties and responsibilities. Every Collector, in addition to his other Fiscal and Judicial duties, is required to be a Book-keeper and Accountant, and keep each for his own office a complete set of books. The Civil Auditor must not only pass charges, but see that they are properly brought to account—certainly no part of an Auditor's legitimate duties, whilst the Accountant General is called upon to do little more than compile one set of books for the Presidency out of those sent up to him by each officer in charge of a Treasury.

16. At para. 22nd, the Accountant General, Madras, says "if the principles of double entry be adopted by the superior office in Bengal, as admittedly the best form, I do not understand why it should be held that the inferior accounts ought to be kept in the account current form as the proper form." The question, however, is not between double entry and single entry, but as to the number of preliminary steps in the process to be required of the local officers, and whether the Ledger, in which alone the double entries, *actually appear*, shall be kept in each Collector's office in addition to its preparation in the Accountant's office, for the sole purpose of carrying out a theoretical notion of completeness. The form of our Treasury accounts, as already stated, is perfectly consistent with the principles of double entry; and the reason why that form is prescribed for the local officers, and the Journal and Ledger form is observed in the superior office in Bengal is, that the Treasury account form is best suited to exhibit the simple transactions of a Treasury, whilst the latter is better adapted for collecting together and exhibiting in a complete form the extended and complicated operations of the Government.

17. It is possible to keep the simplest accounts in the most intricate and complicated form; but to do so would be to waste, and not economize time and labour. Revenue Officers have many and engrossing duties to attend to besides the care of their accounts, and the great and essential object which it has always been thought material to keep in view, has been that of prescribing a system which any officer or any clerk of average intelligence, however deficient in a knowledge of the art of book-keeping, may understand and master in a few days, and which, from its simplicity and facility of check, may obviate as far as possible the risk of error.

18. In para. 27 the Accountant General, Madras, contends for the completeness of the accounts of every officer for the year, and from year to year; and maintains that the Journal and Ledger form alone can ensure this completeness. "It is not enough," he says, "that the central "account should be complete, the local accounts should also be complete in themselves;" and again (para. 30.) "This is a vast empire, and to allow the local accounts to be left defective, and to "have them framed only for the purpose of supplying information to the central office, is a mis-"take: I am of opinion that the accounts in every office of Treasury and of account should be kept "complete; and this can be done only by the Journal system, in which no delay or defect is innate "beyond the delay or defect innate in the account current system." It is possible that our views may have become corrupted by our practice; but we hold that completeness in the several subordinate Offices, in the sense intended, is quite unnecessary. Of course accuracy is essential in details and results: and completeness in so far as the responsibilities of a Treasury Officer extend; but completeness, as respects classification, and full adjustment of demands, transfers, and closing entries in the local officer's accounts, is quite unnecessary: for this we naturally look to the General Books, where all the transactions of the Presidency are collected together, and presented in

one view. It certainly seems questionable, if to secure this subordinate completeness in the different Treasury Offices, it were worth while to establish the heavy machinery of a complete set of Books for each.

19. In Bengal the Accountant General's office, as the Central Office of account, is what it purports to be, and may be compared to the book-keeper's department in a merchant's office. In such an office the cashkeeper keeps his cash accounts, the bill department has its registers of bills payable and receivable, the godown department has its account sales and invoices, &c., and all are sent to the book-keeper's department to be journalized, and thrown into one set of books. It would be quite possible for the cashkeeper to keep a set of books for his department, and the bill and godown department to send journals of their transactions to the book-keeper's branch; but they would be unnecessarily doing the book-keeper's duty, which is not legitimately their own, and needlessly multiplying subordinate sets of books; and this is the Madras system. According to our principle and practice, it would be as futile for a Treasury Officer to keep a complete set of books of his own office, as it would be for the cashkeeper of an agency house to do so.

20. The Accountant General at Madras in para. 28 says, he cannot perceive why diversity of practice should be inherent in the journal system, and not in the account current form. He seems to overlook the fact, that what he designates as the account current form, is a preliminary stage of the same process, and that in the journal the entries assume the form of their final adjustment. Now, according to his own showing, at Madras, questions of adjustment are decided by the Civil or Military Auditors or the Accountant General, or all these three in consultation: here are three public officers among whom material differences of opinion may exist, and although their decisions may after consultation be uniform, yet they can but lay down general principles, and these may after all be understood in various senses. For instance, not long ago donations by Government for the erection of churches, and other similar payments were debited by this department to "charges general," viewing them merely as donations; but considering the purpose for which these disbursements were made, the Financial Department took them under Public Works. Here was a difference of opinion between two high functionaries in a matter of final record at the last moment, involving an alteration which cost little more than the stroke of a pen. On the Madras system, if we are to carry out the principle of completeness in the local adjustments, it would have involved considerable correspondence and alteration of entries in the subordinate offices. Many cases also may arise for which no positive rules exist, which each Collector might adjust according to his own particular views, and exhibit them in the journal in such a manner as to defy or evade observation, and we might thus have as wide a diversity of practice as there are numbers of separate adjusting officers. In Bengal all these diversities of views and practice in local officers, of which there are instances daily occurring, are brought in the Accountant General's Office under uniform tests, and disposed of according to uniform rules.

21. I am not sensible (paras. 30 & 31) of having stated that the matter hinges on the question whether or not each department should know its own profit and loss, as inferred by the Accountant General, Madras, nor am I of opinion that perfect accuracy in matters of account is either useless or pernicious, because I advocate simplicity as tending to accuracy; nor, in pressing the importance of the early collection of materials in the central office, did I overlook the ulterior object of the early issue of the accounts *out* of the central office. Perhaps it may weaken the reliance of the Accountant General, Madras, in the excellency of his own system, to learn that the Government of Bombay, with the concurrence, I presume, of the Accountant General there, are not averse to superseding their own by the Bengal system.

22. Adverting to para. 31 of the report I have already shewn, that the comparison which it is sought to institute to the disadvantage of Bengal by reference to the former and present form of account in use at Madras, is altogether inapplicable, and I would beg the attention of Government to the annexed Memorandum A. shewing the entry of a single transaction (taken form the Madras Journal) according to both the Madras and Bengal system, from which the relative simplicity and intelligibility of the two methods will be at once, I think, apparent, and which is equally manifest from comparison of the Madras tri-monthly, and the Bengal monthly forms of return of cash balances, which are prescribed for precisely similar purposes.

23. The only other, but an important point which occurs to me in connection with the forms of accounts submitted to the Accountant General's office is that of the comparative period necessary for their preparation. The Accountant General, Madras, states, that Journals can be furnished generally in about a fortnight, and he instances the Journal of the Sub-Treasurer, whose accounts, he observes, are very voluminous. It is very difficult to institute any comparison in this respect between the two Presidencies, though I am not apprehensive that the result would be other than favorable to our system. The transactions in the General Treasury (of which a Memorandum is given in the margin,* for comparison with that entered at para. 26 of the report of the Accountant General, Madras,) are obtained *daily* in an Abstract form, and the accounts are procured in original whenever required. The account of civil charges, the only one regularly furnished by the Sub-Treasurer, is usually received within one month; but if required earlier, which it is not, it could be rendered in a week.

* 1854-55.

General Treasury.

Receipts in Cash per Annum	9,96,24,916
Disbursements in Cash per Annum	12,37,42,093
Amount in Debits and Credits of Transfer entries	4,19,24,332
Number of heads exhibited in his Account ...	80
Number of Cash Account pages for 1 year ...	1,200
Number of pages of the Cash Account of Civil Charges	800
Number of Transfer Journal pages	*There is no separate account of Transfers which are included in the same account with cash transactions.*
Number of Journal Folios	*There is no separate Ledger.*

All other Treasury Accounts, including those of Oude, Hyderabad and Nagpore, notwithstanding the many difficulties arising in new provinces from the inexperience of officers and clerks, may be stated generally to be *received* in this office within six weeks, (those of Indore arrive usually on the 25th of the month following that of the account,) and I question whether the Accountant General, Madras, could have attained similar results, and completed his adjustments and General Books within the usual time, if it had been necessary to provide for each of these new Treasuries officers and clerks conversant with the mysteries of Book-keeping, and adepts at the intricacies of adjustments and complete sets of books.

24. But it must be remembered also, that, when these accounts have been rendered, the labors of the subordinate offices here have terminated, except as to occasional references for the explanation of errors and differences, and the work of final check and adjustment is *at once* commenced in the Accountant's Office. At Madras, on the other hand, besides the Monthly Journals and Returns to the Accountant General, each officer must prepare for the Civil Auditor a Cash Account Current supported by vouchers, almost as extensive as the entire Treasury Accounts in Bengal; and it is, I apprehend, only after these have been checked by the Civil Auditor, and after the receipt of the Quarterly Returns, upon which the check in the Accountant General's Office of other entries depends, that the final process can be commenced, and towards this again little appears to be gained from the submission of Monthly Journals beyond the form, since these must be again abstracted in the Accountant General's Office in order to the preparation of the General Journal. In addition then to the extra labor imposed upon subordinate officers, the Madras system must involve greater delay in the check and adjustment of the accounts.

25. It is true, as stated by the Accountant General, (para. 25,) that the Madras system has an apparent advantage in the earlier submission of the Financial statements, of which a comparative Memorandum is given in the margin, but this is only apparent, and is due not to a better system, but to the circumstance that the returns of the other Presidencies are despatched as soon as they can be framed from their regular accounts, which are limited in number, while our Statements cannot be closed until after the *receipt* of theirs, upon which we depend for our statements of supplies, and our own accounts, both in number and extent, and in the distance from which they are received, far exceed those of the other Presidencies.

	Madras.	*Bengal.*
Sketch Estimate 1855-56,	*5th Sept.* 1855,	*1st Oct.* 1855.
Regular Ditto	*3rd Jany.* 1856,	*1st Mar.* 1856.
Receipts & Disbursements,	*13th Dec.* 1856,	*7th Feb.* 1857.

26. The third point is the system upon which civil charges are audited: as already stated the essential difference in the Audit System in the two Presidencies is, that in Bengal the duties of the Civil Auditor are restricted to passing charges, in Madras they are extended to the work of check, *i. e.* to "satisfy himself that all charges are duly brought to account and supported by audited vouchers" (para. 37). The Accountant General, Madras, goes on to say, that he would not call this a *double* Audit, but a complete Audit, and in order to maintain the correctness of his practice, he declares that the Military Auditor General, the Commissariat Auditor, Chief Engineer Public Works, do all not only pass charges, but also see that charges passed by them are brought to Account, and (in para. 40) he states it to be the duty of the Board of Revenue on the same principle "to see that all the demands of different sources of Revenue as settled annually are duly collected and brought to account," and from all this he contends (para. 38) that an exception should not be made in the case of the Audit of Civil charges by the Civil Auditor. But this argument does not lead to the conclusion that the Madras practice is correct or superior to that of Bengal; but merely establishes the fact that whatever may be its worth the practice is the practice of the Presidency. The question at issue is whether, as in Bengal, the Civil Auditor and other responsible functionaries should be Auditors of charges, and the Accountant Auditor of Accounts, or whether, as in Madras, the latter duty should be divided between the Civil Auditor and other officers, and the Accountant General; to my mind the Bengal system is immeasurably the best, the Accountant General is, and I believe is intended to be, alone responsible for the adjustments upon the General Books, while the Civil Auditor is confined to the work of passing bills under authority, and if he checks over-charges in the various departments of the State, both establishments and contingencies, it would seem that he has quite enough to do. The check to ascertain that charges entered in the accounts have been duly audited, cannot be regarded as a completion of the process of audit, but is a distinct act to check the work of the officer rendering the account, and it seems not much more out of order, and opposed to the principles of check, for a disbursing officer to audit his own charges, than it is for an Auditor to check the debits in account of the charges he has himself audited.

27. Two other points require a brief notice. The first is, the remark of the Accountant General, Madras, (para. 43) regarding the comparative quality of work done by his co-equal Assistants, or by subordinate Assistants in this office. I do not quite understand the inference intended to be drawn from the use of the terms co-equal and subordinate; my remark, which has perhaps been misunderstood, referred to Collectors at Bombay, who in matters of account are, I imagine, as much subordinate to the Accountant General, as the Assistants in my office are to me; and if the relative responsibility of different officers is a matter of no moment to Government, there can be no reason why an Accountant General should receive a higher salary than his head clerk. The co-equals, however, of the Accountant General at Madras can, it is obvious, no more "do *personally* all that they are by implication supposed to do," than can the Accountant General in Bengal, and consequently the subordinates of each stand in the same relation to him, as the subordinates of the Accountant General, Bengal, do to him: the question then arises, whether many circles of duty performed by subordinates acting under the authority of independent superintending powers, are so likely to work out uniform results, as if each circle sent in its crude materials to be elaborated under the direction of one controlling mind. Nor can any imputation possibly be made against the Accountant General, Bengal, in regard to *cooking accounts*. For as he does not adjust his own disbursements, nor admit in account charges he has himself audited, as is done by officers in Madras, his work is conducted with entire independence, and the only object he can have in view is accuracy of result.

28. The other question is, whether the Civil Auditor, or the Accountant General, should prepare Financial Statements and Returns; under the Madras system, the Civil Auditor apparently has the means of preparing those returns, which he has not in Bengal. I find it difficult, however, to comprehend the precise working of a system, by which the transactions of the same Treasury are subject to check and adjustment by two distinct officers, *i. e.*, Civil charges by the Civil Auditor, and Advances, Transfer, Supply, Deposit and Bill transactions by the Accountant General. It appears to me a work of sheer supererogation that charges once properly audited should be again submitted to the same officer in the shape of a disbursement statement; where indeed there is no pre-audit or only occasional pre-audit, as in the Military or Commissariat Departments,

the necessity for disbursement statements is obvious enough, but when pre-audits are the rule, that necessity has ceased to exist.

29. The proper sphere of a Civil Auditor's duties is the check of charges for establishments and contingencies, which are generally on a fixed scale and liable to little variation, and for these, separate estimates of probable expenditure are scarcely required by the Accountant; but, while the present system continues, it is probable that the Civil Auditor at Madras ought not to be relieved from the duty he has hitherto performed, without the full concurrence of the Accountant General.

30. Generally speaking, however, the Accountant General having the complete accounts from all departments in his own hands, should possess the most comprehensive view of the whole of the transactions of the Presidency, and although he must necessarily be furnished with subsidiary statements from other departments and offices to aid him in his operations, he is, in my opinion, the officer best qualified to prepare these returns in a satisfactory manner; and looking to his position, and the scale of remuneration attached to his office, it is to him undoubtedly that the Government have a right to look for the most accurate estimates of their financial operation.

31. In conclusion, I would refer to the practical result of the two systems in reference to the relative cost of establishments. I am not quite sure if I correctly state the number of Treasuries in Madras at 24 exclusive of the General Treasury, but believing this to be so, and taking the establishments as given in the books of the Civil Auditors for 1855-56, I would solicit attention to the Memorandum given in the margin of the expense of the Offices of Account and Audit in India, Bengal and Madras, including the Treasury establishments of the local Offices, but excluding the Loan Department herewith which Madras has little in common, and also the General Treasuries at Madras and Calcutta. The Audit Office here being

1855-56.	India.		Bengal.		Madras.	
	No.	Rs.	No.	Rs.	No.	Rs.
Accountant General,	1	3,500	1	3,000	1	3,877
1st Assistant,	0	0	0	0	1	850
2nd Assistant,	1	1,000	0	0	1	700
Clerks 100 Rs. and upwards	6	2,520	16	3,010	17	2,605
Other Clerks including Servants,	161	4,604	173	4,674	161	4,136
Total.	169	11,624	190	10,684	180	12,168
Military Department Accountant's Office,	0	0	0	0	1	2,429
Deputy Accountant General,	1	1,500	0	0	0	0
1st Assistant,	8	1,963	0	0	3	300
Clerks 100 Rs. and upwards,	96	2,722	0	0	46	1,595
Other Clerks and Servants,						
Total..	105	6,190	0	0	50	4,354
Civil Auditor excluding personal allowance in India and Bengal of Rs. 500 per month,	½	1,250	½	1,250	1	1,008
Clerks 100 Rs. and upwards,	5½	977	5½	978	6	960
Other Clerks and Servants,	64	1,586	64	1,585	63	1,857
Total..	70	3,813	70	3,813	70	3,825
Grand Total.	344	21,627	260	14,497	300	20,347
Collectorate Treasury Establishments.	43	8,002	53	6,615	22	5,941
Grand Total.		29,629		21,112		26,288

Civil. 1856-57.	Receipts. Rupees.	Charges. Rupees.
India exclusive of Interest,	2,53,41,714	2,17,87,983
Bengal, ...	10,78,12,110	3,64,98,748
Total. ...	13,31,53,824	5,82,86,731
Madras, ...	5,16,13,430	2,04,74,930

Military. 1856-57.	Receipts. Rupees.	Charges. Rupees.
India, ...	13,70,200	5,41,99,008
Madras, ...	2,92,800	3,10,70,900
Total...		
India and Bengal, ...	13,45,24,024	11,24,85,734
Madras, ...	5,19,06,230	5,15,45,830

here given it will be observed, that with an aggregate of receipts and charges amounting to Rupees 24,70,09,758, and with 96 subordinate treasuries, the total cost of our offices of account and audit, is Rupees 50,741; whereas in Madras, with an aggregate of receipts and charges of Rupees 11,30,91,077, and only 24 subordinate treasuries the cost is Rupees 26,288. The average cost of the local Treasury Establishments is given in the margin,* this is exclusive o

* *India*... ... *Rupees* 186
Bengal... ... „ 125
Madras..... „ 270

Head Clerks and Accountants, whom I have omitted from a difficulty in ascertaining the correct amount under the Government of India, but in Bengal these cost Rupees 3,968 in 51 Collectorates, in Madras they cost Rupees 2,445 in 20 Collectorates, and if we apply the Madras average of Treasury Establishments, Rupees 270, to the 96 Treasuries under India and Bengal, the additional expense involved would be Rupees 11,470 per mensem, or 1,37,640 per annum, irrespective of the charge for a higher class of Accountants; while from the relative scale of charge it does not appear probable that any reduction could be effected in the offices at head quarters, since with very much lighter duties the cost of the present offices of Account and Audit at Madras is Rupees 20,347 per month, against Rupees 21,627 under the Government of India, and Rupees 14, 497 under the Government of Bengal.

33. I have now completed my review of the questions submitted for my report, and however imperfectly I may have treated a complicated and difficult subject, I trust that I have adduced enough to satisfy the Right Honorable the Governor General in Council that the Bengal system of account and audit is neither erroneous nor defective in its principles or practice, and that, while it is superior to those of the other Presidencies in simplicity of form and facility of check, in economy of labour and of cost, it is in no degree inferior in the despatch with which its operations are performed, or in any other requisite, which, if uniformity of system be desirable, would appear to recommend it for general adoption.

(Signed) E. DRUMMOND,
Accountant General to the Government of India.

23rd April 1857.

MEMORANDUM A.

ENTRIES EXTRACTED FROM THE NELLORE JOURNAL.

20 *Collector's Salaries Dr. to Sundry Accounts Company's Rupess 525.*

FOR THE FOLLOWING ADJUSTMENT.

18 Bills Payable Revenue.

GENERAL TREASURY AT FORT ST. GEORGE.

For amount of 2 Bills drawn on the Acting Accountant General in favor of Lieutenant Colonel Colbeck and Messrs. Arbuthnot and Co., on account of the salary of L. Forbes, Esquire, Assistant Collector of this District for April 1856 as per account particular No. 4, sent to the Accountant General, and vouchers Nos. 88 and 89 in the sealed packet about to be sent to the Civil Auditor... ... ... 425 0 0

COLLECTOR OF TANJORE.

For amount included in a Bill for Rupees 144-3-0 drawn on the Collector of Tanjore in favor of L. Forbes, Esquire, Assistant Collector of this District and Acting Assistant Judge of Tanjore, on account of his salary for April 1856, as per account particular No. 4, sent to the Accountant General, and vouchers Nos. 88 and 89 in the sealed packet about to be sent to the Civil Auditor. ... ... 67 3 0 — 492 3 0

19 Civil Service Annuity Fund, from 1st May 1825, amount of subscription at 4 per cent. on the above salary, as per account particular No. 3, sent to the Accountant General.. ... ... 21 0 0

20 Civil Fund Charity Branch, amount of subscription at $2\frac{1}{4}$ per cent. on the above salary, as per account particular No. 3, sent to the Accountant General... ... ... 11 13 0 — 525 0 0

18 *Sundry accounts Dr. to Bills Payable Revenue Company's Rupees 77.*

COLLECTOR OF TANJORE.

21 Tent allowance.

For amount included in a Bill for Rupees 144-3-0 drawn on the Collector of Tanjore in favor of L. Forbes, Esquire, Assistant Collector of this District, on account of his fixed Tent allowance for the month of April 1856, as per account particular No. 4, sent to the Accountant General, and voucher No. 90, in the sealed packet about to be sent to the Civil Auditor. 42 0 0

31 House and Office Rent.

For amount included in a Bill for Rupees 144-3-0 drawn on the Collector of Tanjore in favor of L. Forbes, Esquire, Assistant Collector of this District, on account of his House rent for April 1856, as per account particular No. 4, sent to the Accountant General, and voucher No. 91, in the sealed packet about to be sent to the Civil Auditor... ... ... 35 0 0 — 77 0 0

The same transactions as they would be entered in a Bengal Treasury Account.

Dr.						*Cr.*				
Transfer.						*Transfer.*				
To Bills Payable Revenue Department.						*By Revenue Charges General.*				
Bills drawn on the Accountant General at the Presidency.						Salary of L. Forbes, Assistant Collector, for April 1856.	525 0 0	525 0 0		
No. dated in favor of Lt. Col. Colbeck.	0 0 0					Tent allowance of ditto ditto. ...	42 0 0	42 0 0		
No. dated in favor of Messrs. Arbuthnot & Co.	0 0 0	525 0 0				House rent of ditto ditto.	35 0 0	35 0 0	602	0 0
Bills drawn on the Collector of Tanjore. ...										
No. dated in favor of L. Forbes, Assistant Collector.	144 3 0		569	3	0					
To Civil Service Annuity Fund.										
Subscription of L. Forbes, Assistant Collector, on his salary for April 1856... ...	21 0 0		21	0	0					
To Civil Fund.										
Subscription of L. Forbes, Assistant Collector, on his Salary for April 1856.	11 13 0		11	13	0					
Company's Rupees.....			602	0	0	Company's Rupees...			602	0 0

(True Copies.)

(Signed) C. HUGH LUSHINGTON,
Secy. to the Govt. of India.

Ordered that a copy of the foregoing Extract from the Proceedings of the Government of India and its enclosure, being a letter from the Accountant General to the Government of India, dated 23d April last, be furnished to the Accountant General at this Presidency, with reference to the correspondence noted in the margin, for his information and guidance.

From Govt. of India, 4th Feby. 1856, *No.* 498.
Extract Min. Con. 20th „ „ „ 81.
From Govt. of India, 27th June „ „ 3058.
Order thereon, 31st July „ „ 360.
From Acct. Genl., 29th Nov. „ „ 295.
To Secy. to Govt. of India, 7th Jan 1857, „ 7.
From do. 26th „ „ „ 337.

2. The Accountant General will issue instructions accordingly for the introduction at this Presidency of the Bengal system of Account from the 1st of May 1858-59, and call upon the Collectors of the several Districts to revise their establishments in the Account Department, and to forward, with as little delay as possible, for submission to the Government of India, statements of the Establishments necessary under the Bengal system. These statements should be submitted to Government through the Accountant General, together with the revised Establishment of his own Office.

3. Ordered that a copy of the Resolution of the Government of India and its enclosure, with these Proceedings, be furnished for the information of the Revenue Department and for communication to the Board of Revenue.

(Signed) E. MALTBY,
Acting Chief Secretary.

No. 12. ORDER THEREON, No. 716; dated 17th July 1857.

Ordered to be communicated to the Board of Revenue.

(Signed) H. FORBES,
Acting Secretary to Government.

FINANCIAL DEPARTMENT.

No. 336.

Extract from the Minutes of Consultation under da te the 12*th June* 1857.

Read Extract from the Proceedings of the Right Honorable the Governor General of India in Council, in the Financial Department, under date the 8th May 1857, No. 2130.

Read the undermentioned papers on the proposition to introduce a uniform system of Account in the several Presidencies, with a view to gathering in from the several Accountants, at an earlier period, the Estimates and Annual Accounts, so as to accelerate the transmission of them to the Honorable the Court of Directors:—

Letter to the Accountant to the Government of Bengal, No. 3854, dated 6th October 1855.
Ditto from the Accountant to the Government of Bengal, No. 1740, dated 12th November 1855, and its enclosures.
Ditto to the Government of the N. W. Provinces, No. 496, dated 4th February 1856.
Ditto to the Government of Bombay, No. 497, dated 4th February 1856.
Ditto to the Government of Madras, No. 498, dated 4th February 1856.
Ditto from the Government of Bombay, No. 251, dated 10th April 1856.
Ditto from the Government N. W. Provinces, No. 125 A., dated 11th April 1856, and enclosures.
Ditto from the Ac ountant General to the Government of India, No. 343, dated 4th June 1856, an its enclosure.
Ditto to the Government of Bombay, No. 3057, dated 27th June 1856.
Ditto to the Government of Madras, No. 3058, dated idem.
Ditto from the Government of Madras, No. 545, dated 8th November 1856, and enclosures.
Ditto to the Government of Madras, No. 5343, dated 5th December 1856.
Ditto from the Government of Bombay, No. 1069, dated 8th ditto.
Ditto to ditto, No. 336, dated 26th January 1857.
Ditto from the Government of Madras, No. 7, dated 7th January 1857, and enclosures.
Ditto to ditto, No. 337, dated 26th idem.
Ditto from the Accountant General to the Government of India, No. 2777, dated 23rd April 1857, and enclosure.

RESOLUTION.—The Right Honorable the Governor General in Council observes, from the papers submitted, that in October 1855, this Government, having in view the improvement of the system under which the Provincial Accounts of Revenue and other Officers in the Madras and Bombay Presidencies are sent to the Accountant General of each Presidency, by altering and conforming the system more nearly to that in force in Bengal, from which it differs in some essential points, directed the Accountant to the Government of Bengal to submit a full Statement of the manner in which the District Accounts in Bengal are prepared and sent to his Office, and the process of check, abstract and adjustment, to which they are subjected by him, in order to the entry of the transactions recorded in them on his General Statement of Receipts and Disbursements and on the General Books of the Bengal Presidency.

The Accountant to the Government of Bengal accordingly submitted a Report, containing a full detail of the Bengal system, together with letters from the Civil Auditor and the Accountant General at Bombay, explanatory of the practice that prevails at that Presidency.

From a perusal of these papers, the Governor General in Council considered that there could be no doubt that the Bengal system was by far the best, the checks appearing to be more efficacious, and the mode of preparing and submitting the accounts more simple; and under these circumstances, a copy of the papers was forwarded to the Government of each of the other Presidencies, including the N. W. Provinces, with instructions to report whether there would be any difficulty in introducing the Bengal system of account at those Presidencies.

The reports submitted by the several Governments, in accordance with the above requisition, have now been received.

The Honorable the Lieutenant-Governor of the N. W. Provinces reports, that in the General form of the Public Accounts in those Provinces, there appears to be a continuing uniformity with the system of Bengal, and that the subject of the separation of the Cash and Account Departments of the District Treasuries has been long under the consideration of the Sudder Board of Revenue, whose attention will again be drawn to the subject.

The Bombay Government, after a careful consideration of the system in force in that Presidency and in Bengal, and after calling for detailed information on certain points from the Accountant General to this Government, state that they consider that there are no objections to the introduction of the Bengal system at Bombay, which are of sufficient importance to outweigh the advantage of a uniform system throughout India.

But the Government of Madras, in forwarding a report from their Accountant General, objecting to the introduction of the Bengal system at that Presidency, observe that the Accountant General has shown good and sufficient reasons for the retention of the existing practice, which seems to possess advantages, both as regards accuracy and despatch; and they therefore recommend that the present system be allowed to remain undisturbed: adding that they are also in favor of continuing the existing system of audit under recent improvements, in preference to the introduction of the Bengal system in its integrity.

On a perusal, however, of the reply of the Accountant General to this Government, to whom the correspondence was forwarded for report, the Governor General in Council is unable to concur with the Government of Madras in the opinion expressed by that Government as to the validity of the objections urged by the Accountant General in that Presidency.

Although the *present* cost of the Offices of Account at Madras appears to have been overrated by the Accountant General to this Government, to the extent of Rupees 2,429 per mensem, in consequence of the appointment of Deputy Accountant General at Madras having been abolished, the Governor General in Council thinks there can be no doubt, not only that uniformity of system throughout India can most easily be obtained by the general introduction of the Bengal system, but that that system is in itself, on the whole, the best.

On the above grounds, the Governor General in Council is pleased to resolve, that the Bengal system of account shall be introduced at the Presidencies of Madras and Bombay from the 1st of May 1858-59. Meanwhile His Lordship in Council requests that the establishments in the Collectors' Offices and the Offices of the Accountants General at the above-mentioned Presidencies may be revised, and that statements of the establishments necessary under the Bengal system may, with as little delay as possible, be submitted by the respective Governments for the consideration and orders of this Government; and that the Honorable the Lieutenant-Governor of the N. W. Provinces may be desired to report the result of the reference made to the Sudder Board of Revenue in regard to the separation of the Cash and Account Departments of the District Treasuries of those Provinces.

Should any difficulties in respect to "Talook" Treasuries, or other questions of detail, be experienced at Madras and Bombay, on the introduction of the Bengal system of account, the Governor General in Council requests that a further reference regarding them may be made for the orders of this Government.

Letter from the Accountant General to the Government of India, No. 2777, dated 23rd April 1857, and its enclosure.

ORDER.—Ordered that a copy of the above Resolution be forwarded to the Government of Madras, together with a copy of the paper noted in the margin, for information and guidance.

Ordered, that a copy of the Resolution be forwarded to the Government of Bombay and the N. W. Provinces, for information and guidance.

Ordered, that a copy of the Resolution be forwarded to the Accountant General to the Government of India, for information.

(A True Extract.)

(Signed) C. HUGH LUSHINGTON,
Secretary to the Government of India.

10

9

5c

From E. DRUMMOND, Esq., Accountant General to the Government of India; to C. HUGH LUSHINGTON, Esq., Secretary to the Government of India, Financial Department, dated 23rd April 1857.

SIR,

I have the honor to return the papers relating to the different systems of Account and Audit obtaining in this Presidency and at Madras, forwarded to me for report, with your docket No. 326, of the 24th January last.

2. These papers, emanating as they do from an Officer for so many years connected with the Department of Accounts as the present Accountant General of Madras, have received my most attentive consideration, and I will endeavour to explain as clearly and concisely as I can, for the information of the Right Honorable the Governor General in Council, the points wherein they appear to me to fail in supporting the conclusions which they are intended to maintain.

3. The subject, as observed by the Accountant General, Madras, may be divided into three general heads, *first*, the system upon which the local district Accounts are kept; *secondly*, the form in which these Accounts are to be rendered to the Accountant General; and *thirdly*, the system of audit of civil charges: and in considering these, the questions at issue respecting the Bengal and Madras systems appear to be, first, in which are the checks the more efficient; and, secondly, in which is the mode of preparing and submitting the accounts most simple and expeditious.

4. The Accountant General at Madras claims for his system, that it is an improvement upon that of Bengal, recognised and adopted by the Honorable Court a quarter of a century ago, that the Accountants on the establishments of Collectors have now become conversant with double entry, which is the one clear and comprehensive method which has superseded every other; and that one special advantage of the monthly Journal and annual Ledger is, that every account under every officer is complete for the year and kept complete from year to year.

5. In this view, however, as it seems to me, there are two great fallacies, which, indeed, more or less, pervade the report: One, that the accounts in Bengal are kept on the system of *single entry*; the other, that our monthly Treasury accounts, which are admitted in Para: 10 to be abstracts of the daily Ledger, are (as assumed in para: 11) similar to the monthly and annual accounts current formerly in use at Madras, and which have been definitively condemned by the Honorable Court.

6. I am not in the least disposed to question "the intrinsic superiority of double entry" (para: 19), but in discussing this subject, the Accountant General, Madras, appears to have adopted the not uncommon, but not the less erroneous conclusion, that the existence of a *Journal* is the grand and necessary characteristic of the system; the simple and correct definition of which system is, however, as I understand it, that for every transaction there must be *two* distinct entries in the *Ledger*, equal in value, one deducting the article delivered *from* some account and the other adding the article received *to* some account, in other words for every debit there must be a per contra credit, and any method of book-keeping which dispenses with one of these two Ledger entries is book-keeping by *single entry*.

7. It is not necessary, in applying the system of double entry, rigidly to adhere to forms originally adopted to meet the peculiar and varied requirements of commercial transactions; the practical value of a science is in the application of its principles in the most direct and simple form possible towards the attainment of the object in view; and, accordingly, one result of all the improvements of late years in Banking Book Keeping has been the substitution of the Day Book for the mercantile Journal.

8. The Bengal system of account then, instead of being the defective one of single entry, accords strictly with the most approved system of the Banks in which the *Day Book* takes the place of the Commercial *Journal*. The transactions of a Treasury, like those of a bank, being all in cash, the Treasury Officer is regarded simply as a Cashier of Government, the Cash Books and Waste Books contain the original entries, the Ledger Account, or Day Book, is made up each night, and a trial balance made, and in the monthly Treasury account, which is the counterpart of the Day Book, the whole of the transactions are exhibited in the Ledger

form, as a personal Account Current with Government, and balanced "By Cash," the balancing of the real accounts (such as Profit and Loss, &c.) *inter se*, being left to the Government Accountant, or (as " Land Revenue") shewn in separate statements, or (as " Stamps") in plus and minus Memoranda at foot of the Accounts, and subjected to separate and independent Check.

9. The Accountant General, Madras, has apparently (Para: 5,) accepted as correct, in principle at least, the system upon which the district accounts are now kept in Bengal; but it must be obvious that, if that system is unobjectionable, then the simplest form of submitting those accounts must also be the best, and what can be more simple than the monthly transmission of a *copy of the daily Ledger*. So far then from being defective, our system is, critically speaking, considerably in advance of that of Madras; for, dispensing with the technical formality of a Journal, we obtain from subordinate Offices the Ledger or Day Book itself, exhibiting every transaction in the detail sought for by the Honorable Court, and constituting in the Accountant's Office *a complete record duly vouched*, of every monetary transaction in the Empire.

10. The Accountant General, Madras, again, appears to think that his system has the support of the Honorable Court of Directors, because the Account Current form of furnishing subsidiary Accounts to the Court was, so to speak, abolished by the Court, (Para: 24), and the present form of Journal and Ledger has continued under the Court's annual inspection from the year 1832-33 up to the present time (Paras: 16 and 18); but I see little resemblance between the abstract account current of the Madras Presidency, which was condemned by the Honorable Court, and the Treasury accounts of this Presidency; and the general argument founded upon the non-interference of the Court is obviously as much in favor of the Bengal or Bombay system as that of Madras. The fact seems to be, that the Honorable Court, in addition to the General Books of the different Presidencies, wished to be furnished with the detailed subsidiary accounts from which those books were prepared; this was at once complied with in Bengal by transmitting the monthly and annual Treasury accounts; but the Court being unable to attain their object in the case of Madras were constrained to prescribe a form, and none would probably so readily occur to them, as free from liability to misconception, and calculated to ensure what their previous orders had failed to elicit, as the well known form of Journal and Ledger.

11. It appears hardly correct then to assume, from these orders, that the Honorable Court intended to introduce the complicated machinery of a complete set of Books into each Collector's Office, when a simpler form of account was sufficient for every purpose; or that, in prescribing a form in which certain accounts should be rendered to them, they had it in contemplation to prescribe a general system of account for the Presidency, which should relieve the Accountant General's Office (the central one of account) of its chief duties, and constitute each Collector his own accountant.

12. To view the whole question, however, in its proper aspect, it must be considered not only as related merely to the form in which Local Officers should keep and render their accounts, and whether this should be done in the form of Account Current or of Journal and Ledger, but as involving considerations affecting the entire system of account, the principles of audit and responsibilities of check as observed in the two Presidencies.

13. As already observed, no objection appears to be taken to the first step in the Bengal system, and the peculiarity noticed by the Accountant General, Madras, (Para: 6) in respect of Talook Treasuries, has already been experienced and provided for in the Oude, Nagpore, and Hydrabad Provinces. The accounts submitted to the Accountant's Office have also been explained to be the counterparts of the district Ledgers, of which the disbursements are supported by vouchers audited by the Civil Auditor, whose duty is confined simply to passing charges duly authorized. The Land Revenue accounts of Demand, Collections, and Balances (of which the amount of collections only is credited in the monthly cash accounts), are submitted in the form of statements for the independent check and examination of the Revenue Authorities and the Accountant, and the whole of these accounts are then thrown, with the accounts of every other Department in the Presidency, into one general Journal and Ledger in the Accountant General's Office, which form the General Books of the Government.

14. In Madras, to which I may here remark, that from want of information my report, dated 12th November 1855, had no reference, it would appear that a monthly journal, instead of an account current, is prepared by each subordinate officer; and, it is presumed, from the report of the Accountant General, Madras, as scientifically prepared as it would be in the Accountant General's own office. These Journals contain the adjustments of demand of Revenue, and all transfer and closing entries, which are needlessly multiplied by the number of officers attached to the Presidency, and I question whether in this complete form they can possibly be checked with the same facility as an account current. But be that as it may, the adjusting officer, who is also the disbursing officer, cannot be left uncontrolled in the admission of charges in his own Journal, and the Civil Auditor is therefore called upon to perform a double duty (para: 35) and is required not only to audit the charges as in Bengal, but to see to what is called the completion of audit, or in other words to satisfy himself that the audited vouchers are duly brought to account.

15. Now this seems a very singular arrangement of duties and responsibilities. Every Collector, in addition to his other Fiscal and Judicial duties, is required to be a Book-keeper and Accountant, and keep each for his own office a complete set of books. The Civil Auditor must not only pass charges, but see that they are properly brought to account—certainly no part of an Auditor's legitimate duties, whilst the Accountant General is called upon to do little more than compile one set of books for the Presidency out of those sent up to him by each officer in charge of a Treasury.

16. At para: 22nd, the Accountant General, Madras, says "if the principles of double entry be adopted by the superior office in Bengal, as admittedly the best form, I do not understand why it should be held that the inferior accounts ought to be kept in the account current form as the proper form." The question, however, is not between double entry and single entry, but as to the number of preliminary steps in the process to be required of the local officers, and whether the Ledger, in which alone the double entries *actually appear*, shall be kept in each Collector's Office in addition to its preparation in the Accountant's Office, for the sole purpose of carrying out a theoretical notion of completeness. The form of our Treasury accounts, as already stated, is perfectly consistent with the principles of double entry; and the reason why that form is prescribed for the local officers, and the Journal and Ledger form is observed in the superior office in Bengal is, that the Treasury account form is best suited to exhibit the simple transactions of a Treasury, whilst the latter is better adapted for collecting together and exhibiting in a complete form the extended and complicated operations of the Government.

17. It is possible to keep the simplest accounts in the most intricate and complicated form; but to do so would be to waste, and not economize time and labour. Revenue Officers have many and engrossing duties to attend to besides the care of their accounts, and the great and essential object which it has always been thought material to keep in view, has been that of prescribing a system which any officer or any clerk of average intelligence, however deficient in a knowledge of the art of book-keeping, may understand and master in a few days, and which, from its simplicity and facility of check, may obviate as far as possible the risk of error.

18. In para: 27 the Accountant General, Madras, contends for the completeness of the accounts of every officer for the year, and from year to year; and maintains that the Journal and Ledger form alone can ensure this completeness. "It is not enough," he says, "that the central account should be complete, the local accounts should also be complete in themselves;" and again (para: 30.) "This is a vast empire, and to allow the local accounts to be left defective, and to have them framed only for the purpose of supplying information to the central office, is a mistake: I am of opinion that the accounts in every office of Treasury and of account should be kept complete; and this can be done only by the Journal system, in which no delay or defect is innate beyond the delay or defect innate in the account current system." It is possible that our views may have become corrupted by our practice; but we hold that completeness in the several subordinate Offices, in the sense intended, is quite unnecessary. Of course accuracy is essential in details and results: and completeness in so far as the responsibilities of a Treasury Officer extend; but completeness, as respects classification, and full adjustment of demands, transfers, and closing entries in the local officers' accounts, is quite unnecessary: for this we naturally look to the General Books, where all the transactions of the Presidency are collected together, and presented in

one view. It certainly seems questionable, if to secure this subordinate completeness in the different Treasury Offices, it were worth while to establish the heavy machinery of a complete set of Books for each.

19. In Bengal the Accountant General's Office, as the Central Office of account, is what it purports to be, and may be compared to the book-keeper's department in a merchant's office. In such an office the cash keeper keeps his cash accounts, the bill department has its registers of bills payable and receivable, the godown department has its account sales and invoices, &c. and all are sent to the book-keeper's department to be journalized, and thrown into one set of books. It would be quite possible for the cash-keeper to keep a set of books for his department, and the bill and godown department to send journals of their transactions to the book-keeper's branch; but they would be unnecessarily doing the book-keeper's duty, which is not legitimately their own, and needlessly multiplying subordinate sets of books; and this is the Madras system. According to our principle and practice, it would be as futile for a Treasury Officer to keep a complete set of books of his own office, as it would be for the cash keeper of an agency house to do so.

20. The Accountant General at Madras in Para: 28 says, he cannot perceive why diversity of practice should be inherent in the journal system, and not in the account current form. He seems to overlook the fact, that what he designates as the account current form, is a preliminary stage of the same process, and that in the journal the entries assume the form of their final adjustment. Now, according to his own showing, at Madras, questions of adjustment are decided by the Civil or Military Auditors or the Accountant General, or all these three in consultation: here are three public officers among whom material differences of opinion may exist, and although their decisions may after consultation be uniform, yet they can but lay down general principles, and these may after all be understood in various senses. For instance, not long ago donations by Government for the erection of churches, and other similar payments were debited by this department to "charges general," viewing them merely as donations; but considering the purpose for which these disbursements were made, the Financial Department took them under Public Works. Here was a difference of opinion between two high functionaries in a matter of final record at the last moment, involving an alteration which cost little more than the stroke of a pen. On the Madras system, if we are to carry out the principle of completeness in the local adjustments, it would have involved considerable correspondence and alteration of entries in the subordinate offices. Many cases also may arise for which no positive rules exist, which each Collector might adjust according to his own particular views, and exhibit them in the journal in such a manner as to defy or evade observation, and we might thus have as wide a diversity of practice as there are numbers of separate adjusting officers. In Bengal all these diversities of views and practice in local officers, of which there are instances daily occurring, are brought in the Accountant General's Office under uniform tests, and disposed of according to uniform rules.

21. I am not sensible (para: 30 & 31) of having stated that the matter hinges on the question whether or not each department should know its own profit and loss, as inferred by the Accountant General, Madras, nor am I of opinion that perfect accuracy in matters of account is either useless or pernicious, because I advocate simplicity as tending to accuracy; nor, in pressing the importance of the early collection of materials in the central office, did I overlook the ulterior object of the early issue of the accounts *out* of the central office. Perhaps it may weaken the reliance of the Accountant General, Madras, in the excellency of his own system, to learn that the Government of Bombay, with the concurrence, I presume, of the Accountant General there, are not averse to superseding their own by the Bengal system.

22. Adverting to para: 31 of the report I have already shewn, that the comparison which it is sought to institute to the disadvantage of Bengal, by reference to the former and present form of account in use at Madras, is altogether inapplicable, and I would beg the attention of Government to the annexed Memorandum A. shewing the entry of a single transaction (taken from the Madras Journal) according to both the Madras and Bengal system, from which the relative simplicity and intelligibility of the two methods will be at once, I think, apparent, and which is equally manifest from comparison of the Madras tri-monthly, and the Bengal monthly forms of return of cash balances, which are prescribed for precisely similar purposes.

23. The only other, but an important point which occurs to me in connection with the forms of accounts submitted to the Accountant General's Office is that of the comparative period necessary for their preparation. The Accountant General, Madras, states, that Journals can be furnished generally in about a fortnight, and he instances the Journal of the Sub-Treasurer, whose accounts, he observes, are very voluminous. It is very difficult to institute any comparison in this respect between the two Presidencies, though I am not apprehensive that the result would be other than favorable to our system. The transactions in the General Treasury (of which a Memorandum is given in the margin,* for comparison with that entered at para: 26 of the report of the Accountant General, Madras,) are obtained *daily* in an Abstract form, and the accounts are procured in original whenever required. The account of civil charges, the only one regularly furnished by the Sub-Treasurer, is usually received within one month; but if required earlier, which it is not, it could be rendered in a week.

* 1854-55.

General Treasury.	
Receipts in Cash per Annum	9,96,24,916
Disbursements in Cash per Annum	12,37,42,093
Amount in Debits and Credits of Transfer entries	4,19,24,332
Number of heads exhibited in his Account ...	80
Number of Cash Account pages for 1 year ...	1200
Number of pages of the Cash Account of Civil Charges	800
Number of Transfer Journal pages	*There is no separate account of Transfers which are included in the same account with cash transactions.*
Number of Journal Folios	*There is no separate Ledger.*

All other Treasury Accounts, including those of Oude, Hyderabad and Nagpore, notwithstanding the many difficulties arising in new provinces from the inexperience of officers and clerks, may be stated generally to be *received* in this Office within six weeks, (those of Indore arrive usually on the 25th of the month following that of the account,) and I question whether the Accountant General, Madras, could have attained similar results, and completed his adjustments and General Books within the usual time, if it had been necessary to provide for each of these new Treasuries officers and clerks conversant with the mysteries of Book-keeping, and adepts at the intricacies of adjustments and complete sets of books.

24. But it must be remembered also, that, when these accounts have been rendered, the labors of the subordinate offices here have terminated, except as to occasional references for the explanation of errors and differences, and the work of final check and adjustment is *at once* commenced in the Accountant's Office. At Madras, on the other hand, besides the Monthly Journals and Returns to the Accountant General, each officer must prepare for the Civil Auditor a Cash Account Current supported by vouchers, almost as extensive as the entire Treasury Accounts in Bengal; and it is, I apprehend, only after these have been checked by the Civil Auditor, and after the receipt of the Quarterly Returns, upon which the check in the Accountant General's Office of other entries depends, that the final process can be commenced, and towards this again little appears to be gained from the submission of Monthly Journals beyond the form, since these must be again abstracted in the Accountant General's Office in order to the preparation of the General Journal. In addition then to the extra labor imposed upon subordinate officers, the Madras system must involve greater delay in the check and adjustment of the accounts.

25. It is true, as stated by the Accountant General, (para: 25,) that the Madras system has an apparent advantage in the earlier submission of the Financial statements, of which a comparative Memorandum is given in the margin, but this is only apparent, and is due not to a better system, but to the circumstance that the returns of the other Presidencies are despatched as soon as they can be framed from their regular accounts, which are limited in number, while our Statements cannot be closed until after the *receipt* of theirs, upon which we depend for our statements of supplies, and our own accounts, both in number and extent, and in the distance from which they are received, far exceed those of the other Presidencies.

	Madras.	*Bengal.*
Sketch Estimate	1855-56, *5th Sept.* 1855	*1st Octr.* 1855.
Regular Ditto	*3rd Jany.* 1856	*1st Mar.* 1856.
Receipts & Disbursements,	*13th Dec.* 1856	*7th Feb.* 1857.

26. The third point is the system upon which civil charges are audited: as already stated the essential difference in the Audit System in the two Presidencies is, that in Bengal the duties of the Civil Auditor are restricted to passing charges, in Madras they are extended to the work of check, *i. e.* to "satisfy himself that all charges are duly brought to account and supported by audited vouchers" (para: 37). The Accountant General, Madras, goes on to say, that he would, not call this a *double* Audit, but a complete Audit, and in order to maintain the correctness of his practice, he declares that the Military Auditor General, the Commissariat Auditor, Chief Engineer Public Works, do all not only pass charges, but also see that charges passed by them are brought to Account, and (in para: 40) he states it to be the duty of the Board of Revenue on the same principle "to see that all the demands of different sources of Revenue as settled annually are duly collected and brought to account," and from all this he contends (para: 38) that an exception should not be made in the case of the Audit of Civil charges by the Civil Auditor. But this argument does not lead to the conclusion that the Madras practice is correct or superior to that of Bengal; but merely establishes the fact that whatever may be its worth the practice is the practice of the Presidency. The question at issue is whether, as, in Bengal, the Civil Auditor and other responsible functionaries should be Auditors of charges, and the Accountant Auditor of Accounts, or whether, as in Madras, the latter duty should be divided between the Civil Auditor and other officers, and the Accountant General; to my mind the Bengal system is immeasurably the best, the Accountant General is, and I believe is intended to be, alone responsible for the adjustments upon the General Books, while the Civil Auditor is confined to the work of passing bills under authority, and if he checks over-charges in the various departments of the State, both establishments and contingencies, it would seem that he has quite enough to do. The check to ascertain that charges entered in the accounts have been duly audited, cannot be regarded as a completion of the process of audit, but is a distinct act to check the work of the officer rendering the account, and it seems not much more out of order, and opposed to the principles of check, for a disbursing officer to audit his own charges, than it is for an Auditor to check the debits in account of the charges he has himself audited.

27. Two other points require a brief notice. The first is, the remark of the Accountant General, Madras, (para: 43) regarding the comparative quality of work done by his co-equal Assistants, or by subordinate Assistants in this Office. I do not quite understand the inference intended to be drawn from the use of the terms co-equal and subordinate; my remark, which has perhaps been misunderstood, referred to Collectors at Bombay, who in matters of account are, I imagine, as much subordinate to the Accountant General, as the assistances in my office are to me; and if the relative responsibility of different officers is a matter of no moment to Government, there can be no reason why an Accountant General should receive a higher salary than his head clerk. The co-equals, however, of the Accountant General at Madras can, it is obvious, no more "do *personally* all that they are by implication supposed to do," than can the Accountant General in Bengal, and consequently the subordinates of each stand in the same relation to him, as the subordinates of the Accountant General, Bengal, do to him: the question then arises, whether many circles of duty performed by subordinates acting under the authority of independent superintending powers, are so likely to work out uniform results, as if each circle sent in its crude materials to be elaborated under the direction of one controlling mind. Nor can any imputation possibly be made against the Accountant General, Bengal, in regard to *cooking accounts*. For as he does not adjust his own disbursements, nor admit in account charges he has himself audited, as is done by officers in Madras, his work is conducted with entire independence, and the only object he can have in view is accuracy of result.

28. The other question is, whether the Civil Auditor, or the Accountant General, should prepare Financial Statements and Returns; under the Madras system, the Civil Auditor apparently has the means of preparing those returns, which he has not in Bengal. I find it difficult, however, to comprehend the precise working of a system, by which the transactions of the same Treasury are subject to check and adjustment by two distinct officers, *i. e.*, Civil charges by the Civil Auditor, and Advances, Transfer, Supply, Deposit and Bill transactions by the Accountant General. It appears to me a work of sheer supererogation that charges once properly audited should be again submitted to the same officer in the shape of a disbursement statement; where indeed there is no pre-audit or only occasional pre-audit, as in the Military or Commissariat Departments,

the necessity for disbursement statements is obvious enough, but when pre-audits are the rule, that necessity has ceased to exist.

29. The proper sphere of a Civil Auditor's duties is the check of charges for establishments and contingencies, which are generally on a fixed scale and liable to little variation, and for these, separate estimates of probable expenditure are scarcely required by the Accountant; but, while the present system continues, it is probable that the Civil Auditor at Madras ought not to be relieved from the duty he has hitherto performed, without the full concurrence of the Accountant General.

30. Generally speaking, however, the Accountant General having the complete accounts from all departments in his own hands, should possess the most comprehensive view of the whole of the transactions of the Presidency, and although he must necessarily be furnished with subsidiary statements from other departments and offices to aid him in his operations, he is, in my opinion, the officer best qualified to prepare these returns in a satisfactory manner; and looking to his position, and the scale of remuneration attached to his office, it is to him undoubtedly that the Government have a right to look for the most accurate estimates of their financial operation.

31. In conclusion, I would refer to the practical result of the two systems in reference to the relative cost of establishments. I am not quite sure if I correctly state the number of Treasuries in Madras at 24, exclusive of the General Treasury, but believing this to be so, and taking the establishments as given in the books of the Civil Auditors for 1855-56, I would solicit attention to the Memorandum given in the margin of the expense of the Offices of Account and Audit in India, Bengal and Madras, including the Treasury establishments of the local Offices, but excluding the Loan Department here with which Madras has little in common, and also the General Treasuries at Madras and Calcutta. The Audit Office here being undi-

1855-56.	India.		Bengal.		Madras.	
	No.	Rs.	No.	Rs.	No.	Rs.
Accountant General,	1	3,500	1	3,000	1	3,877
1st Assistant,	0	0	0	0	1	850
2nd Assistant,	1	1,000	0	0	1	700
Clerks 100 Rs. and upwards	6	2,520	16	3,610	17	2,605
Other Clerks including Servants,	161	4,604	173	4,074	161	4,136
Total,	169	11,624	190	10,684	180	12,168
Military Department Accountant's Office,						
Deputy Accountant General,	0	0	0	0	1	2,429
1st Assistant,	1	1,500	0	0	0	0
Clerks 100 Rs. and upwards,	8	1,068	0	0	3	330
Other Clerks and Servants,	90	2,722	0	0	46	1,595
Total,	105	6,190	0	0	50	4,354
Civil Auditor excluding personal allowance in India and Bengal of Rs. 500 per month,	½	1,250	½	1,250	1	1,008
Clerks 100 Rs. and upwards,	5½	977	5½	978	0	961
Other Clerks and Servants,	64	1,586	64	1,585	68	1,857
Total,	70	3,813	70	3,813	70	3,825
Grand Total	344	21,627	260	14,497	300	20,347
Collectorate Treasury Establishments,	43	8,002	53	6,615	25	5,941
Grand Total,	—	29,629	—	21,112	—	26,288

Civil. 1856-57.	Receipts. Rupees.	Charges. Rupees.
India exclusive of Interest,	2,53,41,714	2,17,87,983
Bengal,	10,78,12,110	3,64,98,748
Total,	13,31,53,824	5,82,86,731
Madras,	5,16,13,430	2,04,74,930

Military. 1856-57.	Receipts. Rupees.	Charges. Rupees.
India, ...	13,70,200	5,41,99,008
Madras, ...	2,92,800	3,10,70,900
Total. ...		
India and Bengal, ...	13,45,24,024	11,24,85,734
Madras, ...	5,19,06,230	5,15,45,830

vided, has been entered in equal amount under India and Bengal.

32. From the statement here given it will be observed, that with an aggregate of receipts and charges amounting to Rupees 24,70,09,758, and with 96 subordinate treasuries, the total cost of our offices of account and audit, is Rupees 50,741; whereas in Madras, with an aggregate of receipts and charges of Rupees 11,30,91,077, and only 24 subordinate treasuries the cost is Rupees 26,288. The average cost of the local Treasury Establishments is given in the margin,* this is exclusive of Head Clerks and Accountants, whom I have omitted from a difficulty in ascertaining the correct amount under the Government of India, but in Bengal these cost Rupees 3,968 in 51 Collectorates, in Madras they cost Rupees 2,445 in 20 Collectorates, and if we apply the Madras average of Treasury Establishments, Rupees 270, to the 96 Treasuries under India and Bengal, the additional expense involved would be Rupees 11,470 per mensem, or 1,37,640 per annum, irrespective of the charge for a higher class of Accountants; while from the relative scale of charge it does not appear probable that any reduction could be effected in the offices at head quarters, ince with very much lighter duties the cost of the present offices of account and audit at Madras is Rupees 20,347 per month, against Rupees 21,627 under the Government of India, and Rupees 14,497 under the Government of Bengal.

* *India*... ... *Rupees* 186
Bengal... ... „ 125
Madras... ... „ 270

33. I have now completed my review of the questions submitted for my report, and however imperfectly I may have treated a complicated and difficult subject, I trust that I have adduced enough to satisfy the Right Honorable the Governor General in Council that the Bengal system of account and audit is neither erroneous nor defective in its principles or practice, and that, while it is superior to those of the other Presidencies in simplicity of form and facility of check, in economy of labour and of cost, it is in no degree inferior in the despatch with which its operations are performed, or in any other requisite, which, if unformity of system be desirable, would appear to recommend it for general adoption.

(Signed) E. DRUMMOND,
Accountant General to the Government of India.

23rd April 1857.

MEMORANDUM A.

ENTRIES EXTRACTED FROM THE NELLORE JOURNAL.

20 *Collector's Salaries Dr. to Sundry Accounts Company's Rupees 525.*

FOR THE FOLLOWING ADJUSTMENT.

18 Bills Payable Revenue.

GENERAL TREASURY AT FORT ST. GEORGE.

For amount of 2 Bills drawn on the Acting Accountant General in favor of Lieutenant Colonel Colbeck and Messrs. Arbuthnot and Co., on account of the Salary of L. Forbes, Esquire, Assistant Collector of this District for April 1856 as per account particular No. 4, sent to the Accountant General, and vouchers Nos. 88 and 89 in the sealed packet about to be sent to the Civil Auditor. 425 0 0

COLLECTOR OF TANJORE.

For amount included in a Bill for Rupees 144-3-0 drawn on the Collector of Tanjore in favor of L. Forbes, Esquire, Assistant Collector of this District and Acting Assistant Judge of Tanjore, on account of his salary for April 1856, as per account particular No. 4, sent to the Accountant General, and vouchers Nos. 88 and 89 in the sealed packet about to be sent to the Civil Auditor. ... ... 67 3 0 — 492 3 0

19 Civil Service Annuity Fund, from 1st May 1825, amount of subscription at 4 per cent. on the above salary, as per account particular No. 3, sent to the Accountant General. 21 0 0

20 Civil Fund Charity Branch, amount of subscription at $2\frac{1}{4}$ per cent. on the above salary, as per account particular No. 3, sent to the Accountant General. ... ... 11 13 0 — 525 0 0

18 *Sundry Accounts Dr. to Bills Payable Revenue Company's Rupees 77.*

COLLECTOR OF TANJORE.

21 Tent allowance.

For amount included in a Bill for Rupees 144-3-0 drawn on the Collector of Tanjore in favor of L. Forbes, Esquire, Assistant Collector of this District, on account of his fixed Tent allowance for the month of April 1856, as per account particular No. 4, sent to the Accountant General, and voucher No. 90, in the sealed packet about to be sent to the Civil Auditor. 42 0 0

31 House and Office Rent.

For amount included in a Bill for Rupees 144-3-0 drawn on the Collector of Tanjore in favor of L. Forbes, Esquire, Assistant Collector of this District, on account of his House rent for April 1856, as per account particular No. 4, sent to the Accountant General, and voucher No. 91, in the sealed packet about to be sent to the Civil Auditor. ... ... 35 0 0 — 77 0 0

The same transactions as they would be entered in a Bengal Treasury Account.

Dr.						*Cr.*					
Transfer.						*Transfer.*					
To Bills Payable Revenue Department.						*By Revenue Charges General.*					
Bills drawn on the Accountant General at the Presidency. ...						Salary of L. Forbes, Assistant Collector, for April 1856.	525	0	0		
No. dated in favor of Lt. Col. Colbeck.	0	0	0							525	0 0
No. dated in favor of Messrs. Arbuthnot & Co.	0	0	0			Tent allowance of ditto ditto. ...	42	0	0		
				525	0 0					42	0 0
Bills drawn on the Collector of Tanjore. ...						House rent of ditto ditto.	35	0	0		
No. dated in favor of L. Forbes, Assistant Collector.	144	3	0							35	0 0
				569	3 0					602	0 0
To Civil Service Annuity Fund.											
Subscription of L. Forbes, Assistant Collector, on his salary for April 1856.	21	0	0	21	0 0						
To Civil Fund.											
Subscription of L. Forbes, Assistant Collector, on his Salary for April 1856. ...	11	13	0	11	13 0						
Company's Rupees.....				602	0 0	Company's Rupees.				602	0 0

(True Copies.)

(Signed) C. HUGH LUSHINGTON,
Secy. to the Govt. of India.

Ordered that a copy of the foregoing Extract from the Proceedings of the Government of India and its enclosure, being a letter from the Accountant General to the Government of India, dated 23rd April last, be furnished to the Accountant General at this Presidency, with reference to the correspondence noted in the margin, for his information and guidance.

From Govt. of India, 4*th Feby.* 1856, *No.* 498.
Extract Min. Con. 20*th* „ „ „ 81.
From Govt. of India, 27*th June* „ „ 3058.
Order thereon, 31*st July* „ „ 360.
From Acct. Genl., 29*th Nov.* „ „ 295.
To Secy. to Govt. of India, 7*th Jan.* 1857 „ 7.
From do. 26*th* „ „ „ 337.

2. The Accountant General will issue instructions accordingly for the introduction at this Presidency of the Bengal system of Account from the 1st of May 1858-59, and call upon the Collectors of the several Districts to revise their establishments in the Account Department, and to forward, with as little delay as possible, for submission to the Government of India, statements of the Establishments necessary under the Bengal system. These statements should be submitted to Government through the Accountant General, together with the revised Establishment of his own Office.

3. Ordered that a copy of the Resolution of the Government of India and its enclosure, with these Proceedings, be furnished for the information of the Revenue Department and for communication to the Board of Revenue.

(True Extract and Copies.)

Acting Chief Secretary.

To the Accountant General.
" Revenue Department.
" Civil Auditor.
" Sub-Treasurer.

Exd. J. A. Wilson.

Revenue 1857 Dept.
Dto Cons 24th July.

No 7464

Extract from the Minutes
of Cons. in the Financial
Department.

Dated 12th June 1857
Pd. P. 26th

Forwarding Copy of
an Extract from the Proc. of
the Government of India -
intimating that the Secty.
in Council will issue instruc
tions for the introduction
at this Presidency of the Ben
gal System of Accounts
from the 1st May 1858/59.

With an order
No. 716 17th July -

No 716 17th July 1857

Ordered to be entered
Board of Revenue

No 7464

Secretary to the Govt. of India
Financial Department

Fort St. George
17th July 1857