

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.

615-

Press

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342-343

Dated

20. 3. 1865.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
20th March 1865.*

No. 342. Read the following letter from W. HUDLESTON, Esq., Secretary to the Board of Revenue, to J. D. SIM, Esq., Secretary to Government, Revenue Department, dated 11th January 1865, No. 131 :—

SIR,

1. Referring to Government Order, dated 15th November 1864, No. 2,095, I am directed by the Board of Revenue to submit the following remarks on the report of the Account Commissioners on the system in the Financial Department.

2. The accompanying elaborate Memorandum by the Board's Head Sheristadar, Jeyaram Chetty, goes fully into the details of the subject, and is entitled to much consideration as embodying the views of a most competent witness, who has for many years past had his attention constantly directed to the improvement of our Account Department in all the branches connected with the Revenue, and who has been foremost in inaugurating most beneficial reforms.

3. It is unnecessary for the Board to go into the same detailed review. It will be sufficient if they notice the Commissioners' proposals, and the grounds for them, and it may at once be here noticed that the remarks of the Commissioners frequently indicate that their acquaintance with the Indian system is limited to a practice which is much at variance with ours, and that their proposals are, in many respects, altogether unsuited to the circumstances of this Presidency.

Estimates.

4. The first point that they discuss is the system of preparing the Budget Estimates, and regarding this, it may be observed, that the course followed here is not that described by the Commissioners. They assume that the Accountant General frames the Budget for submission to the Local Government, which modifies it at pleasure, and often without recording its reasons.

5. As the Government are aware, the course adopted here is very different from the above. The heads of Departments prepare and submit direct to Government their several Budget Estimates, with explanation of details. The Government revises them as it sees reason, and forwards them to the Accountant General to be embodied in the prescribed form. The Accountant General in no way interferes with the entries, except to see that rules are not violated. This system secures the advantages contemplated in paragraph 25 of the Report.

6. The Departmental Budgets exhibit the estimate for the proximate year, the estimate for the current year, and the actuals for the preceding year. The Board do not think that any of this information can be dispensed with, or that any good end would be attained by omitting these details. At the time of year when the Budgets are required to be prepared, the receipts of the current year in several important items are not sufficiently advanced to allow of the current *actuals* being used for comparison, though they are referred to before passing the amounts. Thus the Departmental Budgets do not show the details specified in paragraph 22.

7. The Board consider it highly important that the detailed distribution of the passed Budget provision should be recorded for the information and guidance of District Officers, and for purposes of check, in the same manner as the details from which the District and Presidency Budgets were framed are recorded; but they quite concur with the Commissioners in opinion that it is unnecessary to send up the Budget to the Government of India in this detail, nor are the Board aware that this is now done.

8. Several of the objections raised by the Commissioners to matters of detail in connection with the working under the Budget system appear to be well founded, but are not applicable to this Presidency. In some instances (as in paragraph 48) they scarcely go so far in advocating reform as the Board have done, and had their proposals approved.

9. In regard to paragraph 51 the Board presume that some difference of practice between the Presidencies must have induced the remark that the system of accounts does not allow of trustworthy comparison of current actuals with the Budget Estimates. The Board see no reason to doubt that the comparison which under our system can be, and periodically is, instituted, is quite trustworthy, and in no respect deceptive, at least so far as the Departments under their control are concerned.

10. The abolition of the item "Allowances, Refunds, and Drawback," proposed in paragraph 38 will not, in the Board's opinion, be an improvement. They consider that for purposes of comparison and check, it is desirable that the item should be retained.

11. In regard to paragraph 70 it may be observed that in the Revenue Department of this Presidency a monthly Statement is now received from the Districts of actual receipts and expenditure compared with the Budget Estimates, while the Commissioners propose one to shew actual receipts and audited expenditure, the distinction being, the Board presume, based on the assumption in paragraph 51 that the unaudited expenditure is unclassified or incorrectly classified, which the Board believe to be erroneous.

12. In any case the Board are of opinion that it would be preferable to have a return of actual expenditure, even at the risk of the distribution of that expenditure against the detailed Budget provision being partly erroneous, rather than one which should confessedly be incomplete, and exhibit only part of the expenditure that had been actually incurred.

Revenue and Receipts.

13. The next division of the Commissioners' Report relates to Revenues and Receipts, and here they have evidently been dealing with a system which varies greatly from that in force in this Presidency, as perhaps was in great measure to be expected from the difference of the systems of Land tenure and Settlement of the Land Revenue in Bengal and Madras. In fact the reforms advocated by the Commissioners would result in a system in many respects identical with that now in force here.

14. It would seem that in Bengal, the Revenue Board are mainly dependant upon the Accountant General for information regarding assessments and collections; that over many important items of revenue they have no check whatever; and that of many details they have no direct information.

15. The Commissioners propose to remedy this; but their remarks indicated a state of things exactly the reverse of that which is in force in this Presidency, and regarding the details of which the Board beg leave to refer to the accompanying Memorandum by their Head Sheristadar already mentioned.

16. Some, however, of the details of the Commissioners' proposals require to be noticed here.

Paragraph 83.

17. The Talook monthly estimates described in this paragraph do not exist in Madras. The actual accounts are submitted as recommended by the Commissioners.

Paragraph 84.

18. The Board are decidedly opposed to the proposal that the classification of Receipts in the Talook accounts should be thrown on the Collector's Establishment. They see no advantage in the proposal, which would certainly entail a great amount of labor and inconvenience on the Hoozoor Office, while the existing system works easily and well. It would, however, appear from a later part of the report that the District accounts also are to be unclassified; and that the whole work of classification is to be thrown on the Central Office of accounts. This will be noticed in its proper place. The Board are equally, and for much the same reason, opposed to the proposal that the Tahsildar should transmit daily to the Collector, a Statement of the day's transactions with the vouchers relating to them.

Paragraph 88.

19. The objections to any system of Deposits have long since attracted attention in this Presidency, and measures have been and are being taken to reduce the system within the narrowest possible limits, and to ensure the earliest adjustment practicable.

Paragraph 89.

20. The Forest Department in this Presidency is supervised by the Conservator; the financial branch being controlled by the Board of Revenue. Until lately the current expendi-

ture was audited by the Board, but on their representation the Government recently transferred this duty to the Conservator, who must be best acquainted with the legitimate requirements of his subordinates. The annual accounts are submitted to Government through the Board.

Paragraph 91.

21. In this Presidency the Revenue Board have full control over the detailed working of the Abkarry Department, and the accounts are as closely attached to their establishment as the Commissioners can possibly desire.

22. The system under which the revenue is realized is, however, altogether different from that with which the Commissioners have become acquainted in Bengal.

Paragraph 96.

23. The remarks of the Commissioners on the system in connection with the Income Tax transactions, indicate a very different state of things from what exists in this Presidency. The Tax will expire in a few months.

Paragraph 100.

24. The criticisms on the details of the system in the Customs Department at Calcutta are similarly inapplicable.

Paragraph 118.

25. The same remark applies to the Commissioners' observation on the Stamp Department.

Expenditure.
Paragraphs 153 to 216.

26. The next division of the Commissioners' report relates to expenditure, and here their remarks have mainly reference to the pre-audit system, which they condemn as unnecessary and cumbrous, as giving rise to much delay in payments and adjustments, and as uselessly and excessively enhancing the amount of the inefficient balances. They contend that it really leads to a double audit, a pre-audit by the Civil Paymaster, and a post audit by the Accountant General.

Paragraph 197.

27. They recommend the abolition of the system, and that the authorization of the sanctioned Budget expenditure should rest upon the officer in charge of the Department concerned.

Paragraph 214.

To diminish the risk of mistakes in computation, &c., they would simplify the rules regarding leave, absentee allowances, and travelling allowances.

Paragraph 449.

They observe that the abolition of pre-audit would greatly reduce the necessity for large Permanent Advance Funds, which they would restrict to the amount necessary to meet small cash payments.

28. They would substitute for the pre-audit system the following plan:—

Controlling Departments to keep their departmental accounts, examine claims, and authorize expenditure within sanctioned Budget provision, being responsible for passing claims.

Departmental accounts to be post-audited monthly by Accountant General's Department, either by deputation of an Officer, which will save copying, or by transmission of monthly Departmental accounts.

District Treasuries to transmit unclassified accounts with vouchers fortnightly to the Accountant General.

Revenue Board and not Accountant General to receive all accounts relating to assessment, collections, and arrears of revenue, and all statistical returns.

Fixed charges and salaries to be paid under permanent order.

Paragraph 214.
Do. 370.
Clause 9, paragraph 459.

Varying and contingent charges to be paid on Collectors, &c., order within District Budget provision, the orders to be signed as examined by the local Accountant.

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29. The practice in a District in the Revenue Department would thus apparently be as follows:—

Paragraph 198.
Do. 339.
Do. 213.

On receipt of the orders on the Budget from the Government of India, the Board would furnish each Collector with a Statement shewing the Budget provision for his District under the several heads, and send, at the same time, a corresponding list to the Accountant General, distinguishing between the provision for fixed and for varying charges.

Paragraph 274.
Do. 278.
Do. 279.

The Accountant General would then issue to the "Officer in Charge" of the District Treasury "a special or permanent order as the case might be" for each item, and payment would be made within the total limit of each item, and on the authority of the Collector, who would pass the bills in the case of contingent, &c., varying charges, which bills would also bear the signature of the Collector's Chief Accountant, in testimony of his having examined them.

Paragraph 217.
Do. 223.

Payments would be restricted as far as possible to the Head Treasury of the District.

The accounts kept in the Talooks would be a simple daily cash account shewing receipts under the several heads of revenue, an unclassified consecutive list of payments made, and the daily balance in hand, which account would be transmitted at short intervals to the Collector's office for incorporation in the general account.

The accounts at the Collector's office would be simplified as much as possible. Revenue receipts under the several heads, Deposit Transfer receipts, Supply bills, &c., would be recorded in separate registers, and the daily totals of each would be entered day by day on the debtor side of the cash book. Miscellaneous receipts would be entered as they occurred. At the close of the month, an abstract statement of the monthly total of the receipts in each register would be entered at the foot of the cash account.

Payments would be entered consecutively day by day as made on the credit side of the cash account, the classification being left to the Central account office, (the Revenue Board Account Department, or the Accountant General. Apparently the former.) Separate Registers might be established for classes of payments, such as Deposits returned, Transfer receipts, Supply and other bills paid, the number of which is considerable, and the daily total entered in the cash book, with a monthly abstract as in the case of receipts.

The receipts and payments at the Talook Treasuries would be recorded in the District accounts day by day as the accounts come on, the name of the Talook being shewn in a special column for the purpose.

A separate account would shew the transactions between the Talook and District Treasuries and the transfers of cash.

Full copies of the entries in the separate Registers of payment would accompany the cash account to the Central Office, and also the documents on which payment was made, as vouchers.

30. The main points of difference between the existing and proposed system appear to be that "the Officer in charge" of the District Treasury would apparently be in great measure independent of the Collector, and a kind of Deputy of the Accountant General; that payments would be made on the authority of "special or permanent orders" issued by the Accountant General for all fixed charges, and on the authority of the Collector for varying contingent charges; that the responsibility for over issue beyond the Budget sanctioned grant must be borne by the officer issuing the order, the Treasury officer being at liberty to refer to the Accountant General for orders in the event of his seeing reason to doubt the correctness of the order for payment; that pre-audit would be abolished; that the Talook and District account would be almost or altogether unclassified; and that the classification would have to be made in the Central Office of Account.

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31. The reasons assigned for the proposed change of system are in very many instances not applicable to the state of things existing in this Presidency.

32. Many of the objections stated to the pre-audit system appear to the Board to be unfounded or exaggerated as far as this Presidency is concerned. The great argument against it undoubtedly is that when feasible it is not necessary, as such a system of anticipatory sanction for fixed scales of payments as is proposed by the Commissioners would secure equal safety without the risk of delay; and that in the case of varying contingent charges, the pre-audit system is inseparable from delay or necessitates a recourse to Advance funds.

The Board admit the weight of this argument; but in this Presidency excessive delay in payments or adjustments is not found to be the inevitable result of the pre-audit system, nor is the extent of the Permanent Advance funds large.

On the other hand the system secures correctness of charge in great measure, and relieves from additional responsibility the body of Collectors who are laden with multifarious duties of a most important administrative character. It also greatly promotes the speedy submission of bills.

The Board however are not disposed to contend for its being continued.

33. The proposal to reduce the Talook and District accounts to an unclassified form does not at all commend itself to the Board, and would throw an immense amount of detail work on the Central Office. The present system works well. It may be doubted whether the proposed substitute would work so well, or be so expeditious or economical.

34. The change in the position of the "Officer in charge" of the District Treasury, who is evidently intended not to be altogether subordinate to the Collector, appears to the Board to be altogether incompatible with the position hitherto held by the Collector of a District in this Presidency; nor does it appear to the Board that the theory is consistently maintained in regard to payments made from the Talook Treasuries, which in this Presidency must continue to be large and numerous, unless the old insecure and most inconvenient system, which was universally condemned after long experience of its defects, is to be reverted to.

The theory, though not expressly stated, would seem to be that all Government Treasuries throughout the country are to be controlled by the Accountant General, who will issue orders to the "Officer in charge" authorizing certain classes of payments, on the indent as it were of the controlling heads of administrative or executive departments.

When it is remembered that in this Presidency the Collector of a District is the local representative of Government, entrusted with the administration of all detail with the realization of the public revenue, with the satisfaction of demands against Government, with the custody of the Government Treasury for which he is personally responsible, it will at once be seen how great is the innovation that is really proposed and must practically result from the adoption of the Commissioner's scheme.

Whether such a change is desirable or not may be matter of opinion. The Board are decidedly of opinion that it is undesirable. If however it should be intended to make no change in the position of the Collector as being really "the Officer in charge" of the District Treasury, then it would appear that for all revenue charges he would be both the auditing and the disbursing officer, and much of the Commissioners' detail provision would be neutralized, while sundry anomalies would be introduced.

35. The Board while admitting the expediency of many minor reforms suggested by the Commissioners consider that the general change of system involved in their scheme would be in many respects inconvenient, and probably expensive, while in this Presidency it would effect little or no improvement on the present system not otherwise attainable, but must probably create great confusion.

They however perceive that the Commissioners have had under consideration a state of things which does not at all correspond with that existing in this Presidency, and they deem it absolutely necessary that before any sweeping changes are carried out here, the Commissioners should visit the Presidency and make themselves practically acquainted with the details of the

local administration, and with the working of the system which they desire to reform. The Board believe that the result would be a very extensive and material modification of their proposals.

36. The only point that remains to be noticed is the retention or abolition of the Fusly year, involving as it does a distinct set of accounts; and on mature consideration of all that can be said in its favor, the Board are not disposed to advocate its retention *together with* that of the official year. They believe that the abolition of the Fusly year will be productive for some time to come of all the inconvenience that is inseparable from the substitution for a well known and long established system, of one with which the people as a body are altogether unacquainted and cannot readily become familiar. They recognize the force of the objection that much of the statistical information that has been accumulated in past years will become comparatively useless for purposes of comparison when the Fusly year is no longer employed in revenue accounts; but if the present official year from 1st May to 30th April be retained, the Board consider that the advantages resulting from the abolition of the Fusly year will more than counterbalance the disadvantages.

37. It must however be understood that this opinion contemplates the retention of the *existing* official year, and would not hold good if the official year be so changed as in no way to include a single cycle of the agricultural year, which is all important in this country in relation to the public revenue.

No. 343. ORDER THEREON, 20th March 1865, No. 615.

Miscellaneous.

1. In the letter above recorded, the Board of Revenue submit their views on the report of the Commissioners of Inquiry into Indian Accounts on the constitution and procedure of the Financial Department, and forward a Memorandum on the subject by their Head Sheristadar who has been engaged for several years in managing and improving the account system of this Presidency.

2. The Government will here discuss only those parts of the Commissioners' report which relate to the Revenue Department, reserving the other portion for consideration in the Financial Department.

REVENUE AND RECEIPTS.—3. The revenues of the Madras Presidency are administered by the Board of Revenue. There are no Commissioners as in Bengal. The Board has an Account Department of its own, and every matter of revenue administration and account is supervised and controlled by the Board. The system which appears to prevail in Bengal, of leaving matters of revenue account to the Accountant General and even looking to him for a rent-roll, is wholly unknown here.

4 The Presidency is divided into 19 Districts, and the great bulk of the country is settled on the Ryotwary principle, under which each land-holder has the right of annually increasing or diminishing the extent of his estate, the rate of assessment per acre, however, remaining unchanged. The Ryotwary revenue is in round numbers 3½, while the Zemindary revenue is only half a million sterling. It is obvious that under such circumstances the accounts must be (as they are) kept and controlled by the Board of Revenue.

5. The Revenue (except in Zemindaries) is received in the first instance by the village officers, whose accounts are of the simplest description practicable. There are about 30,000 Ryotwary villages in the Presidency. The village Accountant keeps a ledger shewing the demand, collection, and balance against each individual; the Head man of the village collects the dues of Government, receipts are granted for payments, and the sums received are entered in the daily cash book. Towards the close of the month (about the 24th or 25th) the village collections are forwarded to the Tahsildar's Cutcherry with an Invoice giving the necessary particulars of the remittance.

6. On receipt at the Talook Office, the remittance is compared with the Invoice and entered by the Head Clerk in his Day-book; the coins are examined by the Shroff, who enters the amount

in his cash Chitta and lodges it in the cash chest. The Invoice is then receipted by the Head Clerk, the Shroff, and either the Tahsildar or Sheristadar and returned to the village, where it is retained as a voucher.

7. During the month, the Tahsildar makes a variety of disbursements from his Treasury on the orders of the Collector, and has a small fund from which to make petty payments on his own responsibility, these payments being submitted in a contingent bill monthly for the sanction of the Collector.

8. The Day-book and Cash chitta are closed every evening, the cash balance struck, and the contents of the expense-chest examined, to see that the balance is correct, when the books are compared and initialled by the Head Clerk, Shroff, Sheristadar, and Tahsildar.

9. The Head Clerk keeps abstracts, one for receipts and one for disbursements, into which the entries from the Day-book are daily posted according to the Budget heads of classification; the Treasury closes early on the last day of the month, and from the Abstracts a complete Account Current is made up and forwarded the same evening or the next morning, to the Collector's office, with the necessary vouchers and a Demand, Collection, and Balance Statement for the several sources of revenue. The Talook Treasury is examined on the last day of the month by the Tahsildar, and the fact certified by him in the monthly account. On the 25th of each month the Tahsildar sends the Collector an estimate of his requirements for payments during the following month, and retaining such an amount as the Collector sanctions, remits the balance on the 1st or 2nd of the month to the Collector's Treasury.

10. A similar course is followed in respect to other than Land Revenue transactions.

11. In the Collector's Office, the Treasury, and English and vernacular accounts are under the charge of a Deputy Collector, who has also other duties to perform, as Magistrate, &c. Every item of receipt or disbursement is first entered, as it occurs, in the English Day-book, and an order thereupon issues to the Treasurer who receives or disburses accordingly. The Treasurer's Clerk enters these transactions consecutively in his Cash chitta, and keeps the orders as his vouchers. This Chitta is closed at 5 p. m. the balance struck, and the cash in the expense-chest examined. The same evening, or at latest next morning, the Deputy Collector compares the Chitta with the Day-book, and initials them, if correct. The bulk of the cash is kept in chests under the keys and seals of the Collector and his Deputy, and the Treasury is invariably examined once a month by the Collector, a Covenanted Assistant, or the Deputy Collector, and the result stated to the Board of Revenue and Accountant General.

12. The Talook Accounts Current which reach the Collector between the 1st and 4th of the month (succeeding that to which they relate) are examined on receipt, abstracted and totalled, and by the 10th of the month, the Treasury account is forwarded to the Accountant General with the necessary accounts particular and vouchers. Printed forms are used in every practicable case, and the business of preparing and examining the accounts is thus facilitated and expedited.

13. This brief statement will suffice to shew that the Madras system of accounts is sound. The subject of accounts has, in fact, occupied the attention of this Government and the Board of Revenue for years past; the entire system has been re-modelled, and printed Manuals in English and the vernacular prepared for every branch of the Revenue Administration. The Village Manual contains full instructions with forms for the Village officers. The Talook Manual contains the same for the Talook officers. It has cost much time and trouble to bring things into their present state of efficiency; and to change the system, merely because the method of account prevailing elsewhere is open to objection, would be most inconvenient, unwise, and expensive. The proposal of the Commissioners that the Tahsildars should only keep simple cash accounts and transmit these daily or at short intervals, with vouchers to the Collector, would be altogether a retrogressive measure, so far as the Talook accounts are concerned; while the Collector's Office would be overwhelmed with work; the submission of the accounts would be delayed, and additional Clerks and Accountants would be rendered necessary; and it is not easy to see, what advantage would be gained. Whatever may be the case in Bengal, it is the fact that in Madras, the Talook officials have been taught to keep their accounts under

classified heads; that they do so efficiently; that their accounts are rendered quickly and punctually, and the Accountant General highly approves of the system. To change a system, introduced with so much labor, and working so satisfactorily, merely because a different system elsewhere has been unsuccessful, is both inexpedient and uncalled for. The proposed change will not lessen the work in the Talook offices, for the Tahsildar *must* keep his accounts classified under appropriate heads for each branch of revenue, in order to know the demand, collection, and balance of each, and to check the transactions of the Village officers. As to the Collector, on the other hand, it is obvious that work now distributed among several offices cannot be done so expeditiously or economically by his office alone. The Talooks in this Presidency are very large, and the transactions, owing to the large number of independent land-holders (40,000 in some) and to the fact that the Talook Treasury is the General Government Bank of the Talook, are so numerous, that the method of keeping merely a cash account is out of the question; for purposes of revenue management alone, classified accounts are an absolute necessity. The Tahsildar, owing to his important revenue and magisterial duties must necessarily be a well paid, educated, and experienced Officer, and there is no reason why advantage should not be taken of these qualifications in the Account Department. It would manifestly be a great advantage, if even the Village officers could keep their accounts in the same form as the Collector does; but 30,000 practised Accountants cannot be improvised. Meanwhile it is, at least, inexpedient that the accounting system of 160 Talooks, well understood and carefully observed as it is, should be reduced to mere cash books.

14. The Government do not therefore hesitate to deprecate in the strongest terms this radical change. As already stated great importance has always been attached in this Presidency to the system of account, and great attention paid to it. Manuals for the guidance of each class of officers in each Department, have been prepared, the Officers carefully instructed in their duties, the establishments re-organized and rendered efficient, and a close supervision exercised by the Board of Revenue direct from their own office. The result is a system which works well and smoothly; which meets all local necessities for efficient administration, as well as imperial requirements, for no complaint has reached the Government on the latter score. The recommendations of the Commissioners are undoubtedly deserving of great weight and consideration; but unfortunately they know nothing of the Madras Presidency, and the system on which they comment is evidently a very different one from that in force here which, however susceptible of improvement in details, is sound in principle, satisfactory in practice, and well adapted to local peculiarities. The Government entirely concur with the Revenue Board that the Madras system should not be thus dealt with, until, at least, the Commissioners have made themselves personally acquainted with it by visiting the Presidency, and have established, that change is necessary and will be sufficiently advantageous to counter-balance the inconveniences which necessarily accompany the introduction of new measures. The Government, as above remarked, are unaware that the Madras accounts fail to furnish any information required for imperial, while they fully subserve all local purposes.

15. The Government will proceed to remark briefly on the chief paragraphs of the report:—

Paragraphs 75—79.

They administer the revenues; he keeps the accounts.

Paragraph 76.

done so for years past. The Accountant General here occupies the position implied by the name of his office, and though often asked for advice in matters of finance and account, does not administer the revenues.

Paragraph 77.

18. The Board of Revenue have an officer already for this purpose, whose competency in all matters of account is unquestionable.

Paragraphs 80—81.

19. The Tahsildary system prevails throughout the Presidency. The Tahsildars (158 in number) are also Magistrates, &c., their salaries range from Rupees 150 to 225 per mensem, and an annually increasing number of them are men of good English education. A Tahsildar's office comprises a Sheristadar, who is also a Magistrate, from six to eight Clerks, a Shroff and Peons. In Zemindary tracts the revenue is paid usually into the Talook or District Treasury and sometimes at Madras. In Ryotwary tracts it is paid, as before explained, to the Village officers.

Paragraph 82.

20. The cash is always examined monthly by the Collector or a Covenanted Officer, and if none be present by the Deputy Collector.

Paragraph 83.

21. No such estimates are known here. The Tahsildars on the last day of the month, or at latest on the following day, send their monthly account of actual transactions to the Collector, as recommended by the Commissioners.

Paragraph 84.

22. The classification of items as already remarked is now done with accuracy, expedition and economy in the Talook offices, and any change is highly inexpedient; indeed impracticable, unless double accounts are to be kept.

Paragraph 85.

23. The above remarks apply equally to the Head or Collector's Treasury.

Paragraph 86.

24. The accounts are sent to the Accountant General within 10 days after the end of the month to which they appertain and include all transactions of that month. Greater expedition is impracticable owing to postal arrangements.

Paragraph 88.

25. The deposit account is carefully looked after and kept as low as possible; there has been some laxity on this point which is being corrected.

Paragraph 89.

26. The Forest Department is here managed in the Revenue Department, and a Manual of Accounts was prepared at the outset. The Conservator is not a disbursing Officer, and therefore audits the monthly accounts of his Department, which however are annually reviewed and specially reported on to Government by the Board of Revenue.

Paragraph 91.

27. The Abkarry is rented except in the Town of Madras, and controlled entirely by the Board of Revenue.

Paragraph 95.

28. The Income Tax in Madras is under a Commission, of which a Member of the Revenue Board is President. In the Provinces it is under the Collectors and the Board of Revenue. The Accountant General is not here furnished with such minute details, as appears to be the case in Bengal.

Paragraphs 98, 99.

29. The simple process, here suggested, of dealing with the division of the Income Tax between Revenue and Public Works was recommended by this Government, but negatived.

Paragraph 103.

30. Payments on account of revenue are credited at once, not retained as deposits.

Paragraph 104.

31. The principle here advocated is followed in Madras, and appointments to public offices rest with heads of Departments.

Paragraphs 108, 109, 110.

32. The rules regarding Salt Revenue will be found in the Salt Manual.

Paragraphs 111—117.

33. There is no Opium revenue in this Presidency.

Paragraphs 120—135.

STAMPS.—34. The administration of the Stamp Revenue has formed the subject of considerable discussion with the Supreme Government and need not be separately noticed here. The dies are all kept by the Superintendent of Stamps, and the counter-stamp is considered a very valuable security.

35. The question of abolishing the system of Pre-audit will be considered in the Financial Department. In this Presidency all revenue charges other than salaries and fixed payments are practically audited by the Board of Revenue, who can alone determine whether in regard to rate, amount, &c. they ought to have been incurred. The Civil Paymaster merely verifies the arithmetical processes. In the case of tentage for instance, the Civil Paymaster can see that an Officer who is out in tents for the whole month (say) of September, does not draw for 31 days, or more than 30 times the daily rate, but he is wholly unable to judge whether there was any public necessity for his being out in tents at all; the Board of Revenue have the means of deciding this point, and therefore it has been the practice here for such bills to be submitted by Collectors for their sanction in the first instance.

Paragraph 213.

36. As regards payments in the Provinces it must be remembered that in this Presidency the Collector is in entire charge of the District Treasury; the Government strongly object to any measure tending to lessen this responsibility or to render the Collector's subordinates in any way independent of him. The present system of placing the Collector in funds for payments needs no alteration; the plan proposed by the Commissioners would often be most inconvenient here.

ACCOUNTS.—37. The Tahsildaries in this Presidency are very different from those described in paragraph 217 of the Commissioner's Report; the collection of revenue is really made in the villages, and looking at the size of the Madras Districts, it would be impossible to restrict payments to the Collector's Treasury. The Madras Village officers correspond more nearly with the Sub-Treasuries described by the Commissioners. The plan of making payments only from the chief Treasury was in force here prior to 1855, and cash used to be sent from one end of a District to the other, and sent back again for local disbursement. The system was fully tried and failed, and any reversion to it is out of the question. The present plan is the best; the Tahsildar sends the Collector a monthly estimate of his cash requirements; retains in his Treasury the amount sanctioned by the Collector; remits the balance, and makes disbursements from the reserved portion on the Collector's written orders. This plan has been tried and found successful, while the other has been tried and has failed. The Government very much doubt whether the Commissioners would have made their recommendation, if they had been aware of the real character of the Madras Tahsildaries. The transmission of daily accounts is useless and impossible.

Paragraph 218.

38. The voluminous documents mentioned in this paragraph are not in use at Madras. The classified system of account has long been in operation, is perfectly understood, works well, and should on no account be altered. The monthly Treasury Account here comprises but 12 foolscap instead of 32 folio pages, and the Supplements though apparently numerous, for the most part do not exceed a quarter of a foolscap sheet.

Paragraph 220.

39. The system of classified accounts does not here cause delay, nor is the preparation of the account postponed till the month has expired. The daily transactions are daily posted in well arranged abstracts, which are closed on the last day of the month. The Talook accounts being received in the same complete form, are easily embodied in the general account. The mere fact that notwithstanding the time occupied by the Post from distant Talooks, the Treasury Account is despatched complete by the 10th of the month, is sufficient proof that the classified system,

when worked by properly trained Officers, does not entail delay. No time would be gained, and no reduction of establishment would be caused by introducing unclassified accounts, while the Revenue Officers with only these would be in ignorance of the transactions of their Districts. Moreover, the unclassified system entails resort to the expedient of various registers, as proposed by the Commissioners, and the cash account will cease to be a faithful account of all actual transactions.

Paragraph 224.

40. The arrangement in paragraph 224 omits the Talook accounts received after the 1st of the month. Several Talooks in this Presidency are three and four days post from head quarters, and consequently the transactions of these days would be omitted from the Cash book and Bi-monthly list of disbursements: in other words, the account of a month would not be the account of the whole month (as the Madras accounts now are,) and such imperfect accounts are sure to cause confusion.

Paragraph 225.

41. In this Presidency the Collector, in communication with the Accountant General and Police Department, arranges all remittances, and it is undesirable and quite unnecessary that Tahsildars should have the power of sending coin to other Talooks at their discretion.

Paragraphs 246, 247.

42. Government paper deposited as security by public servants and others is endorsed to the Collector and kept in the Collector's Treasury, under set rules. The proposal to cancel such notes and make the deposit a book-debt for the time would only entail unnecessary labor and risk. Securities can be kept as safely as coin, if proper rules for their custody are prescribed and enforced.

Paragraph 248.

43. The Collectorate accounts in Madras are all kept in English; the Talook accounts are of necessity kept in the vernacular language of the District with English figures. Education is now spreading rapidly, and before many years are past, almost every Talook Officer will be acquainted with English. A large proportion of the Tahsildars and Sub-Magistrates already are good English scholars.

Paragraph 252.

44. Printed forms are employed in every practicable case. The Collectorate Presses (of which there is one in each District), afford great facilities for this important improvement, and have been fully made use of to the great economy of time, money, labor, and stationery.

Paragraph 258.

45. The English entries in the Collectorate Offices are made direct from the vernacular documents.

Paragraph 262.

46. The examination of the cash chests is strictly enforced, and monthly certificates thereof are regularly submitted.

Paragraph 449.

47. Permanent advances in the Revenue Department are already at a minimum: their amount for 1865-66 is under £6,000, on a gross revenue of six millions.

Paragraph 454.

48. The question of having but one year of account is highly important. The Commissioners remark that there are now—

I.—The calendar year.

II.—The Umlie year, commencing 1st June.

III.—The Bengal year, commencing in the middle of April.

IV.—The Fusly year, commencing on the 10th June.

V.—The Madras Fusly year, commencing on the 1st July.

VI.—The English Financial year, commencing on the 1st April.

VII.—The Indian Financial year, commencing on the 1st May.

12 *Proceedings of the Madras Government, Revenue Department,*
20th March 1865.

49. The fifth and seventh are in use in Madras, and hence two sets of accounts are kept. The Fusly year used to commence on the 12th July; but a change was made in 1855, and it now commences on the 1st July. Its advantage is that it suits the agricultural peculiarities of the country better than any other, and as the great bulk of the revenue is drawn from the land, this is a consideration of importance. The Secretary of State in 1859 directed its retention for reasons of this nature. The Board feeling the great inconvenience of having two years, do not advocate the retention of the Fusly year *together with* that of the official year. They believe that "the abolition of the Fusly year will be productive, for some time to come, of all the inconvenience that is inseparable from the substitution for a well known and long established system, of one with which the people, as a body, are altogether unacquainted and cannot readily become familiar. They recognize the force of the objection that much of the statistical information that has been accumulated in past years will become comparatively useless; "but they remark that *if the official year is to be retained*, the advantages of having but one year of account will counterbalance the disadvantages of abolishing the Fusly year. This line of argument, however, presupposes the excellence of the official year and assumes that it will, under all circumstances, be retained. The Commissioners, however, show that it does not really answer any good purpose. "It throws the consideration of the Budget and the closing of the annual accounts into the hottest period of the year, and sends the annual accounts home at a period too late for the consideration of Parliament." It is clear therefore that the admitted superiority of the Fusly should give it the decided preference over the Official year.

50. The Commissioners show also that if the English official year were adopted, the accounts would reach England too late for Parliament; while the Revenue Board's proposal is absolutely dependent on the single year of account not commencing earlier than the 1st May.

51. The calendar year is wholly unsuited to Madras for administrative purposes, as it would not include "a single cycle of the agricultural year, which is all important in this country in relation to the public revenue."

52. The adoption of the Umlie or Bengal years would obviously be useless, as they differ so little from the English and the Fusly year.

53. It follows therefore that the Fusly year is the one which should be retained in Madras for all administrative purposes. As another must be adopted to meet English requirements, it would involve less labor and confusion to close the accounts of each Fusly half-yearly in the Accountant General's Office and adopt the calendar year as the year of account, than to keep up two such distinct sets as those now prepared. The calendar year's accounts would thus comprise the last half of one and the first half of the next Fusly year, and would reach England in ample time for Parliament, while the Fusly year would be retained for local purposes of administration.

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

Rev Dep

N. 615

Proceedings of the Madras Govt
Under date the 20th March 1865

Recd the following
letter from the Secretary to the
Board of Revenue.

Submitting Board's remarks
together with a Memo by their Secy
Sheristadar, on the report of the
Account Commissioners on the
system in Financial Department.

(Here enter 11th January 1865)
N. 131.

In the
letter above re-
corded the B^d of
Rev. submit their
views on the re-
port of the Commis-
sioners of Enquiry into
Indian Accounts
on

the Constitution and
procedure of the Fi-
nancial Departt.
and forward a Memo.
on the subject by
their Head She-
rustadar who has
been engaged for
several years in
managing and im-
proving the Acc.
system of this Presd.

The Govt. will
here discuss only
those parts of the
Commr's report which
relate to the Rev. Dept.
reserving the other
portion for consi-
deration in the Fin. Dept.

The

Revenue & Receipts

MR

2 &
The Revenues
of the Mahrar be-
sidency are admi-
nistered by the Board
of Revenue, consisting
~~of three members~~ - There
are no Commission-
ers as in Bengal. -
The Board has
an account de-
partment of its
own, and every
matter of revenue
administration and
account

account is super-
vised and contr-
olled by the Board.-
The system which
appears to prevail
in Bengal, of leaving
all matters of reve-
nue account to the
Accountant General
and even looking to him
for a rent-roll is wholly
unknown here.-

31 The Presidency is
divided into 9 districts
and the greater
bulk

3 7
bulk of the country is
settled on the ryotwary
principle - under which each
landholder has the right
of annually increasing or
diminishing the extent of
his estate - the rate of as-
sessment per acre however
remaining unchanged. The
ryotwary revenue is in round
numbers $3\frac{1}{2}$, while the
zemindary revenue is only
 $\frac{1}{2}$ a million sterling. It
is obvious that under
such circumstances the
accounts must be, as
they are kept and con-
trolled by the Board
of Revenue. The revenue
(excepting zemindaries)
is

is received in the
first instance by
the Village officers
whose accounts are
of the simplest des-
cription practicable.
There are about 30,000
ryotwary villages in
the Presidency. The Vil-
lage accountant keeps a
ledger showing the de-
mand, collection and
balance against each
^{individual}
~~landholder~~ the Head-
man of the Village col-
lects the dues of Govt.
receipts are granted for
payments and the
sums received are entered
in

in the daily cash book.
Towards the close of
the month about the
24th or 25th the village
collections are forwarded
to the Tahsildars Put-
cherry with an Invoice
giving the necessary par-
ticulars of the remittance.
A receipt at the
Tahook office, the remit-
tance is compared with
the invoice and entered
by the Head Clerk in
his day book. The coins
are examined by the Khoff
who enters the amount in
his ^{Cash Chitga} ~~day book~~ and lodges
it in the Cash Chest. The
invoice is then receipted
by

by the Head Clerk - the
Shroff and either the
Sabsildar or Sheris-
tadar and returned to
the village - where it is
retained as a voucher.

During the month
the Sabsildar makes
a variety of disburse-
ments from his ex-
treasury on the orders
of the Collector -
having a small fund
from which to make petty
payments on his own
responsibility - these pay-
ments being submitted
in a Contingent bill
monthly for the sanc-
tion of the Collector.

the

5
The day book and ex-
cash chitta are closed ev-
ery evening - the cash
balance struck - and the
contents of the expense-
chest examined, to see that
the balance is correct, when
the books are compared &
initialled by the Head Clerk,
Shroff, Sheristadar and Sah-
sildar.

The Head Clerk ex-
keeps abstracts, one for
receipts and one for dis-
bursements - into which the
entries from the day book
are daily posted accord-
ing to the Budget heads
of classifications - the
Treasury closes early on
the last day of the month -
and from the Abstracts
a complete Account ex-
Current is made up &
forwarded

forwarded the same eve-
ning or the next morning,
to the Collector's office, with the
necessary vouchers and a
demand, Collection and Bal-
ance statement for the se-
veral sources of Revenue. The
Salook Treasury is examined
on the last day of the month
by the Sahsildar and the
fact certified by him in
the monthly account. On the
25th of each month the
Sahsildar sends the Collector
an estimate of his requirements
for payments during the fol-
lowing ^{month} and retaining such
an amount as the Collector
sanctions. - credits the balance
on the 1st or 2^d of the month
to the Collector's Treasury.

A similar course is
followed in respect to other
than Land Revenue transactions.

In

23 In the Collector's Office,
the Treasury, and English and
Vernacular accounts are under
the charge of a Deputy Collector
who has also other duties to
perform as Magistrate &c.
Every item of receipt or dis-
bursement is first entered,
as it occurs, in the English
day book, and order thereupon
issued to the Treasurer who
receives or disburses accordingly.
The Treasurer's clerk enters
these transactions consecutively
in his Cash Chitta and keeps
the orders as ^{his} vouchers. This
Chitta is closed at 5 P.M. -
and the balance struck and
the Cash in the cofrence chest
examined. The same evening
or at latest next morning
the

The Deputy Collector compares the Chitta with the Day-book and initials them, if correct. The bulk of the Cash is kept in chests under the keys and seals of the Collector and his Deputy, and the Treasury is invariably examined once a month by the Collector, a Covenanted assistant officer, or the Deputy Collector, and the result stated to the Board of Revenue & Acc^t Genl.

The Talook accounts Current which reach the Collector between the

7th 13
the 1st and 4th of the month (succeeding that to which they relate) are examined ^{on} receipt abstracted and totalled and by the 10th of the month, the Treasury account is forwarded to the Accountant General with the necessary accounts particular and vouchers. Printed forms are used in every

every practicable case,
and the business of
preparing and examin-
ing the accounts is
thus facilitated and
expedited.

This brief
statement will suffice
to show that the
Madras system of
accounts is ^{sound.} ~~not~~ ^{few}
~~to the contrary.~~
~~as the examiners.~~

The subject of ac-
counts has in
fact

14
fact occupied the at-
tention of Government
of Revenue
and the Board for
years past. The entire
system has been re-
modelled, and printed
manuals in English
and the Vernacular
prepared for every
branch of the revenue
administration (Land
Revenue, Stamp, &c.
~~etc.~~). The village
manual contains full
instructions with
forms for the Village
officers. The Talook
Manual contains
the same for the Talook
officers. It has cost
much.

much time and trou-
ble to bring things
into their present
state of efficiency;
and to change the
system, merely be-
cause the ^{different} method
of account ^{prevailing} elsewhere
is ^{open to objection} ~~unsound~~, would
be most inconvenient,
unnecessary - and expen-
sive. The proposal
of the Commissioners
that the Tahsildars
should only keep
simple cash accounts
and transmit these
daily or at short
intervals with vouchers
to

15
to the collector, would
be altogether a retro-
gressive measure, so
far as the Tahsildar
accounts are concerned.
while
the collector's office
would be overwhelmed
with work - the sub-
mission of the accounts
would be
delayed - and addi-
tional clerks and
accountants ^{would be} rendered
necessary - and it is
not easy to see what
advantage would be
gained. Whatever
may be the case in
Bengal, it is the
fact that in Madras
the

the Taluk officials
have been taught
to keep their accounts
under classified heads
that they do so effi-
ciently - that their
accounts are rendered
quickly and punc-
tually - and so far
as the Government
are aware - no com-
plaint is made by
the local Accountant
General against the
system. To change a
system - introduced
with so much labor
and working so satis-
factorily - merely be-
cause a different
system elsewhere has

the Accountant General
highly approves of
the system.

been unsuccessful 10
~~proved a failure~~ is
surely both inexpedient
and uncalled for. The
proposed change will
not lessen the work
in the Taluk offices.
for the Tahsildar
must keep his accounts
classified under appro-
priate heads for each
branch of revenue, ⁱⁿ ~~order to know~~
~~only to know~~ the De-
mand, Collection and
Balance of each and
to check the transac-
tions of the Village
officers. as to the Colls
on the other hand -
it is obvious that work
now distributed
among

among several officers
cannot be done so ex-
pediently or econ-
omically by his office
alone. The Taluhs
in this Presidency
are very large and the
transactions - owing to
the large number of
independent landholders
(40,000 in some) and
the fact that the Taluk
Treasury is the General
Government Bank
of the Taluk - are so
numerous, that the pre-
sented method of keep-
ing merely a cash ac-
count is out of the
question: for purposes
of revenue management,
alone classified accounts
are an absolute necessity.
The

The Talukdar, owing to
his important revenue and
magisterial duties, must
necessarily be a well paid-
educated and experienced
officer, and there is no
reason why advantage
should not be taken
of these qualifications in
the account department.
It would manifestly
be a great advantage, if
even the village officers
could keep their ac-
counts in the same
form as the Collector
does - but 30,000 practised
accountants cannot be
improvised. Meanwhile
it is at least inexpedient
that

that the accounting sys-
tem of 160 Subarkas should
be reduced to mere cash-books.

well understood
& carefully revised,
as it is,

The Government do
not therefore hesitate to de-
precate in the strongest terms
the radical changes already
stated great importance has
always been attached in
this Presidency to the sys-
tem of accounts and great
attention paid to its manuals
for the guidance of each class
of officers in each depart-
ment have been prepared
the officers carefully instru-
cted in their duties the es-
tablishments re-organised and
rendered efficient and a close
supervision exercised by the
Board of Revenue direct from
their own office. The result
is a system which works
well

12
well and smoothly - which
meets all local necessities
for efficient administration,
as well as Imperial require-
ments for no complaint has
reached the Govt on the latter
score. The recommendations
of the Commissioners are un-
doubtedly deserving of great
weight and consideration
but unfortunately
they know nothing of
the Madras Presidency,
and the system on which
they comment is evi-
dently a very different
one from that in force
here which however
susceptible of im-
provement in de-
tails is sound in prin-
ciple, satisfactory in prac-
tice and well adapted to
local

local peculiarities. The Govt.
entirely concurs ^{with the Rep^d} that the Madras
system should not be there
dealt with, until at least
the Commissioners have made
themselves personally acquaint-
ed with it by visiting the
Presidency and established
that change is necessary and
will be sufficiently ad-
vantageous to counterbalance
the inconveniences which ne-
cessarily accompany the in-
troduction of new measures.
The Govt, as above remarked,
are unaware that the Madras
accounts fail to furnish
any information required
for Imperial, while they
fully subserve all local
purposes.

The Govt. will proceed
to remark briefly on the chief
paragraphs of the
reports

Para 75.
79.

Para 76.

13
report -

14
The Board of Revenue here are entirely in-
dependent of the Account-
ant General. They admini-
ster the revenues - he
keeps the accounts.

15
The Board keep &
control the revenue accounts
in their own office and have
done so ^{for years past} since the days of
~~Sir E. Munn~~ - The Ac-
countant General here oc-
cupies the position im-
plied by the name of his
office and though often ask-
ed for advice in matters
of finance and account,
does not administer the
revenues.

Para 77.

16
The Board have
an officer already for this
purpose, whose competency
in

in all matters of account
is unquestionable.

The Sahsildary

Para 80.
81.

system prevails throughout
the Presidency. The Sahsil-
dars (158 in number) who
are also Magistrates, ¹⁵⁸ receive
salaries ranging from
Rs 150 to 225 per mensem, and
an annually increasing num-
ber of them are men of good
English Education. A Sah-
sildar's office comprises
a Sheristadar, who is also
a Magistrate, ~~and 4 Revenue~~
~~Inspectors~~, from 6 to 8 clerks,
a shroff and peons. The
pay of Sheristadars ranges
from Rs 45 to 55 Rs and that
of the clerks from ¹²Rs to 20.

In Landward tracts the reve-
nue is paid usually into the Sa-
looh Treasury and sometimes
at Madras. In Ryotwary tracts
it is paid ^{as before} to the Village officers.

The cash is always re-
ceived monthly by the Collector or a Revenue
officer

or District

Para 82.

Para 83.-

14
officers and if none be
present by the Collector.

33 No such estimates
are known or needed here.

The Sahsildars on the last
day of the month, or at la-
test on the following day,
send their monthly account
of actual transactions to the
Collector. - as recommended
by the Commission.

Para 84.-

The classification of
items as already remarked
is now done with accuracy,
expedition and economy in
the Salook offices, and any
change is highly inexpedi-
ent. ^{indeed} ~~not to say~~ impractic-
able, unless double ac-
counts are to be kept.

Para 85.-

35 The above remarks
apply equally to the Head
or Collector's Treasury.

Para 86.-

36 The Accounts
are sent to the Account-
ant General within 10 days
after the end of the
month

month to which ^{they} ap-
-ertain and include
all transactions of that
month. - Greater expedi-
-tion is impracticable
owing to postal arrange-
-ments.

The deposit ac-
-count is carefully look-
-ed after and kept as low
as possible. - but there has
been some laxity on this
point no doubt.

Para 88.-

The Forest Dept.
is here managed in the
Revenue Dept. and a Manual
of Accounts was prepared
at the outset. - The Con-
-servator is not a dis-
-bursing officer and therefore
audits the monthly accounts
of his Dept. which how-
-ever are annually reviewed
and specially reported on
to

Para 89.-

91.

to Government by the Board
of Revenue.

95.

39 The Blkarry is rented
except in the town of Madras
and controlled entirely by
the Board of Revenue.

57 The Income Tax in
Madras is under a com-
-mission; of which a
Member of the Revenue
Board is President. - In
the Provinces it is under
the Collectors and the
Board of Revenue. The
Accountant General is
not here, furnished with
such minute details, as
appears to be the case in
Bengal.

98. 99

The simple process,
here suggested, of dealing
with the division of the
Income Tax between
Revenue and Public Works
was recommended by this

this Government but
negotiated. -

Payments on
account of Revenue are
not
credited at once. ~~but~~ re-
tained as Deposits.

103.

104.

The principle here
advocated is followed in
Madras, and appointments
to public offices rest with
Heads of Departments
except in respect of a
few of the higher classes
of appointments which are ~~made by~~

The rules re-
garding Salt Revenue
will be found in the
Salt Manual.

108-9-10.

There is no Opium
Revenue in this Presidency.
The

III to III.

Paras 120
to 135. -

Stamps.

149

Fees.

E X p e n d i t u r e .

The administration
of the Stamp Revenue has
formed the subject of
considerable discussion
with the Supreme Govern-
ment and need not be
separately noticed here.
The dies are all kept by
the Superintendent of
Stamps - and the Counter-
stamp is considered a
very valuable security.

The Government revenue
from Fees in this Presi-
dency is very trifling.

The Government
actively concern as to the
expediency of abolishing
the system of Pre-audit.
The inconvenience,
correspondence and
delays which it causes
far outweigh the
advantages it is
supposed to realise -
a large portion of
the

the expenditure of
the country is not
subjected to pre-
audit - while as to
salaries and fixed
charges it is really
useless - There is,
nothing in the sys-
tem of post-audit
to induce errors or
cause delays - and as
a post-audit is under
any circumstances
necessary to show that
the money pre-audited
has actually been dis-
bursed or sanctioned.
the process of pre-auditing
may safely be dispensed
with. In fact in this
Presidency all revenue
charges other than salaries
and fixed payments are
practically audited by
the

The question of
abolishing the system
of Pre-audit will
be considered in
the Financial Dept
In this Presidency
all revenue charges
other than salaries
& fixed payments
are practically audited by

Stet

the Board of Revenue, who
can alone determine whether
in regard to rate, amount
year they ought to have
been incurred. The Civil
Paymaster merely veri-
fies the arithmetical process-
es. In the case of Tentage
for instance, the Civil Pay-
master can see that an
officer who is out in tents,
for the whole month (say)
of September does not draw
for 31 days or more than 30
times the daily rate. but
he is wholly unable to
judge whether there was
any public necessity for his
being out in Tents at all.
The Board of Revenue have
the means of deciding this
point and therefore it
has been the practice
here for such bills to be
submitted by collectors
for their sanction in the
first instance. It would
obviously

obviously entail little extra
trouble if the Board
completely audited the
bill and there can be
little doubt that a De-
partmental audit is the
most efficient security

Some arrangement of the
kind here suggested would be
desirable, as it would be in-
convenient for each Head
of a Department to draw
cheques on the bank.

As regards payments
in the Provinces, it must be
remembered that in this Presidency
the Collector is in entire charge
of the District Treasury -
the Govt strongly object to any
measure tending to lessen
this responsibility or to render
the Collector's subordinates
in any way independent of
him. The present system
of placing the Collector in funds
for payments needs no alteration -
the plan proposed by the Com-
missioners would often be most
inconvenient here -

The

Paras 201 to 212.

Para 213.

Accounts -

18
The Tahsildars
in this Presidency are
very different from
those described in para
of the Commission's Report
217 - the collection of
Revenue is really made
in the villages and
looking at the size of
the Madras District, it
would be impossible
to restrict payments
to the Coll^y Treasury -
The Madras village
officers correspond more
nearly with the Sub-
Treasuries described
by the Commissioners.
The plan of making
payments only from
the Chief Treasury
was in force here
prior

prior to 1855, and cash
used to be sent from
one end of a District
to the other, ^{and} to be sent
back ^{by wire} for local disburse-
ment. The system was
fully tried and failed
and any reversion to
it is out of the ques-
tion. The present plan
is the best - the Tahsil-
dar sends the collector
a monthly estimate of
his cash requirements -
retains in his Treasury
the amount sanctioned
by the Coll^r - remits the
balance and makes
disbursements from
the reserved portion
on the collector's
written

19 25
written orders. This
plan has been tried
and found success-
ful, while the other
has been tried and
has failed. The
Government very much
doubt whether the
Commissioners would
have made their re-
commendation, if
they had been aware
of the real charac-
ter of the Madras
Tahsildars and of
the qualifications
of Madras Tahsil-
dars. The transmis-
sion of daily accounts
is useless. —
The

The ushmi- Para 218.
new documents men-
tioned in this para-
graph are not in
use at Madras.

The classified sys-
tem of account
has long been in
operation - is
perfectly under-
stood - works well
and should on no
account be alter-
ed. The Monthly
Treasury Account
now comprises but
12 foolscap instead
of 32 folio pages -
and the Supplement
though

Para 220.

though apparently
numerous, for the most
part, do not exceed a
quarter of a foolscap
sheet.

The system of clas-
sified accounts does
not here cause delay -
nor is the preparation
of the account post-
poned till the month
has expired. The daily
transactions are daily
posted in well arran-
ged abstracts which
are closed on the
last day of the month.
The Talook ac-
counts being re-
ceived in the same
complete form are
easily embodied in
the general account.

The

The mere fact that notwithstanding the time occupied by the post from distant Talooks, the Treasury account is despatched complete by the 10th of the month is sufficient proof that the classified system - when worked by properly trained officers does not entail delay. No time would be gained and no reduction of establishment would be caused by introducing unclassified accounts - while the revenue officers with only these would be in a most undesirable state

27
~~state of ignorance~~ as to the transactions of their Districts. Moreover the unclassified system entails resort to the expedient of various registers, as proposed by the Commissioners, and the cash account will cease to be a faithful account of all actual transactions.

~~(para 222-3)~~

Para 224

The arrangement in para 224, omits the Talook accounts received after the 1st of the month. Several Talooks in this Presidency are 3 and 4 days post from

from Head Quarters,
and consequently
the transactions of
these days would
be omitted from the
Cash book and Bi-
monthly List of
Disbursements - in
other words the account
of a month would
not be the account
of the whole month -
[as the Madras ac-
counts now are found
such ~~these~~ imperfect ac-
counts are sure to
cause confusion -

In this Pre- Para 225
sidney, the Collector
in communication
with the Accountant
General.

72
General and Police
Department arrange
all remittances,
and it is undeni-
and quite unneces-
sary that Taluk-
holders should
have the power
of sending ^{coin} to other
Talooks at their
discretion -

Para 24, 6-7

Government paper
deposited as security
by public servants and
others, is kept in the
Collector's Treasury -
under set rules. The
proposal to cancel such
notes, and make the
deposit a book debt for
the time would only be
to entail unnecessary
labor

labor and risk, and securities can be kept as safely as coin, if proper rules for their custody are prescribed and enforced.

Para 248. The Collectorate accounts in Madras are all kept in English - the Talook accounts are of necessity kept in the vernacular ^{language} of the District with English figures. Education is now spreading rapidly, and before many years are past, almost every Talook officer will be ^{with English} acquainted, ~~only those~~ who know English would fill the offices with mere school boys. A large proportion of

Para 252

23 of the Tahsildars and Sub Magistrates, ^{already} are good English scholars. British form are employed in every practicable case. The fol-

(of which there is one in each District) - Collectorates Presses afford great facilities for this important improvement, and have been fully made use of to the great economy of time, money, labor and stationery.

" 258

The English entries in the Collectorate offices are made direct from the vernacular documents.

" 262

The examination of the cash chests is strictly enforced, and monthly certificates thereof

thereof are regularly
submitted.

The Government Para 300
have already urged,
but without success,
the abolition of cash
payments for service
Telegrams.

The Govern- 385-6
ment disapprove of
the constitution of
the present Finance
Department. It is
understood to have
caused a large in-
crease of expenses -
and the Commission-
er's report shows con-
clusively how little

good

of Privilege Permittances has
never been carried to the
extent or abused in the
manner indicated by the
Commissioners. It must be
remembered that Collectors
and their assistants are
precluded, by Law, from
having pecuniary dealings
with natives within their
jurisdiction and it is
therefore necessary that
when there is no Bank,
the Government should
remit a portion of their
salary to the Presidency

Town.

Town. A single
remittance monthly will
however suffice, and this
should be granted gratuitously,
as the necessity
is caused by the Government
itself.

Permanent advances 449.
in the Res. Dept
are already at a minimum.

their amount for 1865/6 is
under £ 6000 - on a gross
revenue of six Millions.

The question of having 454.
but one year of account is
highly important. The Com.
missioners remark that
there

there are now -

I The Calendar year.

II Vaisak year, commencing
1st June.

III The Bengal year, commencing
in the middle of
April.

IV The Fudli year, commencing
on the 10th June.

V The Madras Fudli year,
commencing on the 1st July.

VI The English Financial
year, commencing on 1st
April.

VII The Indian Financial
year, commencing on the
1st May. - The fifth and
seventh are in use in
Madras

Madras. and hence two sets
of accounts are kept. The Fussy
year used to commence on
the 12th July - but a change was
made in 1855, and it now
commences on the 1st July -

Its advantage is that it suits
the agricultural peculi-
arities of the Country
better than any other,
and as the great bulk
of the revenue is drawn
from the land -
this is a consider-
ation of
importance

26
importance. The Secretary
of State in 1859 directed
its retention for reasons
of this nature. The Board
feeling the great incon-
venience of having two years
do not advocate the retention
of the Fussy year together
with that of the official
year. They believe that the
abolition of the Fussy year
will be productive for some
time to come of all the in-
convenience that is inseparable
from the substitution for a
well known and long es-
tablished system, of one
with which the people, as
a body, are altogether
unacquainted and cannot
readily become familiar.
They recognise the force
of

of the objection that much of the statistical information that has been accumulated in past years will become comparatively useless, but they remark that if the official year is to be retained, the advantages of having but one year of account will counterbalance the disadvantage of abolishing the Fussy year. This line of argument however presupposes the excellence of the official year and assumes that it will, under all circumstances be retained. The Commissioners however show that it does not really answer any good purpose. "It throws the consideration of the Budget and the closing of the Annual accounts into the hottest

the heat period of the year and sends the Annual accounts home at a period too late for the consideration of Parliament." It is clear therefore that the admitted superiority of the Fussy should give it the decided preference over the official year.

The Commissioners show also that if the English official year were adopted, the accounts would reach England too late for Parliament while the Board's proposal is absolutely dependent on the single year of account not commencing earlier than the 1st May.

The Calendar year is wholly unsuited to ^{for administrative purposes} Madras, as it would not include "a single cycle of the agricultural year, which is

is all important in this country in relation to the public revenue."

The adoption of the Umrie or Bengal would obviously be useless as they differ so little from the English and the Fusty year.

It follows therefore that the Fusty year is the one which should be retained in ~~India~~ ^{Madras} for all administrative purposes. If another must be adopted to meet English requirements, it would probably involve less labor and confusion to close those ~~of the Fusty~~ ^{of the Fusty} accounts half yearly in the Accountants General's office and adopt the ^{as the year of account} calendar year, than to keep up two such distinct sets as those now prepared. The Calendar year's accounts would

would thus comprise the last half of one and the first half of the next Financial year and would reach England in ample time for Parliament.

I doubt whether more can be said in reply to the Commissioner's observations. As shown in this Draft in the form of the 18th of Nov. and in Jayram Chetty's Memoir, the Commissioner have had to deal in Bengal, with a state of things very different from that of this Presidency. In most respects they recommend the adoption of much which has long ago been adopted. In other their proposals would have a retrograde effect on the Accountants' Department. I show the necessity of upholding

20. 3. 85

5- To the Financial Dept. Dec 27 1884
119 " the Board of Revenue

10-8-86
31-8-11

Pro. of the Board of Revenue
for the year 1865

to 6/5

20/2/11
21-5-12

Pro. of the Madras Govt
of 20th March/65

Pro. No. 182-183
15-11-64

Pro. of the Board of Revenue
6 Feb/66 C 426-708
19 March 66 N-674

Reviewing the
remarks of the Board of
Revenue for the report of
the Account Commissioners
the System in Fin. Dept.

342 + 343-