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MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 2047 Press
Mis.
67-68

Dated 5 — 11 1860.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 5th November 1860.

No. 67. Read the following letter from W. BALMAIN, Esq., Officiating Civil Auditor, to J. D. BOURDILLON, Esq., Secretary to Government, Revenue Department, dated Fort Saint George 1st September 1860, No. 603:—

SIR,

1. I have the honor to bring to the notice of Government that there has been some correspondence between this Office and the Board of Revenue regarding the audit of certain contingent charges, those on account of Salt and Abkarri more especially. Mr. Lushington was of opinion that these charges should be countersigned by some authority before being submitted for audit. Mr. Harrison expressed himself willing to pass them without any counter-signature, reserving the right of submitting to the Board any special cases which might be brought forward. The Board of Revenue, as will be seen from the copy of their letter No. 3,728, decline to take any responsibility in regard to the charges in question.

2. I am not in a position at present to report fully on the subject; but as very large bills on account of Salt and Abkarri come up constantly for audit, I am anxious to obtain some instructions as to how those charges are to be treated. As an example I would state that the Contingent bill of the Madras Collectorate now awaiting audit in my Office, contains an item of 1,61,204 Rupees on account of Arrack. This is supported by a copy of an invoice of the Commissariat Department showing the number of gallons and the rate at which supplied. Of course my Office is competent to check the calculations as shown on paper, but as to whether so much spirit has been ever accounted for; whether the sale receipts were in proportion, whether the purchase was on the whole correct, is what I have no means of ascertaining. In paragraphs 4, 5, 6 and 7 the Board state that the Audit Office can call for account particulars of sales and other information necessary to check the charges, and that they have no more effective control than can be exercised by the Civil Auditor.

3. I would however remark that the duty of the Audit Office is to see that all charges are supported by sufficient authority; the Auditor is not competent to question the expediency or correctness of a charge sent up under sufficient authority. It has been so ruled by the Government of India "that a Civil Auditor is not required in any case to satisfy himself of "the expediency of a charge, his duty being merely to see that every charge is incurred under "the authority of a competent Officer."

If Government decide that the signature of a Collector or a Deputy Collector, to a bill of Salt or Abkarri charges, without limit as to amount, is sufficient authority for its being audited, the procedure is simple, but if this Office is to be held responsible for the correctness and expediency of the expenditure, it is a duty which I am afraid cannot be efficiently discharged.

No. 68. ORDER THEREON, 5th November 1860, No. 2,047.

1. In this letter the Civil Auditor brings forward a question of no trifling importance in connection with the Audit of certain Civil charges. He states that his Office is now required to Audit very large sums under the term Contingent charges, especially in the Salt and Ábkári Departments, of which he is quite without the means of testing the correctness; as an example he mentions that a Contingent Bill of the Madras Collectorate awaiting Audit, contains an item of Rupees 1,61,204 for Arrack. He points out that he is quite without the means of ascertaining the justice of such charges; and that the Government of India have declared that it is not the duty of the Audit Department to make such inquiries. The Board of Revenue when applied to repudiated all responsibility in the matter.

2. The facts of the case are as follow. In 1856, on the occasion of the change of system in the Civil Audit Office from a yearly to a monthly Audit, the whole course of proceeding was revised, and the Audit of Contingent and other charges was transferred to that Office, which had previously been conducted by the controlling heads of the various Departments, i. e. the Court of Sudder Adalut, the Board of Revenue and the Marine Board. The subject was carefully considered, especially the part of it relating to Contingent charges, and the result was the orders of November 22nd 1855, and March 20th 1856, in the Financial Department.

1. *Indents, ordinary and usual.*
2. *Contingent charges not exceeding 400 Rupees.*
3. *Batta to Public Servants, Convicts, Prosecutors and Witnesses.*
4. *Wages to additional Jail Peons.*
5. *Salary of Extra Establishment.*
6. *Rewards for apprehending offenders or for killing wild beasts, &c.*
7. *Collector's Extra Tent Allowance.*
8. *Tentage in the Engineer Department.*

3. Throughout the papers no mention is made of the charges now particularly referred to by the Civil Auditor, neither in Mr. Lushington's letter of the 27th September 1855, nor in the order passed thereon. The charges which were to be transferred under this head are enumerated in that order as in the margin; and it does not appear that at that time the Government intended that the Audit of the charges now in question should be transferred. The Board, however, included them in their list of charges to be so transferred. This list was sent up to Government with the Board's letter of the 11th June 1856, but only for the purpose of enabling the Government to judge as to the extent to which the change of plan would enable the Board to reduce their Office Establishments. The particulars of the list, therefore, did not attract notice, and the order* on the letter did not allude to the subject.

* *July 5th, No. 315, Financial Department.*

4. It seems to the Governor in Council that the charges in question do not properly come within the order of the 22nd November 1855, and he is decidedly of opinion that they ought not to be so entirely released as they have been from control and check by the Board of Revenue. The Audit Office, as Mr. Balmain truly says, is an Arithmetical Office; it verifies calculations and compares charges with vouchers. But it has not authority, nor has it the means, to "question the expediency or the correctness of a charge sent up under sufficient authority." is not competent, for example, to inquire whether a thousand garces of Salt charged for were really received, or whether the Arrack to which Mr. Balmain refers in his letter of 1st September, was really received, was charged at a proper price, was really wanted, or was duly disposed of. All such inquiries belong to the controlling head of the Department; the Board of Revenue have the means in their own Office of ascertaining all these particulars, and of tracing the Salt or the Arrack till finally accounted for. This too is their function, while it is not that of the Audit Office.

5. It appears to the Government to be necessary for the security of the public money that the Board of Revenue should be held responsible for the justice and propriety of such charges, so far as respects quantity, price and time. But the Arithmetical Audit, viz., the verification of the amount of the charge will continue to be made by the Civil Auditor.

Batta to Public Servants.
Carriage hire of Collector's Records.
Hire of conveying remittances to Collector's Treasuries.

6. There are a variety of other items in the Board's list of Accounts transferred, which seem to come under the preceding remarks, and to need a Departmental Audit. Some of these items as in the margin are enumerated in Mr. Lushington's letter to the Board of October 23rd 1858, paragraph I. These charges seems all to be of the nature of those formerly recommended by Mr. Lushington himself to be transferred, and the first of them was expressly mentioned by him. The Arithmetical Audit of them is properly made by the Civil Auditor; but the general control formerly exercised by the Board was useful as a check on over-expenditure in various ways. Under the present system there is no check whatever on expenditure. The duty of the Civil Auditor being confined to a mere examination of the figures It appears to Government that there should be such a check, independently of the expending Officer, and the Board of Revenue only can exercise such a check.

7. The Government resolve to request the Board of Revenue, in communication with the Civil Auditor to arrange the details necessary for giving effect to this order, both as respects the particular classes of charges which should be subjected to the Board's previous approval, and also as to the mode of exercising that control. The plan when completed should be submitted for the approval of Government.

(Signed) J. D. BOURDILLON,
Secretary to Government.

No. 3728.

PROCEEDINGS of the BOARD of REVENUE, dated 19th September 1859.

Read letter from the Acting Civil Auditor, dated 18th April 1859, No. 228.
(In Con. 20th April 1859, No. 1787.)

In his letter dated 23rd October 1858, the Civil Auditor pointed out that certain items of charges
In Con. 6th December 1858, No. 4840. included in the contingent bills of the Collectors though passed by him on the faith of the disbursing officers, are destitute of the check of which they are capable; and requested that the Board would undertake to countersign the bills for those charges in token of its admission of the propriety and correctness of them. The Board in their proceedings dated 6th December 1858, No. 4526, explained briefly their views in regard to the impracticability of such bills being examined in their office. Before, however, finally deciding, they requested the Civil Auditor to forward
18th in Con. 20th April 1859, No. 1787. to them a complete set of the bills, &c., he would wish them to certify; and this has been done in his communication recorded at the head of these proceedings.

2. These bills shew the items which the Civil Auditor wishes the Board to take under their scrutiny; but they must observe that there can be no advantage in transferring these to their audit as no better check can be exercised by them over such charges than by the Civil Auditor.

3. The items "Batta to public servants," "Carriage hire of Collectors' records," "Hire for conveying remittances from talook to the Hoozoor Treasuries," are all charges of an ordinary nature. The first item requires no other scrutiny than to see that batta is drawn at the rates prescribed by the rules. In the case of other items it is sufficient to see that the hire is paid at the usual rates with reference to distances. The Collector's tentage statements furnish a check on the frequency of these charges. As these items are audited monthly, it is necessary for efficient check that the annual charges of each item, should be added up and compared with those of previous years and explanation called for if there should be any considerable increase without apparent grounds. This is all that the Board can do and the Civil Auditor with his special establishment, and no other duty on his hands, must manifestly be able to do the same quite as well.

4. With respect to bills for salt contingent charges also, the Board do not see what more effective control can be exercised by them than by him, though in order to avoid unnecessary delay, they have lately countersigned them as a temporary measure, pending the disposal of the Civil Auditor's letter now under reply.

5. The monthly accounts current received from the Collectors shew the receipts and sales of salt; but the quantities entered in them for one month often differ from those given in the bills, because the latter include the quantity received and sold in previous months also; and the bills cannot, therefore, be satisfactorily verified without keeping a running account of the salt transactions for each district separately. This can be avoided to some extent by requiring the Collectors to make up their bills of charges in reference to the quantities entered in the account current for each month.

6. If the Civil Auditor desires accurate information respecting the receipts and sales of salt in each month, it is only necessary for him to desire the Collectors to furnish him with a true copy of the monthly account current sent to the Board. With this document, which is the only one received by the Board also in respect to the salt transactions, he will be able to verify the quantities entered in the bills, just in the same manner as the Board would do.

7. The disbursements on account of manufacturer's share or purchases of salt are made according to certain prescribed rates under the sanction of Government, and the Civil Auditor can procure from the Collectors tables of these rates, to enable him to exercise an efficient check over such charges.

8. The other occasional charges incurred in the salt department should be audited in the usual course, and after the close of the year the aggregate charges should be compared with those of the previous year, and in case of large increase, the Civil Auditor should satisfy himself that such excess is proportionate to the increase of quantity manufactured and sold during the year. The same remarks apply to the abkarry charges also.

9. These are duties properly belonging to the Audit Department; and the Board regret that they cannot undertake them especially as Government after due consideration, transferred all these

Abkarry

charges to the Audit of the Civil Auditor. The Board will readily advise the Civil Auditor when in any real difficulty, but with the press of work in their own department they are unable to check all these bills for him, to keep the running accounts which the monthly Audit system renders necessary, or to give these bills the precedence over all other work so as not to delay the monthly audit. Moreover it is a waste of time for two departments to be thus checking the same bills. The Civil Auditor has the same means of enquiry as the Board, and they demur to his thus throwing on them the responsibility which attaches to his own office. With these observations the Board resolve to return the bills which accompanied the Civil Auditor's letter.

(A true Extract.)

To

(Signed) W. HUDLESTON,
Acting Secretary.

J. L. LUSHINGTON, Esq., Civil Auditor.

Rev. Dept.

No. 2047.

Proceedings of the Madras Government
Under date the 5th November 1860.

Read the following
letter from the Offg. Civil
Auditor.

Brings to notice the manner in which contingent
Bills on account of Salt and Abkarri are at present audited
and requests the orders of Government thereon.

In this letter the
Civil Auditor brings for-
ward a question of no
trifling importance in connection with
the Audit of certain civil
charges. He states that
his Office is now required
to audit very large
sums under the term
"contingent charges," es-
pecially in the Salt and
Abkarri

Madras Department, of which he is quite ignorant the means of testing the correctness; as an example he mentions that a contingent Bill of the Madras Collectorate awaiting audit, contains an item of Rupees 1,41,204 for arrack. He points out that he is quite without the means of ascertaining the justice of such charges, and that the Government of India have declared that it is not the duty of the Audit Department to make such enquiries. The Board of Revenue when applied to repudiated all responsibility in the matter.

2. The facts of the case are as follow. In 1856, on the occasion of the change of

system in the Civil Audit Office from a yearly to a monthly Audit, the whole course of proceeding was revised, and the Audit of Contingent and other charges was transferred to that Office, which had previously been conducted by the controlling Heads of the various Departments, i.e. the Court of Sudder Adalut, the Board of Revenue and the Marine Board. The subject was carefully considered, especially the part of it relating to contingent charges, and the result was embodied in the orders of November 22d/55, and March 20/56, in the Financial Department. ~~Contingent Charges are treated of in the 47th~~

and

~~and following paragraphs~~

3. Throughout the papers no mention is made of the charges now particularly referred to by the Civil Auditor, neither in Mr. Lushington's letter of the 27th. September 1855, nor in the order passed thereon, nor in the order, the charges which were to be transferred under this head are enumerated in that order as in the margin; and it does not appear that at that time the Government intended that the audit of the charges now in question should be transferred. The Board, however, included them in their list of charges to be so transferred. This list was sent up to Government

1 Indents, ordinary and casual.
2 Contingent charges not exceeding 1000 Rs.
3 Batta to public Servants, Convicts Prosecutors and witnesses
4 Wages to additional Jail Peons.
5 Salary of extra Establishment
6 Rewards for apprehending offenders or for killing wild beasts &c.
7 Collectors Gbad. ~~ent~~ allowance
8 Tentage in the Carnatic Dept.

Government with the Board's letter of the 11th June 1856, but only for the purpose of enabling the Government to judge as to the extent to which the change of plan would enable the Board to reduce their Office Establishments. The particulars of the accounts in the list, therefore, did not attract notice, and the order on the letter did not allude to the subject.

4. It seems to the Governor in Council that the charges in question do not properly come within the order of the 22d November 1855 and he is decidedly of opinion that they ought not to be

Do

Ltr. to S. No. 315 Fort St. Dept.

so entirely released as they have been from control, and check by the Board of Revenue. The Audit Office, as Mr Balmaine truly says, is an arithmetical Office; it verifies calculations and compares charges with the vouchers. But it has not authority, nor has it the means, to "question the expediency or the correctness of a charge sent up under sufficient authority." It is not competent, for example, to enquire whether a thousand gaurs of salt charged for were really received, or whether the arrack to

to which Mr Balmaine refers in his letter of 1st September 1st was really received, was charged at a proper price, was really wanted, or was duly disposed of. All such enquiries belong to the controlling head of the department; the Board of Revenue have the means in their own Office of ascertaining all these particulars, and of tracing the salt or the arrack till finally accounted for. This too is their function, while it is not that of the

Audit

Audit Office.

5th It appears to the Government to be necessary for the security of the public money that the Board of Revenue should be held responsible for the justice and propriety of such charges, so far as respects quantity, price and time. ~~The last appointment~~ But the arithmetical auditing viz the verification of the amount of the charges, will continue to be made by ~~should be made by the Board before the bills are sent to~~ the Civil Auditor. ~~This will be the rule for the future.~~

There

Batta to Public Servants
Carriage hire of Coll.rs Records
Hire of conveying remittances to Coll.rs
Treasuries

6. There are a variety of other items in the Board's list of Accounts transferred, which seem to come under the preceding remarks, and to need a Departmental audit. Some of these items as in the margin are enumerated in Mr. Lushington's letter to the Board of Oct.r 23.d/55, Para I. These charges seem all to be of the nature of those formerly recommended by Mr. Lushington himself to be transferred, and the first of them was expressly mentioned by him. The arithmetical audit of them is properly made by the Civil Auditor, but the General control formerly exercised by the Board was useful as a check on over expenditure in various ways. Under the present system there is no check whatever on expenditure. The duty of the Civil Auditor being confined to a mere examination of the figures. It appears to Gov.t that there should be such a check, on such expenditure, independent of the Expending

Officers

Officer, and the Board of
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a check.

7 The Government resolve
to request the Board of Re-
venue, in communication
with the Civil Auditor to
arrange the details necessary
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previous approval, and also
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for the approval of Government.

12 Copies to the
Board of Revenue Dist 6.
4 Financial Depts
3 Civil Auditor

Copy with a Letter to Engt
of 18th May 1861. No. 71

Pon: 22 October/60 No. 360
361

Contingent Bills on account
of Salt and Abkarie

Revenue 1860 Departt.
Pro: of Govt for Nov.

No 2047.

Pro: of the Madras Govt.
D/ 5th Novr/60.

Further Pon: 15th March/61 No. 606
From Bd of Revenue 17 June 1861
No. 1613. (Reply to paras 4 of the order)
From Bd of Revenue 2 August/62 (No. 2252
(reference to para 4 of the Order)
dated 27 June/62 and 1827

Passing orders on a question
raised by the Civil Auditor
in connection with the audit
of Contingent Bills on account
of Salt. Abkarie and Civil
Charges.

No 67 & 68.