

*Proceedings of the Madras Government, Revenue Department,
20th March 1871.*

No. 260. Read the following Proceedings of the Board of Revenue, dated 23th February 1871, No. 886 :—

Read again Board's Proceedings, dated 24th June 1870, No. 4,386.

Read also the following letter from the Accountant-General, to the Secretary to the Board of Revenue, dated 1st George, 9th No. 5,761.

With reference to the Proceeding of the Board of Revenue, No. 4,386, of

* Received at this office on the 14th July 1870. the 24th June* last, reviewing the report made by Mr. Lilly on the working of the District Treasury and Account Departments, I have the honour to submit the following observations:—

2. The first point which appears to require notice is the suggestion made by Mr. Lilly, that "Daily Unclassified Accounts" be substituted for the Monthly Accounts Current now obtained from the taluqs. To this proposal I am unable to concur, as I do not consider that its alleged advantages will by any means compensate for the large amount of additional labour which the change would impose both on the Taluq and Huzur Establishments.

3. It is perhaps, however, deserving of consideration whether, instead of obtaining a monthly classified account from the Taluq Treasuries for the payments made there, it might not be advantageous, for the reasons given in my letter to the Board of Revenue of 26th July 1866, No. 1,753, to require Taluq Officers to send to the Huzur a weekly account unclassified as regards the disbursements, but classified in respect to the receipts, as the officer on the spot is, as a rule, better able to determine the proper head to which the receipts should be credited than the Treasury Officer at the Huzur.

4. The bulk of the payments in the taluqs are now made upon cheques or takeeds issued by the Huzur Treasury Officer, and I would suggest that when a bill is required to be disbursed either in part or in full at the taluqs, the full amount of the bill should be at once charged off in the Huzur accounts, the amount of the cheque issued on its account on the taluqs being credited in the Huzur Abstract of Receipts to "Local Cash Remittances" minor head "Miscellaneous Cash Remittances." The Taluq Officer would then have merely to send a weekly list of the cheques disbursed by him, the amount of which would be debited in the Huzur Abstract of Disbursements to "Miscellaneous Cash Remittances," the amount of the outstanding or unpaid cheques (of which there would be few) standing at credit of the above head.

5. For each taluq there should be a distinct series of numbers on the cheque, so that the Huzur Treasury Officer might at once, upon receipt of each taluq final account for the month, ascertain what cheques were outstanding, and an agreement arrived at between the amount of the cheques remaining unpaid and the outstanding balance at credit of "Miscellaneous Cash Remittance." To avoid unnecessary entries under the above-mentioned head in the Treasury account, I would propose that the credit and debit under that head for the amount of cheques drawn and paid in the same month should be omitted in the accounts rendered to

this office. Under this arrangement, the only credit and debit to this head in the Treasury account rendered to this office would be the amount of cheques drawn in one month but discharged in another month.

6. The above course it appears to me would save considerable labour to the Taluq E... ent, and would certainly lessen the pressure of work at the Huzur... in the 8th... graph of Mr. Lilly's report. It would also... tirely obviate what is now a frequent... of complaint, namely, the delay in the transmission of the vouchers from the Taluqs through the Huzur to this office, and it would have the effect, moreover, of distributing the work at the Huzur Treasury more evenly over the month.

7. As regards the receipts, Mr. Lilly's proposition, that Collectors should receive monthly returns from officers who make remittances, would certainly be attended with many advantages if it could be carried out; but it is very questionable whether all heads of department would be prepared to direct officers under their control to furnish such returns. Nor is the receipt side of the account so entirely without check as Mr. Lilly seems to suppose, although the system of check is not so uniform as it should and might be.

8. In some cases statements are rendered by this office to controlling heads of departments for analysis with returns received directly from departmental officers, while in others they are sent to this office to be checked with the Treasury accounts.

9. The bills of District Registrar of Assurances contain all that is needful to check the receipts from the Registration Department.

10. For the Forest and Postal receipts, a general receipt is furnished by the Treasury Officer monthly to the officers of those departments, and the Annual Forest account prepared by the Conservator is also checked in my office.

11. In the case of the Postal and Telegraph Departments, an account is sent from this office monthly to the respective compilers of those accounts, Calcutta, and for the transactions of the Public Works Department a monthly Account Current is transmitted to the local Controller here.

12. In the Educational Department, the principal item of receipts is for sale of books, and an account is rendered by the Curator to this office for comparison with the Treasury account. For school fees and contributions to school-houses a quarterly account is furnished by Treasury Officers to Inspectors of Schools.

13. With regard to Judicial receipts, steps have recently been taken to institute a comparison between the credits in the Treasury accounts and the remittances made by officers under their control, by requiring each Civil Judge to render to the High Court a consolidated statement of sums credited to Government.

—Vide Proceedings of High Court of Judicature, No. 1,011, of 20th May 1870.
14. It will thus be seen that, in most of the departments named by the Board, there is some check upon the receipts, and it is very desirable that the Police and Jail Departments, as well as the Municipalities, should be also required to furnish similar returns.

15. It remains now only to notice the check on the Revenue remittances from villages, and it seems to me that, if the suggestions contained in paragraphs 14 to 16 of the Board's Proceedings be fully carried out, the opportunities for

and which now exist in respect to the Revenue receipts will be greatly diminished and fully checked.

The forms prescribed by Mr. Lilly, that Forms D. I., and D. II., should be sent to the High Court, for whom separate Form D. VI. will be sent, and the possibility of having unclassified lists of disbursements.

17. The amalgamation of the Vernacular Account Department will, I have no doubt, be attended with advantage; but it is not that no decided improvement will take place, until the Account Department is freed of the incompetent hands, and a better class of men substituted for them. With the present scale of salaries in the lower posts, it is hopeless to expect that any really efficient men will be induced to enter the department, and I am disposed therefore to concur with Mr. Lilly in thinking that the number of the Accountants should be somewhat reduced, and the salaries of the others raised, and I believe that it would be found that the work could be as speedily and certainly more efficiently performed than it now is.

In this communication the Accountant-General responds to the call made in paragraph 21 of Board's Proceedings reviewing the report of Mr. Lilly, and the Board resolve to submit the whole of the papers for the final orders of Government.

2. It will be observed that on the main question mooted by Mr. Lilly, namely, the substitution of "Daily Unclassified Accounts" for the Monthly Accounts Current from the taluqs, the Accountant-General concurs with the Board as to its inexpediency.

3. A suggestion, however, is made whether, instead of obtaining a monthly classified account from the taluqs for payments made there, it might not be advantageous to require from the taluqs a weekly account, unclassified as regards the disbursements but classified in respect to the receipts.

4. The Board do not quite understand what advantage can be secured by these weekly accounts, if they are simply to be in the place of the daily unclassified accounts already condemned. A weekly account such as is proposed, unclassified for disbursements and classified for receipts, is open even to more objections than daily unclassified accounts for both disbursements and receipts. If it be the object to spread the examining work more evenly over the month in the Huzur Account Department, daily accounts can effect it much more completely than weekly ones.

5. In relation to this proposition, and as a means of carrying it out with greater facility, (though it is not, as far as the Board can see, inseparably connected with it,) the Accountant-General suggests a plan for dealing with disbursements made in the taluqs on orders issued by the Treasury Deputy Collector, which seems to the Board to merit consideration.

6. This plan is to charge off at once in the Huzur day-book under the proper heads the amounts of orders issued on the Taluq Treasuries, crediting the head Local Remittances. The Tahsildars on paying the orders are to simply debit

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the same head in their accounts without classification. At the end of the month the amounts of *unpaid* orders will alone be permitted to stand to credit of Remittances.

that the Tahsildar's Account Classification of the bulk of disbursements at the end of the month, considerable classification of disbursements will be the Treasury Officer's own staff of Accountants, work of the Account Departments will be more evenly spread over the month.

8. The Board see no objection to the adoption of this plan at least tentatively. 9. On the subject of the checks to be introduced over the receipts, the Board concur in the observations made by the Accountant-General in paragraphs 7 to 15 of his letter. Where such checks already exist and are sufficient, no change is necessary, even though the forms in which such checks are enforced may differ. Where none exist they must be introduced in the most convenient form, and in consultation with the heads of the departments concerned.

10. In regard to the reduction of the number of Accountants, with a view to raising the salaries of the others, which is recommended by the Accountant-General, the Board are not prepared to recommend any action at present.

11. The improvements which the Board resolve to suggest are as follow :— (1.) That the Vernacular branch of the Account Department should be gradually amalgamated with the English branch by filling up vacancies with candidates who are acquainted with English, and by distributing the work, so that none of the clerks are mere copyists.

(2.) That diglot cheques, printed at the District Presses, should be substituted for the present Vernacular takeeds.

(3.) That the submission of daily unclassified accounts to the Huzur should not be introduced.

(4.) That arrangements should be made for obtaining returns from the Police and Jail Departments and from Municipalities, which will enable the receipts to be checked.

(5.) That the forms proposed in paragraphs 20 and 21 of Mr. Lilly's report be adopted to the extent specified in paragraph 17, Board's Proceedings, dated 24th June 1870, No. 4,386.

12. A sufficient check on the receipts in taluqs has already been introduced. —Vide paragraph 14 of the same Proceedings, and Circular Order No. VIII. of 1870.

No. 261. ORDER THEREON, 20th March 1871, No. 486.

Miscellaneous.

The Board's proposals generally are approved, and the Government authorize the Board and Accountant-General in communication to carry out the reforms on which they are agreed.

2. The Accountant-General will be requested to place himself in communication with the Inspectors-General of Police and Jails, and the Collectors of

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dicts as Presid Municipal Committees, in view
no system emittances made by

(Signed) W. HUDLESTON,
Secretary to Government.

To the Board of Revenue.
,, the Accountant-General.
,, the Inspector-General of Police.
,, the do. of Jails.

Exd. E. C. Shunker.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 24th June 1870.

Read again letter from Mr. W. S. LILLY, on special duty, dated 11th April 1868, No. 28, recorded in Board's Proceedings, 20th May 1868, No. 3,773:—

Read the following reports from Collectors.

From the	Collector of Ganjam	dated	4th November 1868, No. 1,207.
"	" of Vizagapatam,	" 10th June	" " 503.
" Acting	" of the Godavery District,	" 11th "	" " 147.
" "	" of the Kistna District,	" 19th September	" " 277.
" "	" of Nellore	" 9th October	" " 3,589.
" "	" of Bellary,	" 16th "	" " 251.
" "	" of Kurnool,	" 24th June	" " 237.
" Acting	" of Madras,	" 9th July	" " 230.
" "	" of Salem,	" 19th August	" " 193.
" "	" of North Arcot,	" 22nd December	" " 423.
" "	" of South Arcot,	" 17th July	" " 176.
" "	" of Tanjore,	" 4th November	" " 227.
" Acting	" of Trichinopoly,	" 25th August	" " 163.
" "	" of Madura,	" 20th July	" " 194.
" "	" of Tinnevely,	" 5th October	" " 445.
" "	" of Coimbatore,	" 23rd June	" " 180.
" Acting	" of South Canara,	" 20th July	" " 683.
" "	" of Malabar,	" 6th July	" " 206A.

Read report from Mr. Lilly, dated 15th February 1869, No. 69.

ABSTRACT.—*Treasury and Account Department in the districts.*—Results of Mr. Lilly's enquiries on the working of, submitted with his suggestion for modifications of the existing system.

In submitting, for the orders of Government, Mr. Lilly's report on the defalcations in the Cuddapah Treasury, the Board postponed consideration of the changes in the arrangements and administration of Treasuries proposed by that gentleman, until he had had an opportunity of comparing the state of things he found at Cuddapah with the working of the same department in other districts where the present system was efficiently carried out. They, however, forwarded a copy of Mr. Lilly's report to all Collectors, with a request to report on the working of the present system in their Treasuries, and to name such improvements as their experience may suggest.

2. In their Order of the 24th June 1868, No. 1,779, Government directed that the Board should submit Mr. Lilly's general report, after communicating it to the Accountant-General for his remarks.

3. The report and the Collector's replies have been received. Before sending them on, the Board considered it would be best to give them mature consideration, and they now resolve to transmit them to the Accountant-General, with the following observations:

4. In the first place the Board will review the suggestions made by Collectors.

5. They are unanimously of opinion, that the present Treasury system is working on the whole, very satisfactorily, and that little reformation is needed. Several observe that it is impossible that frauds like those perpetrated in Cuddapah, could have occurred where the system is managed as in their Treasuries.

6. Most of the Collectors are in favour of the proposed amalgamation of the Vernacular with the English Branch of the Account Department. There is in point of fact no necessity for this separation of Accountants, all working under one system and under one responsible officer, and

the change may be introduced *gradually*, as recommended by the Collectors of Tanjore and Malabar, by filling up vacancies with Candidates having knowledge of English, and distributing the work of the Department, in such a manner that a fair share of Account work is allotted to each member, and no one is made a mere copyist of what another does.

7. With the exception of the Collector of Tanjore, who is not a member of the Commission, the reduction of the number of members of the Commission is not considered to be a necessary measure.

7. With the exception of the Collector of Kurnool, all Collectors are decidedly opposed to the reduction of the last three Accountants proposed by Mr. Lilly, with the view of raising the salary of the Chief Accountants. Most of the Collectors would gladly see the salaries of the whole Account Department raised, if possible, but not at the expense of its numerical strength. The Board are aware that since Mr. Pelly's scheme of Treasury work was drawn up, various additional duties have devolved on the departments under the Treasury Deputy Collector, and are disposed to agree with the Collectors that any reduction in the number of Accountants would seriously impair the efficiency of the department. Some Collectors have indeed applied for an addition to the staff of Accountants, on the score of heavy work.

8. On the proposed substitution of Orders, all the Collectors are in favour of it.

8. On the proposed substitution of Diglot Cheques for the present Vernacular Takeeds or Orders, all the District Officers pronounce favourably. In several districts, they have been already introduced, and in the rest, the Board propose to instruct the Collectors to adopt them immediately. Mr. Lilly suggests, that these cheques might, with advantage, be printed at the Government Press at Madras, and, for purposes of better security, on water-marked paper. The Board would leave it to the Collectors to get them printed at their respective Presses, on ordinary paper, for the present. As the cheques with their counterfoil would be stamped with the official seal of the Treasury Officer, the precaution of employing water-marked paper may be dispensed with.

9. The Board will now proceed to consider the suggestion of Mr. Lilly, above recorded, that the Collectors will be enabled to dispense with the services of Accountants, on the score of heavy work.

9. The Board will now proceed to consider the propositions contained in the second report of Mr. Lilly, above recorded. They are summarised by him in paragraph 29 of his Report, and will be noticed in the order they therein appear.

10. The most important change proposed by him is, the substitution of daily unclassified Accounts for the monthly Accounts Current now obtained from the talooks. The reasons for the change are set forth in paragraphs 7, 8, and 9 of the Report. The difficulty to be overcome is, the concentration of a mass of work within the first week of the month, and the consequent danger of its being done very imperfectly by the Accountants. The remedy suggested is the substitution of a daily unclassified account of the cash transactions of the Talook Treasury for the monthly Account Current, the vouchers thus received every day can then be examined leisurely at the Treasury Deputy Collector's Office, and the classification and the posting will proceed at the Huzoor from day to day, as the daily Returns from the talooks are received.

11. The Collector of Tanjore recommends such a change at the Huzoor, while suggesting the transmission of the daily unclassified Accounts from the talooks to the Huzoor, Mr. F. J. ...

11. The Collector of Tanjore recommends such a change, and the Treasury Deputy Collector of Nellore, while suggesting the transmission daily of extracts from the Talook Chittahs, would use them only as checks upon the Talook Account Current, when received at the end of the month. Mr. Lilly states that the idea has been warmly approved of by the Board.

12. The Board observe that this idea is of great value, and that it is of great importance to have the Talook Treasury for the monthly day, as the daily Returns from the talooks are received.

Head Serishtadar's Office, and the classification and the posting will proceed at the Iluzoor

1864, para 10

12. The Board observe that this idea of daily unclassified

Head Serishtadar's Memorandum, dated 12th December 1864, paragraphs 31, 32, 51, 54
Board's letter to Government, 11th January 1865, No. 131, paragraph 33.
Government Order, 20th March 1865, No. 131, paragraphs 13, 37, 39.
Government Order, Financial No. 2, 1865, No. 615, paragraph 40.
April 1865, paragraph 40.

fully endorsed this opinion, and the Government of India consented to leave the existing system of accounts in this Presidency unchanged. The Board consider that the system of unclassified accounts is right in theory, but the obstacles to be overcome are almost insuperable, and the necessity of a change is not evident. The Board have no reason to suppose that the present system is working otherwise than very satisfactorily. That accuracy, expedition and punctuality have been attained under the present system in the preparation and despatch of Financial and Revenue

Returns is not to be doubted. On the other hand, the introduction of the new system must throw a mass of additional work on the limited establishment under the Treasury Officer, which it is to be feared cannot, without considerable additional strength, successfully cope with the increased work. Even the reduction of one Goomastah in each talook is not practicable, and new expenditure, in the present state of the Finances, is simply out of the question. Mr. Lilly's attention does not appear to have been turned to the previous correspondence on the subject, or he might perhaps have hesitated to give so unqualified an opinion in favour of what appeared to him a new system.

13. Subjects III. IV. V. VI. and VII. call for only a few passing remarks. The amalgamation of the English and Vernacular division of the Account branch has been already alluded to. The constituting the Accountants a separate department under a head, on a salary of Rupees 150, is a measure which involves additional expenditure, and, therefore, cannot be entertained at present. There is no objection to knowledge of English and a Vernacular being made a *sine qua non* for employment in the Account Department, and the Board have already, in a preceding paragraph, directed the gradual introduction of Accountants so qualified. The Account test is an examination which must be passed in English. The status of the Treasury Deputy-Collector is, in the Board's opinion, already sufficiently well defined, and recent orders of the Government of India, have declared the complete responsibility of the head of the district in regard to the Treasury. The superintendence of the Collector's English correspondence now nominally in many; and really in some cases, vesting in the Treasury Deputy Collector, may be transferred to the Huzoor Sheristadar, who being intimately connected with the administration of the district, ought to be better able to aid the Collector in this respect.

14. The eighth subject in Mr. Lilly's summary, viz., the introduction of a check on the receipts in the talooks, is a most important one, and has been engaging the anxious attention of the Board for some time. They have recently issued instructions to all Collectors, in view to a regular file of vouchers for payments made into Talook Treasuries being maintained, so as to afford a ready means of check on the sums actually credited in the account. The Revenue remittances from villages will in future be accompanied by duplicate "Irsalnamahs", (Remittance Lists) one in the book form prescribed by the Village Manual, the other on a loose paper. The latter will be regularly numbered and filed for purposes of check. All other receipts, from whatever source, will be similarly covered by a "Chellan" (Note) from the Remitting Officer, which will be similarly numbered and filed. For every sum received, a receipt will be passed, quoting the Chellan, and for every receipt, there will be a counterfoil preserved in the Talook Cutcherry, for purposes of check.

15. As a further check against fraud at the Talook Treasury, it is proposed by Mr. Lilly and approved of by most of the Collectors, that Remitting Officers should make a return of monies sent by them at the end of every month to the Accountant-General. The return should be made to the Treasury Officer who will check it with

to the Treasury Officer who will check it with the sums credited in the Talook Account, and readily detect discrepancies, if any. Such returns will be made by the officers named in the margin. It may sometimes be found impracticable to apply this check before the despatch of the District Treasury Account to Madras, but the knowledge that such a check is in existence, would of itself deter frauds by short-credit at the Talook Treasury.

- 1 Civil and Session Judges.
- 3 Principal Sudder Ameeris.
- 2 Judges of Small Cause Courts.
- 4 District Moonsiffs.
- 5 Officers of the Department Public Works.
- 6 Officers of the Educational Department.
- 7 Do. of the Police Department.
- 8 Superintendents of Jail.
- 9 Officers of the Forest Department.
- 10 Do. of the Postal Department.
- 11 Do. Telegraph Department (if any.)
- 12 All Magisterial Officers levying and remitting fines.
- 13 Vice Presidents of Municipalities.
- 14 Registrars and Sub-Registrars.

16. A complete audit of the sums received into, like the one which is now in force in regard to sums disbursed, out of, a Talook Treasury; would involve the transmission to the head-quarters of the whole file of Village Remittance Lists and other vouchers of credit, and their detailed examination there under the directions of the Treasury Deputy. Keeping in view the number of villages from which separate remittances are made monthly and sometimes oftener, and the number of offices with whom the Talook Treasury has cash transactions, the Board fear that the work of

auditing the vouchers on the Credit side of the account, would assume such proportions, that it would be found impossible to do the work thoroughly without a considerable additional establishment. The Board think, therefore, that this description of check should be exercised daily by the Talook Sheristadar as at present, frequently by the Tahsildar, and occasionally by the Division Officers and their Chief Ministerial Officers, during Jummahbundy, or at other unexpected intervals. At the Cusbah Talooks, this examination may be performed by the Treasury Officer himself, as often as may be convenient.

17. The forms, the adoption of which is recommended in paragraphs 20 and 21 of Mr. Lilly's report, call for a few remarks. D (1) is a Chellan of fines remitted to the Treasury, and D (2) a warrant of refund on appeal. These forms are simple and may be adopted. D (3) is an Irsalna-mah to accompany remittances of land revenue, and may be adopted for other items of revenue also. It is in effect the form already authorised in the Village Manual. D (4) is a form of deposit receipt, and is very similar to the form of receipt prescribed recently by the Board for all monies paid into the Treasury. D (5) is the form of Diglot cheque, which is to supersede Takeeds. It is simple, and may be adopted throughout the Presidency. D (6) is a form of Letter of Credit, and may be used where a specific sum is not ordered to be disbursed, and, therefore, a cheque cannot be issued. This like D (5) should have a counterfoil.

18. The introduction of desks with benches or chairs for the use of all Accountants in the District Treasuries, is a measure involving expense, and can only be gradually introduced. The substitution of printed for manuscript Registers and Returns in all Offices, Talook and District, has been attended to of late years, and considerable progress made in several districts. The Board will instruct Collectors to see that this is done invariably.

19. The suggestion contained in paragraph 27 for the better regulation of grants of leave, does not seem to the Board to be absolutely necessary. It is the duty of every head of an office, and of the head ministerial servant of that office, to make himself acquainted with the rules in force in regard to leave etc., so that, the grant of leave when not due, should be rather rare than frequent. The same may be said of the nomination of Candidates to offices, when not eligible thereto, under the rules.

20. The periodical examination of District Treasuries by Officers of the Finance Department is already provided for by the Rules of that department, and the Board are aware that many Treasuries have been thus visited and reported upon, and steps taken with promptitude for correcting errors pointed out and for removing inefficient servants.

21. The Accountant-General will be requested to favour the Board with an expression of his opinions as soon as possible, in order that the whole matter may be submitted for the orders of Government.

(A true Extract.)

(Signed) J. GROSE,
Acting Secretary.

(True Copy.)

(Signed) J. T. MAYNE,
First Assistant.

To the Accountant-General,
with report from W. S. Lilly, Esq., and a file of Collectors' replies.

.. all Collectors,
with report from W. S. Lilly, Esq.

Exd. G. A. Turton.

No. 69.

From

W. S. LILLY, Esq.,
On Special Duty,

To

THE SECRETARY TO THE BOARD OF REVENUE.

SIR,

THE Government in paragraph 9 of their Order, dated the 24th June, 1868, No. 1,779, passed upon perusal of the Board's Proceedings submitting my Report on the recent defalcations in Cuddapah, were pleased to direct me to "make an extended examination of the working of the Treasury and Account Department in the districts, and to submit, through the Board, my proposals for such modifications of the existing system as I might find necessary." I have accordingly visited the Malabar, Tanjore, Trichinopoly, Coimbatore, Godavery, South Arcot, North Arcot, and Madras Treasuries, and carefully observed the actual condition of each. I now beg leave to submit the results of my inquiries.

2. In paragraph 25 of my Cuddapah Report, I glanced briefly at what, from the experience I had gained in that district, appeared to me to be the chief blemishes of the present system in organization, checks, and forms of Account. It will, perhaps, be convenient if I consider in detail the existing defects and possible improvements under each of these heads.

3. Our present Treasury System is the result of many modifications, introduced from time to time to meet the exigencies of the ever-increasing business of the department. It would be foreign to my purpose to describe, in detail, the rude Accounts which were prepared until 1832; the "Journal and Ledger" by which they were superseded in that year; the assimilation of our system to that which prevailed in Bengal, in 1858, by Messrs. Brecks and Harrison; or the several changes which have been made since that date under the orders of the Board and the Accountant General. I may remark, however, that originally the Account Department was purely vernacular; Writers acquainted with English being employed in such numbers as the work necessitated to compile from the Mahratta the periodical Statements required by the Controlling Offices in Madras. I find, on referring to the records of the Collector's Office at Cuddapah, that in 1807 the Huzoor Establishment contained only two "English" Clerks, each of whom received Rupees 52-8-0 a month—a very handsome salary in those days. In 1819 the cost of the English Establishment had increased to Rupees 275, and the most highly paid officer in it was styled the "Head Accountant." The arrangements at present existing have been in force since 1865, when Mr. Pelly's scheme was finally revised.

4. It will be as well perhaps to describe briefly the Account Department as constituted under this scheme. It is, of course, subject to the general control of the Collector, but the Treasury Deputy is the Officer immediately in charge of it.

Enclosed in the Pro: of
the B: of Rev: & Mad
Sec: to Govt: of 28th
Feb: 1870. 91.888

Board of Revenue,

MADRAS.

PROCEEDINGS, 24TH JUNE 1870, No. 4,386.

Encl.

Received

Recd. 759/11

JUNE

No. 4,386.

Accounts.—Report of Mr. Lilly on special duty, regarding modifications necessary in present system of, in Districts of Madras Presidency, forwarded to Accountant-General, together with Collector's reports on subject, for his observations.

No. 260

His position, however, would seem to be somewhat anomalous. Although "in charge" of the Treasury, and authorized "to correspond direct with the Accountant General" "on ordinary occasion," he is required, "upon every matter of importance," to take the letter and his draft-reply to the Collector, or, to any Covenanted Officer at head-quarters—a requirement which, in practice, subordinates him to the youngest and most ignorant Assistant. Although "competent to negotiate Bills, and to perform all other duties of the Treasury, being himself responsible for the custody of the public money, and the proper observance of all the details" only should be committed to him. In practice, he is usually uncontrolled in his administration of the Treasury, and is the only officer in the district who is conversant with the working of the Account Department.

5. The term "Account Department," I should notice, is not in strictness correct. Under Mr. Pelly's scheme the Accountants do not form a department, but merely a branch of a combined Correspondence and Account Department, at the head of which is the English Head Clerk on a salary of Rupees 150 a month; but the supremacy of the English Head Clerk over the Accountants is merely titular. In none of the districts which I have visited does he assume the least share in their business, or know anything of their duties.

6. The real chief of the Account branch is the English Head Accountant, whose salary is Rupees 85 a month; but generally the English Division, which contains from nine to thirteen Accountants, according to the extent of the financial business of the district, practically constitutes this officer's province, the Vernacular Accountants being regarded as a separate division, working under the orders of their head. In the majority of the districts, as in Cuddapah, these Vernacular Accountants discharge the most important and responsible work of the office; and this, indeed, is in accordance with Mr. Pelly's scheme, in which the duties of the "Head Vernacular Accountant, on Rupees 45 a month," are described as being "to prepare all orders for payment, whether in the Huzoor or Talooks, and to examine the vernacular vouchers received for payments, and the monthly estimates received from the talooks for reserving cash;" "to examine the monthly Talook Accounts in their details;" and "to superintend the preparation of the Jummalibundy Accounts." In these duties he is, of course, assisted by the Accountants subordinate to him, whose numbers vary in the several districts from four to seven. The chief business of the English Accountants is, to compile and fair copy the various Statements and Returns which are periodically furnished to the Controlling Offices in Madras.

7. The most important of all these Returns is the Monthly Treasury Account, the nature and manner of preparing which it will be desirable, I think, to show fully. It is, of course, a mere compilation from the more detailed Accounts of the Huzoor and Talook Treasuries. The primary Account in every Treasury is that known as the "Chitta," which is, in fact, a mere list of the daily receipts and disbursements. In the Huzoor Treasury this Account is kept by the Second English Accountant,

who every day posts it into a classified Account, called the Huzoor Abstract; in the talooks by the Second Cash Gumastah, whose duty it is similarly to post it into the Talook Abstract; but, in practice, these postings are made in the talooks very irregularly and very incorrectly. At the end of the month an Account Current is prepared in each talook from the Abstract, and forwarded to the Huzoor with vouchers in support of the debit entries. These Accounts Current, as has been shown, are audited by the Head Vernacular Accountant. They are then posted into the Huzoor Abstract, which thus becomes a complete record of all the receipts and charges of the month, and from which the totals are entered in the printed form prescribed for the Monthly Treasury Account.

8. The auditing and posting of the Talook Accounts Current form an arduous duty, which usually occupies the Huzoor Account Department during the whole of three days. They are received between the 29th of one month and the 1st of the next; and it is seldom found possible to commence the compilation of the Monthly Treasury Account until the fourth day of the month. On the 5th the Monthly Treasury Account, with eighteen Accounts Particular, is despatched to the Accountant General. At the same time Salary Bills have to be scrutinized and passed, the necessary deductions, if any, being made, and orders being issued for their payment. Until the Monthly Treasury Account is despatched, the work of the department is undoubtedly heavy. Afterwards the great pressure ceases; but up to the 15th of the month, there is a fair amount of business in the compilation and copying of between twenty and thirty Returns, which are required by the Board and the Accountant General. Some of these Returns are, however, very petty. After the 15th of the month, the department rests from its labours. An experienced Deputy Collector assures me, that during the second half of the month, the current work might be done in most Districts by a moiety of the present establishment, and I am satisfied, from my own observation, that this statement is not far from correct.

9. It is hardly necessary to enumerate the grave evils which flow from the concentration of so large an amount of business into the first half of that month. Work done in haste is not usually well done—a remark which holds good in an especial manner of Account work, where many documents should be subjected to a careful scrutiny; and the comparative idleness in which the Accountants are sunk during the second half of the month is most detrimental to the tone of the establishment. The remedy seems to me to be very simple. By an arrangement which I have tried in the Madras District, it appears to be possible to distribute business much more equally throughout the month.

10. The means of effecting this change, the importance of which, I think, cannot well be too highly rated, is the substitution of Daily Unclassified Accounts for the Monthly Accounts Current now obtained from the talooks. Each Tahsildar should be required to make, at the close of the day, a simple transcript of the entries in his Chitta, and to forward it, with the vouchers in support of it, to the Deputy Collector at the Huzoor Treasury. In the Huzoor these daily Accounts will be daily audited and posted, and the postings may be totalled weekly. A considerable portion of the work, which now presses upon the Accountants so severely during the first five days of the month, will thus be spread throughout the month. Explanations, if required, will be easily obtained before the time for the comple-

tion of the District Account arrives. The Deputy Collector will have an opportunity of exercising some effectual control, and of making something more than a mere nominal inspection of the important documents, for the correctness of which he is held responsible; and the Talook Cash Gumastahs will cease to prepare classified Accounts Current—a duty for which I have found these quite unqualified in every district I have visited.

11. Another consequence of this change will be that the number of Accountants in the talooks may be at once reduced in all the districts. There would seem to be no conceivable reason for retaining the Second Cash Gumastah on Rupees 15 a month; indeed, the mere entering the receipts and disbursements in the Chitta, and the transcribing it daily, which will constitute nearly all the Account work of the Talooks, seems barely enough to occupy the time of one Clerk; and by this reduction a monthly saving of Rupees 2,355 will be effected, which sum I would devote to the augmentation of the salaries of the Huzoor Accountants, who are at present greatly underpaid.

12. But before showing in detail the manner in which I would apply these savings, I must briefly notice a reform in the constitution of the department, which appears to me to be urgently called for, namely, the amalgamation of its two divisions, the English and the Vernacular. It will not be necessary, I think, that I should discuss in detail the arguments for this change, as I find its desirability is admitted by a large majority of the Collectors, and their most intelligent Treasury Deputies. Farther experience has strongly confirmed me in the views I there expressed; for example, in the Malabar District, I learn the mere translating, by the English Accountant, of the Abstract of Talook Credits from the Malayalam, in which it is prepared, occupies a day—surely a most unprofitable mode of employing a day. And in every district, it seems, two copies of the Huzoor Daily Chitta are kept: one in the Vernacular, and one in English, which appears to be a useless multiplication of labour. And I might adduce other instances to the same effect, but I scarcely think it worth while; for I am persuaded a careful and unprejudiced examination of the working

of the present system must lead to the conclusion, forcibly expressed by the able and experienced Treasury Deputy Collector of Nellore, that “the amalgamation of the two departments is of the greatest importance for securing efficiency and accuracy, and due examination and submission of Accounts.”

13. When the amalgamation is effected, the distinction of English and Vernacular Accountants will, of course, at once cease. It will also be desirable that the fiction of their forming a branch of a combined English Correspondence and Account Department should no longer find place in official papers. They will be denominated simply Accountants; will constitute one of the departments of the Huzoor Office; and will sit together and work together under the orders of their head, whose salary, I think, should be fixed at a sum not altogether disproportionate to the

* An abstract of Receipts will, of course, still have to be prepared in the talooks, in order to the compilation of the Demand, Collection, and Balance Statement; but this work, which on an average certainly ought not to occupy more than half an hour daily, should be done by the Revenue Gumastah on Rupees 20. I submit in Appendix B, for the consideration of the Board, an extract from a letter addressed to me on this subject by P. Seshagiri Rao, the Deputy Collector in charge of the Cuddapah Treasury.

responsibility and arduous nature of his duties. The English Head Clerk, whose work is pleasanter and lighter, and whose necessary qualifications certainly are not higher, receives Rupees 150 a month, and that would seem to be the smallest remuneration which will render the post of Head Accountant worth the acceptance of men of the ability and character that are required to fill it properly. For the 2nd Accountant Rupees 85 would probably be sufficient. The 3rd, 4th, 5th, 6th, and 7th Accountants should receive Rupees 50, Rupees 45, Rupees 35, Rupees 30, and Rupees 25, respectively. The pay of the next three in the less important Treasuries, and of the next four or six in others, might be fixed at Rupees 20; that of the rest at Rupees 15 a month. The number of the Accountants will remain as at present, except in Bellary where I would allot an additional Accountant on Rupees 20, as, from the great number of its talooks, the Daily Talook Account System will produce a slight increase of work, and the Collector represents that his present staff of Accountants is disproportionate to the size and importance of his district. In Appendix A, I have shown the details of the application of this scheme to the several districts. The Board will observe that it involves no increased expenditure to the State. It will not be necessary that I should consider in detail the manner in which the duties of the Accountants should be distributed in the consolidated department. I think great latitude should be allowed in this matter to the Treasury Deputy, whose position will enable him to determine in what way the services of particular officers may be best utilised. One or two of the most important duties, indeed, it would be advisable to attach to particular positions; for example, it should be made the business of one particular grade in the department—perhaps the 4th Accountant's—to prepare Cash Orders to the talooks; and to an officer of about the same standing, who, in heavy districts, might possibly require the assistance of another, should be assigned the duty of daily auditing and posting the Unclassified Talook Accounts, the introduction of which I have advocated in paragraph 10. At first, the reconstituted department would contain a few men acquainted only with the Vernacular, and this might necessitate special temporary arrangements regarding some portion of the work. In future, a knowledge of English should be required as an indispensable qualification for admission into the department; indeed, I think the time has arrived when it may fairly be required from all candidates for any Government situation above the rank of Peon, so rapid has been the progress of Anglo-Vernacular education among the classes from whom we draw the great bulk of our Uncovenanted Servants.

14. The only other question which it appears to be incumbent on me to notice before quitting this branch of my subject is, the desirability of defining anew the status of the Treasury Deputy Collector. I approach this question with much diffidence, as, after careful observation, I have arrived at the conclusion that the position in which the several orders of the Board and the Government, relating to his office at present place him, is far from satisfactory. In paragraph 4 I quoted from various orders which seem to throw considerable doubt as to his responsibility for the working of his office, and some of which would appear to constitute him little more than a Manager of a few departments of the Huzoor—a sort of finance Shetistadar. I would, with great deference, submit that the necessity for such extreme caution in dealing with this class of officers, if it ever existed, has now passed away. In fact, the administration of the Treasuries is practically left to them, Collectors so far as I can discover, not finding it expedient, or indeed possible, to interfere in it. The retention of leading strings, which have long ceased to be effective, is worse than

useless: it is humiliating, and supplies a pretext, if one is ever required, for alleging a divided responsibility, which in practice is little better than an absence of responsibility. I would suggest that the actual status of Treasury Deputies should be recognised; that they should be admitted to fill exactly the same position in respect of the departments under them, as a General Deputy Collector occupies in his division; and should be held personally responsible for the administration of their charges. Of course, it will be still incumbent on them to consult the Collector in matters of difficulty, and on the Collector to interfere when he sees cause. Possibly this is, in effect, the position which is designed for them under the present orders. If so, those orders are not clearly understood, and the definition I have proposed will still be desirable.

15. Another point which has been forced on my consideration with reference to these officers is, the expediency of altering the arrangement under which they are entrusted with the superintendence of the Collector's English Correspondence. No doubt this arrangement was absolutely necessary when the office of Deputy Collector was instituted, as at that time few of the Huzoor Sheristadars, on whom the duty would seem more naturally to devolve, knew English. But the last ten years have wrought a great change in this respect. At present there are only three districts where the Sheristadars do not know English—the language in which almost all the Collector's most important work is now transacted—and in all three these highly paid officers are almost useless, from no fault of their own, but from the necessity of the case. On the other hand, in several districts the Treasury Deputies have been so much engaged in the general duties of the Collector, that their own proper work had suffered greatly—a fact of which more than one instance, I believe, has come to the notice of the Board. If the Huzoor Sheristadar is to assume his proper position as Manager of the Collector's Office, it would seem to be essential that the English Correspondence, as well as the Vernacular, should be under his charge. In some of the districts, I understand, this arrangement in fact exists, and I think the time is not far distant when it should be generally introduced.

16. I pass to the consideration of the improvements which may be effected with regard to checks, and on this point I purpose confining my remarks to the transactions in Talook Treasuries. I do not feel myself in a position to suggest any changes which would render the Accountant General's supervision of the Huzoor Treasuries more effectual. With that measure of ordinary diligence and conscientiousness on the part of Collectors and their Deputies, which the Government may expect from all their servants, the present system ought to work well so far as the District Treasuries are concerned. Its real defect is lower down, and lies, I apprehend, in the license which it allows to the Talook Officers in respect of receipts.*

17. On the disbursement side, I think the introduction of the Daily Unclassified Accounts will supply all that is wanted to render it possible for every Treasury Deputy Collector to exercise a real supervision over the payments made into and out of the Talook Treasuries. At present, indeed, vouchers are required for all charges contained in the Talook Monthly Account Current; but as I have pointed out in

* As an example of the extremely loose way in which receipts are dealt with in the talooks, I might instance a case which arose during my visit to South Arcot, and which was reported to the Board by the Acting Collector Mr. J. R. Arbuthnot, in his letter, No. 245, dated the 5th of October last, recorded in the Board's Proceedings of the 12th of November, No. 8,027. To facilitate reference I give in Appendix C. an extract from the letter, exhibiting succinctly the facts of the case. I may remark that at present there is nothing to prevent the existence of a similar state of things in each of the 155 talooks of the Madras Presidency.

paragraph 9 of this Report, the multitude of these documents, which come in at once, renders it impossible that they can be properly examined. "My last

Vide paragraph 3 of Enclosure No. 1 to Mr. Ballard's letter to the Board, dated 6th of July 1868, No. 206 A. "Treasury Account," the Treasury Deputy of Malabar writes, "was accompanied by 740 vouchers, and it would

"have been physically impossible for me to have gone through these." Under the system I have advocated, this "physical impossibility" will disappear. I may add that, in Cuddapah, the knowledge that the Deputy Collector might be relied upon to abstain from ever personally examining any Accounts, must have entered very largely into the calculations on which the scheme for plundering that Treasury was constructed. With daily lists of payments from the talooks, accompanied by the documents on which such payments were made, a careful and exact scrutiny of each item will be easy, and no room will be left for the excuses at present put forward, not without colour of reason, for the neglect of that duty.

18. But it is on the credit side of the Accounts that the defect of the present system is most marked. For the correctness of the entries of the receipts in the talooks under some very important heads of the public Revenue, such as Forest, Law and Justice, Education, Police, Post Office, Telegraph, Local Funds, and several items of Public Debt, we have no guarantee, but the good faith of the talook authorities; no means of detecting a fraud, but the vague and uncertain chance that private enmity, or personal interest, may bring it to light. It appears to me that simple and effectual methods of checking the entries under each of these heads may be devised.

19. With regard to Land Revenue, indeed, the "Demand" does at present afford some check; but the check is a most imperfect one, owing to the frequency of remissions during the last few years, and other causes of variation which I need not detail to the Board. A more effectual mode of control will be found, I think, in the institution of duplicate Remittance Lists, or as they are usually termed Irasalmahs, in a prescribed printed form which has been adapted from the Village Manual, at my request, by P. Varada Chari, the Deputy Collector in charge of the South Arcot Treasury, and of which I submit a specimen in Appendix D 3. A sufficient number of these forms should be supplied annually to each village, and every remittance should be accompanied by one of them; half of which should be signed by the Tahsildar or Sheristadar and by the Shroff, and returned to the Head of the village, while the other half, similarly signed, should accompany the Daily Unclassified Credit Account submitted to the Huzoor. The receipts in the talooks under the head of Local Funds and Abkari may be similarly checked. I observe from the Board's Proceedings, dated 12th November 1868, No. 8,027, that this system of check appears to have already suggested itself to them, and to have met with their approval. Duplicate receipts, in a prescribed printed form—one to be given to the payer, the other to accompany the Daily Account—should be executed by the Tahsildar, wherever practicable, for payment to the head of Revenue or Miscellaneous Deposits. The talook entries of receipts under Law and Justice, and of Judicial deposits might be best checked, I think, if the several subordinate Civil and Criminal Courts transmitted daily to the Treasury Deputy Collector advices of all payments made by them to those heads. Officers of the Public Works Department, the Salt and Customs Departments, the Forest Department, the Police, the Post Office, the Education, the Jail, the Registration, and the Electric Telegraph Departments, should similarly inform the Treasury Deputy of all the sums paid in by

them at the several Treasuries, and, in every case, these advices should be despatched on the day the payment is made, so as to reach the Huzoor Treasury, simultaneously with the Talook Daily Account.

20. I have already anticipated, in the preceding paragraph and in paragraph 10, some of my suggestions with regard to forms of Accounts. The Accounts, which are at present in the most unsatisfactory state, are the Talook Abstracts of receipts and disbursements. In the District of Coimbatore I found some six different forms in use in different talooks for the preparation of these Accounts; and every where I saw reason to believe that they were most irregularly kept. Under the system of Daily Unclassified Accounts, which I have advocated, they will, of course, cease to be prepared so far as disbursements are concerned, and the classification of the various transactions will be made in the Huzoor. I give in Appendix D 3. a form of Irasalmah to accompany remittances on account of Land Revenue, which may be easily adapted for Local Funds and Alkarry. I submit also two forms of Advice (D 1. and D 2.) and a form of Letter of Credit (D 6.) which are in use in the District of Malabar, as well as a form of duplicate receipt (D 4.) prepared by me for transactions under the heads of Revenue and Miscellaneous deposits, all which might perhaps, with advantage, be generally introduced. The Accounts relating to Customs, I think, should be printed in diglot.

21. The most important change, however, which I would advocate in mere matters of form is the introduction in all the districts of an uniform diglot Cheque, on which alone payments should be made from the Talook Treasuries. In many districts Cheques are now used, and when they have not as yet been adopted, the Collectors and their Deputies are unanimous in favour of their introduction. Mr. Wedderburn, the Collector of Coimbatore, observes: "a proper form of Cash Order would

Vide his letter to the Board, No. 180, dated 25th June 1868, paragraphs 11 and 5.

Paragraphs 4 and 5.

"have prevented the Cuddapah defalcations," and the essential features of such an order appear to have been well described by the same officer. He says: "They should be as like Bank Cheques as possible, with counterfoil to remain in the custody of the Deputy Collector. Under this system, no Deputy Collector could sign a Cash Order without understanding it. The amounts to be paid should be entered in words as well as in figures, and the Cheque Book should be numbered on its pages." After carefully examining all the forms at present in use, I still think that which I submitted to the Board with my Cuddapah Report the best on the whole. I again submit a copy of it in Appendix D 5., and I would advise its adoption in all districts. I would further recommend, in accordance with a suggestion of the Deputy Collector in charge of the Tanjore Treasury, that these Cheques should be supplied on "water-marked paper specially ordered for the purpose."

Vide paragraph 20 of Enclosure No. 1 to Mr. Morris's letter to the Board, dated 4th November 1868, No. 227.

22. I shall now proceed to submit a few remarks on the condition of the several Treasuries I have visited, and here I must observe that, by the desire of the Accountant General, I have examined carefully twelve months' Accounts in each district, a duty not expressly assigned to me in the Order of Government nor by the

* It has been suggested to me by the Superintendent of the Government Press that all Cheques for use throughout the Presidency, might be printed there, and the suggestion appears to me to be a good one. Economy, uniformity, and good execution would be secured by this arrangement.

Board, that has prolonged my work considerably beyond the period within which I originally hoped to accomplish it. Mr. Lushington, however, considered that such an examination was expedient, in order to ascertain whether the Cuddapah defalcations were an isolated instance of Treasury frauds, or whether, as was thought to be not improbable, the opportunities which the present system presents to a dishonest Accountant had been discerned and employed elsewhere. I am happy to be able to report, that in all the districts I have visited not the least reason appeared for questioning in the slightest degree the honesty of any Treasury or Account Officers. Instances of gross irregularity and carelessness appeared in abundance, but in no case did I detect anything which savoured of fraud.

23. The three best ordered Treasuries I have seen are those at Cocanada, Cuddalore, and Tanjore. In Tanjore, however, I noticed that many forms are still used in manuscript, which in other districts have been printed, and that a singular arrangement obtains, by which hardly any officer performs the work for which he is ostensibly paid; for example, the Head Vernacular Accountant never enters the Account Department, but does duty as a Clerk under the Sheristadar. The Translator is not employed in the duties which his name suggests, but, as he stated to me, "in drawing up Transfer Receipts and Cheques on the Bank; in registering supply Bills and Cheques; and preparing orders on them and on pay abstracts," all which is purely account work. This system, which I am informed is occasioned by the Collector's residence at Vallam, while his Cutcherry at Tanjore is given up to his Treasury Deputy, appears to be open to very serious objections. The fact that it has not as yet produced those evils which might fairly be expected from it, is rather, I venture to suggest, a token of the exceptional ability of Mr. Morris and his Treasury Officer, A. Sashiah Sastri, than a valid argument in its favour.

24. In South Arcot the condition of the Treasury reflects considerable credit on the intelligent officer in charge of it. The Accounts are, on the whole, well kept; but I noticed that alterations and erasures and office copies of orders are not initialled by the Deputy Collector, nor by any one else, an omission which, indeed, is too common throughout the districts, and which may be productive of grave inconvenience. In South Arcot I observed, too, a practice of adjusting advances in talooks, which seems to be unnecessary, and which is also objectionable as swelling the deposit Account. In the Godavery District, I was particularly pleased to remark Jugganadham's intimate association with the actual work of his office, the smallest details of which he does not consider unworthy of close personal attention.

25. In the Malabar Treasury the distinction between the English and Vernacular Accountants was more strongly marked than in most of the districts I have visited, and a singular system prevailed of debiting to the head of "Suspense" in the talooks, all charges supported by vouchers on account of the salaries of different officers, the necessary adjustments being subsequently made in the Huzoor. In the Treasuries at Trichinopoly, North Arcot, and Sydapett, where I saw the present system worked with what I suppose to be average efficiency, sufficiently numerous instances of inexactness and waste of labour, its natural excrescences, came to my notice; but none of them, I think, are important enough to call for a detailed description here. The most unsatisfactory Treasury I visited was that at Coimbatore. The English Head Accountant of this Treasury, a young man of the name of Trimal Rao, appeared to me to be quite unfit for his position; the duties of which, indeed, he seemed to have tacitly relinquished to one of his subordinates, the 3rd

English Accountant, an intelligent and hard-working servant of considerable experience. The accounts both of the Talooks and Huzoor in this district were in the most discreditable state. The Head Vernacular Accountant is a decrepit and semi-fatuous old man, quite incapable of the duties of his post, to whom the medical authorities, for some reasons not fully explained to me, but said to be of a departmental nature, refuse the certificate which his patent infirmities seem so loudly to demand. Orders of the Board, the Accountant General, and the Government, have been treated with impartial neglect in this Office, the irregularities of which time would fail me to enumerate. As a specimen of them I may observe, that until July last no proper Register of Deposits was kept; a bare Memorandum, in which receipts and disbursements were both shown, supplying its place. It is only due, however, to the present Collector, Mr. Wedderburn, and to his recently appointed Deputy, Ragoonatha Row, to make mention of the reforms which they have effected since their appointment to the district. Even at the time of my visit vigorous efforts were being made to introduce some order and system, and I have no doubt that by this time the office is in a moderate state of efficiency.*

26. In matters of detail many improvements appear to be desirable in most of the Mofussil Treasuries. Their great fault, and the best of them are not wholly exempt from it, may be best described perhaps as slovenliness. No doubt it is extremely hard to introduce into these establishments the method and business-like habits which are so opposed to Native traditions and proclivities. But the task though difficult is not impossible. With firmness and perseverance the regularity and system which are found in a large Madras Office, such as the Accountant General's, may in time be attained even in Coimbatore. One small reform, which I think ought everywhere to be insisted on, is the introduction of regular desks, with forms or chairs, after the European fashion. In many districts the Accountants sit upon the ground in the Oriental mode, a practice which is a great incentive to idleness, and an obstruction to proper supervision. Another point which might be attended to in some districts is the substitution of printed for MS. forms wherever practicable. I need not remark on the immense economy of time and labour which would result from this measure.

27. In more than one Treasury my attention was drawn to the loose manner in which leave is at present granted by the District and Division officers to their subordinates, resulting in retrenchments to the inconvenience of the absentees and of the Huzoor Office as well as the Accountant General's. I would suggest that the District Treasury Officers be considered as petty Examiners of Claims, and that all applications for leave, other than casual leave, be referred to them to certify whether the leave is due; and before a vacancy is filled up, the nominee's eligibility, with reference to qualifying service, the Uncovenanted Service Examination Rules, &c., should be similarly ascertained.

28. The last suggestion I have to offer is concerning the desirability of causing the District Treasuries to be periodically inspected by an officer of some standing and

* I trust I shall not be thought to travel out of my province if I submit for the consideration of the Board a representation of the inadequacy of the building in which the Huzoor Office is located at Coimbatore. One of its chief defects is that there is no room in it fit for the Collector's use; the room constructed for that purpose some time ago by the Public Works Department, at considerable cost, being merely a loft unprotected from the sun, and accessible only by a sort of ladder, the ascent of which, and still more the descent, is very perilous to an infirm or obese person. The other parts of the buildings are very dilapidated and inconvenient, and I think should be removed to make way for a new and well-arranged Cutcherry. Hitherto the Collector has transacted business in his own house, an arrangement which on every account would seem to be undesirable.

of some Mofussil experience. I believe this duty, in strictness, belongs to the post of Deputy Accountant General; in practice, however, so far as it is performed at all, it is devolved upon the Accountant General's Assistants. The attention of these gentlemen is directed exclusively, I am given to understand, to the correct preparation of the Huzoor Accounts from those which are supplied by the talooks. The actual condition and practical working of the offices are matters upon which they do not enter, nor is it desirable, for obvious reasons, that they should attempt to do so. The consequence is, that the practical worth of their labour is very restricted; examination of Accounts has a certain value, but inspection of Treasuries is much more important, and, I venture to say, if conducted with any degree of efficiency, would have effectually prevented the state of things which was allowed to grow up in Cuddapah and the worst of the irregularities I have found in other districts. Whether it might be possible for the Deputy Accountant General to make occasional tours of inspection I cannot hazard an opinion, being ignorant of the nature, number, and importance of the duties which that officer's time is at present occupied.

29. It will, perhaps, facilitate the consideration of the changes I have proposed in this Report, if I here summarize the more important of them. They are as follows:—

I. The substitution of Daily Classified Accounts, for the Monthly Accounts Current now obtained from the Talooks, (paragraphs 10 and 17).

II. The reduction of the second Cash Gumastah, on Rupees 15 a month, in all the Talooks of the Madras Presidency, (paragraph 11).

III. The amalgamation of the English and Vernacular Divisions of the Account Branch, (paragraph 12).

IV. The constituting the Accountants a separate Department under a Head on a salary of Rupees 150 a month, (paragraph 13 and Appendix A.).

V. The requiring in future a knowledge of English as an indispensable qualification for employment in the Account Department, (paragraph 13).

VI. The better definition of the status of the Treasury Deputy Collector, (paragraph 14).

VII. The transfer of the superintendence of the Collector's English correspondence to the Huzur Serishtadar, (paragraph 15.).

VIII. The introduction of a check on the Receipts in the Talooks, (paragraphs 18 and 19).

IX. The introduction of certain Forms, (paragraphs 20 and 21, and Appendix D).

X. The introduction, among other measures for securing method and business-like habits in the Mofussil Treasuries, of regular desks with benches, or chairs, after the European fashion, and the general substitution of printed for MS. forms, (paragraph 26).

XI. The better regulation of grants of leave by District and Division Officers, (paragraph 27).

XII. Provision for the periodical inspection of the District Treasuries by a competent Officer, (paragraph 28).

30. It remains for me to record my obligations to the Collectors of the several districts I have visited, for the courteous and cordial reception I have uniformly experienced from them, and for their invariable readiness to assist me on every occasion with suggestions and advice. The idea of a Daily Unclassified Account, which I regard as the most important feature in this Report, I owe, in great measure, to A. Sashiah Sastri, the Deputy Collector in charge of the Tanjore Treasury; and I may here remark that it has been warmly approved by several intelligent Treasury Officers to whom I have mentioned it. In examining Accounts I have derived very valuable assistance from Gungaram Singh, the General's Chief Auditor, whose services were placed at my disposal for the purposes of this special duty, and who has fully justified the high opinion I formed of his ability and zeal during his former employment under me in Cuddapah.

MADRAS,
15th February 1869.

I have the honor to be,

Sir,

our most obedient servant,

(Signed) W. S. LILLY,

APPENDIX A.

Statement showing present and proposed constitution of the Account Department in the several Districts of the Madras Presidency.

ACCOUNTANTS.

DISTRICT.			On Rupees 150.	On Rupees 85.	On Rupees 50.	On Rupees 45.	On Rupees 35.	On Rupees 30.	On Rupees 25.	On Rupees 20.	On Rupees 15.	TOTAL.
Ganjam...	Present	...	...	85	...	90	70	30	...	60	60	395
	Proposed	...	15	5	50	45	35	30	...	80	45	520
Vizagapatam ...	Present	...	...	85	...	90	70	30	...	60	45	380
	Proposed	...	150	85	50	45	35	30	...	80	30	505
Godavery. ...	Present	...	...	85	...	90	70	30	25	80	105	485
	Proposed	...	150	85	50	45	35	30	25	100	90	610
Kistna ...	Present	...	...	85	...	90	70	30	25	80	105	485
	Proposed	...	150	85	50	45	35	30	25	100	90	610
Nellore ...	Present	...	...	85	...	90	70	30	25	80	105	485
	Proposed	...	150	85	50	45	35	30	25	100	90	610
Cuddapah ...	Present	...	...	85	...	90	70	30	25	60	90	450
	Proposed	...	150	85	50	45	35	30	25	60	90	570
Bellary ...	Present	...	...	85	...	90	70	30	25	60	90	450
	Proposed	...	150	85	50	45	35	30	25	80	90	590
Kurnool...	Present	...	...	85	...	90	70	30	25	60	90	450
	Proposed	...	150	85	50	45	35	30	25	60	90	570
Madras ...	Present	...	...	85	...	90	70	30	25	80	105	485
	Proposed	...	150	85	50	45	35	30	25	100	90	610
North Arcot ...	Present	...	...	85	...	90	70	30	25	60	90	450
	Proposed	...	150	85	50	45	35	30	25	60	90	570
South Arcot ...	Present	...	...	85	...	90	70	30	25	80	105	485
	Proposed	...	150	85	50	45	35	30	25	100	90	610
Tanjore ...	Present	...	...	85	...	90	70	30	50	120	90	535
	Proposed	...	150	85	50	45	35	30	50	120	90	655
Trichinopoly ...	Present	...	...	85	...	90	70	30	25	60	45	405
	Proposed	...	150	85	50	45	35	30	25	60	45	525
Madura...	Present	...	...	85	...	90	70	30	25	80	105	485
	Proposed	...	150	85	50	45	35	30	25	100	90	610

Statement showing present and proposed constitution of the Account Department in the several Districts of the Madras Presidency.—(Concluded.)

ACCOUNTANTS.

DISTRICT.		On Rupees 150.	On Rupees 85.	On Rupees 50.	On Rupees 45.	On Rupees 35.	On Rupees 30.	On Rupees 25.	On Rupees 20.	On Rupees 15.	TOTAL.
Tinnevely	Present	...	85	...	90	70	30	25	80	105	485
	Proposed	150	...	50	45	35	30	25	60	90	610
Coimbatore	Present	...	85	...	90	70	30	25	60	90	450
	Proposed	150	85	50	45	35	30	25	60	90	570
Salem	Present	...	85	...	90	70	30	25	60	90	450
	Proposed	150	85	50	45	35	30	25	60	90	570
South Canara	Present	...	85	...	90	70	30	25	60	60	420
	Proposed	150	85	50	45	35	30	25	60	60	540
Malabar	Present	...	85	...	90	70	30	50	80	120	525
	Proposed	150	85	50	45	35	30	50	120	90	655
Cost of present Establishment											8,755
Cost of proposed Establishment											11,110
Difference											2,355

The increased expenditure, Rupees 2,355, will be met by the saving of an equivalent amount by the reduction of the Second Cash Gumastah in each talook as shown in paragraph 11.

APPENDIX B.

EXTRACT from a letter from P. SASHAGIRI RAO, Deputy Collector in charge of the Treasury at Cuddapah, to W. S. LILLY, Esq., on special duty, dated 1st February 1869.

In regard to the Abstract to be kept in the Talooks to facilitate the preparation of Demand, Collection, and Balance Statement, I beg to submit the following scheme:—The village officials should keep an Abstract Register in Form No. 1, from which the Remittance List No. 12, provided for in the Village Manual, can be extracted. This form contains all the items from which Revenue is received, and the village officials should enter those items in the Remittance List, showing at the end of it the balance under each item. As soon as the Remittance List, is received in the Talook, the Revenue Head Gumastah will, under the instructions and supervision of the Sheristadar, enter the Receipts in Form No. 2, which will enable him to prepare the Demand, Collection, and Balance Statement at the end of the month. The Form No. 2 supplies the place of Abstract No. 10 of the present Cash Accounts. Two Ledgers may also be kept in much the same form, in order that the correct balance outstanding against each village may be known. This will take the place of Nos. 5 and 6 prescribed in the Talook Manual, Appendix C. My reason for introducing Form No. 1 in the villages is because without it the balance cannot be ascertained and shown in the Remittance List. The Remittance List must give this information to enable the Talook people to prepare No. 2, which is their guide for preparing the Demand, Collection, and Balance Statement.

For Stamps, Abkarry, and other Miscellaneous items, a short Memorandum should be separately kept in the Talook.

Another reason for my introducing the above forms, is to make the Chittah short and simple.

APPENDIX C.

Extract from a letter from J. R. ARBUTHNOTT, Esq., Acting Collector of South Arcot to the Acting Secretary to the Board of Revenue, dated Cuddalore, 5th October 1868, No. 245.

Para. 2. The facts of the case are briefly these: Mr. Tagg partially examined the Treasury, at Villapuram, on the 15th of August; the Treasury was then "in a state of disorder, and the money was not properly shroffed;" he then ordered the Tahsildar to put the Treasury in order, and to report on the Shroff.

3. Subsequently, on the 9th of September, the Tahsildar reported that the Shroff had misappropriated Rupees 207-10-11, paid in by the villagers of Pudarum and Punchamadavy.

4. On receiving the abovementioned report, Mr Tagg proceeded to Villapuram on the 12th, and there received information that a sum of Rupees 177-15-8 had been paid into the Cutcherry on the 29th of August by the Notakaran of Hurrioor, and that it had not been credited in the accounts. Mr. Tagg, on inquiry, found that this information was true; the Irsalnamah for the amount was in the Cutcherry; it bore the Tahsildar's initials, and was dated 29th of August, but the money was only entered in the daily Chittah on the 19th of September, the day on which Mr. Tagg inquired into the case.

5. The explanation offered was that the money was brought, on the 29th of August, after the Chittah was closed, and that it was given into the charge of an Attender, named Rungasamy, to be brought to account when the Chittah was re-opened.

6. On looking into the account of the sales of trees conducted by Revenue Inspectors, Mr. Tagg found much irregularity; thus in March the Cusbah Revenue Inspector sent in Rs. 45-8-0, whereas only 27 Rupees was credited in the Chittah for that month. Again in May 12 Annas was the amount sent in, whereas the amount credited in the Chittah is Rupees 57.

7. On the whole there is a deficit under this head (from January up to 19th September) of Rupees 48-14-3.

8. The Serishtadar states that the Attender sometimes pays in the separate sums on their receipt; at others keeps them and pays them in as a lump sum at the end of the month.

APPENDIX D 2.

No. _____

186

Malabar_____Court

186

APPENDIX D 1.

Statement of fines remitted to the _____ Treasury to be credited as under

No. on the file.	Name of the party fined.	AMOUNT TO BE CREDITED.		Remarks.
		Law and Justice.	Deposit.	

MAGISTRATE'S COURT,
186 .

186

The Treasury Office

Magistrate.

Orig:

Remittance from Nattaput, Cudd

For what Fusly due.	La. Rev.
1276	8
1277	4
1278	3
Total...	15

Particulars of

Full Rupees

Half do., 12 ...
Quarter do., 16

Quarter do., 10 ...
Two Anna pieces, 4 ...
11 16 4 80

Half Anna, 32	...
Quarter do., 64	...

One-eighth do., 32
Single Piece 48

Single Rice, 48 ...

This su

fo

Credited to the Chittah on

Take: 1

Tansildar
Sheristad:

Head Gun

Shroff.

This form of I

...found of ...

25

Malabar_____Court

186 .

Names of Parties.		Amount of fine.	Amount of refund.

Original.

Twenty-five Surfers.

Tahsildar.	Monigar.
Sheristadar.	Curnum.
Head Gumastah.	Notagar.
Shroff.	

This form of Irtaslnamah should be printed

APPENDIX D 3.

Original.

Remittance from Nattaput, Cuddalore Talook, dated 9th January 1869.

For what Fusly due.	Land Revenue.	Miscellaneous items.	Total.
1276	RS. A. P. 8 0 0	RS. A. P. 5 0 0	RS. A. P. 13 0 0
1277	4 0 0	3 0 0	7 0 0
1278	3 0 0	2 0 0	5 0 0
Total...	15 0 0	10 0 0	25 0 0

Particulars of Coins.	
Full Rupees	12 0 0
Half do., 12	6 0 0
Quarter do., 16	4 0 0
Two Anna pieces, 4	0 8 0
Half Anna, 32	1 0 0
Quarter do., 64	1 0 0
One-eighth do., 32	0 4 0
Single Pice, 48	0 4 0
This sum was sent in charge	25 0 0

Twenty-five Rupees

of

Credited to the Chittah on

Tahsildar. Monigar.
Sheristadar. Curnum.
Head Gumastah. Notagar.
Shroff.

Duplicate.

Remittance from Nattaput, Cuddalore Talook, dated 9th January 1869.

For what Fusly due.	Land Revenue.	Miscellaneous items.	Total.
1276	RS. A. P. 8 0 0	RS. A. P. 5 0 0	RS. A. P. 13 0 0
1277	4 0 0	3 0 0	7 0 0
1278	3 0 0	2 0 0	5 0 0
Total...	15 0 0	10 0 0	25 0 0

Particulars of Coins.	
Full Rupees	12 0 0
Half do., 12	6 0 0
Quarter do., 16	4 0 0
Two Anna pieces, 4	0 8 0
Half Anna, 32	1 0 0
Quarter do., 64	1 0 0
One-eighth do., 32	0 4 0
Single Pice, 48	0 4 0
This sum was sent in charge	25 0 0

Twenty-five Rupees

of

Credited to the Chittah on

Tahsildar. Monigar.
Sheristadar. Curnum.
Head Gumastah. Notagar.
Shroff.

This form of Irasatnamah should be printed in the Vernacular of the District, as should also the Receipt Form D 4.

DEPOSITS.

APPENDIX D 4.

DEPOSITS.

No.

RECEIVED from

as per

the sum of

which has been credited to the Head of

and numbered

Rupees

The day of

18

Tahsildar.

Sheristadar.

Shroff.

Original.

No.

RECEIVED from

as per

the sum of

which has been credited to the Head of

and numbered

Rupees

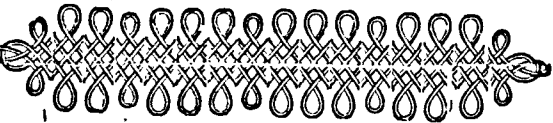
The day of

18

Tahsildar

Sheristadar.

Shroff.



Revenue Department.

GOVERNMENT.

Taluk Treasury

ഖജാനയിൽനിന്നു
൧൯൦൭ മാർച്ച് ൧൮

Collector.

authorise
ord & Accountant
in communi-
to carry out
ms on which
agreed.

No. Cuddapah Collector's Office, 186

To the
Pay to
Payees
on account of
and debit to

Deputy Collector.



No. To the

Pay to
or Order, Pay.
on account of
and debit to

Payees
on account of
and debit to

Cuddapah Collector's Office,
Cuddapah District, Madras.

186

ഒരു രൂപയുടെ മൂല്യം വരുന്ന
ഒരു രൂപയുടെ മൂല്യം വരുന്ന
ഒരു രൂപയുടെ മൂല്യം വരുന്ന

Deputy Collector in charge of the Treasury.

Revenue Department.

GOVERNMENT.

Taluk Treasury

ഖജാനയിൽനിന്നും
എന്ന താക്കളെ ഇതി

Collector.

authorise
and Accountant
in communi-
to carry out
ms on which
agreed.

Revenue Department.

No. 486

PROCEEDINGS of the MADRAS GOVERNMENT

APPENDIX D.C.
LOCAL FUNDS.
LETTER OF CREDIT

To

Tax

You are hereby authorised

Annas

Pies

for

താഴെവിവരിച്ച വകുപ്പായി

നാൽ അധികാരപ്പെടുത്തിയിരിക്കുന്നു.

MALABAR COLLECTOR'S OFFICE,
CALICUT, 186
മലയാം കൽക്കട്ടർ കമ്യൂട്ടി,
കൊഴിക്കാട്ട

FUND.

Sum of Rupees

Taluk Treasury

താലൂക്കു ഖജാനയിൽനിന്നു

എടുപ്പാൻ അക്കരെ ഇതി

Collector.

Contents received.

ഉള്ളടക്കം കിട്ടി.

No. 260

The Govt authorize
the Board & Accountant
General in communi-
cation to carry out
the reforms on which
they are agreed.

No. 486

Under date the 20th March 1871.

Read the following letter

of the Board of Revenue

Submitted for orders -
certain papers regarding
modifications necessary
in present system of
accounts in districts of
the Madras Presidency

Ms. A. 9. 2. 28 Feb 1871, Sec.

The Board's proposals generally are approved, and the Govt authorise the Board & Accountant General in communication to carry out the reforms in which they are agreed.

AA
R

SUM: DRAWN:

ചിലവെഴുതി

Date.
തീയതി.

நா.	Δs.	P.
௧	௩	௪

Initials.
சுதயாஜி.

Certified that the whole of the within named amount has been drawn and expended.

ഇതിനകത്തു കാണിച്ച സംഖ്യയ്ക്കു ചിലവെടുപ്പിന്നു എടുക്കുകയും ചിലവെടുപ്പും ചെയ്തിട്ടുണ്ടെന്നു ഇതിനാൽ സാക്ഷ്യപ്പെടുത്തുന്നു.

Rev. 750/71

ch. No 260

3. The fort are glad
to see reason from
these

14. Father M. B. or of Rev. Dr. P. 21
 6. Beck's Court
 4. Superior Court of Police
 1 — — — Jail

5.5

[Handwritten signature]

*Modification
of present system
of accounts in
Dist. of Madras
Revenue*

No. 260 + 261

*Proceedings of the Madras Government, Revenue Department,
20th March 1871.*

Read the following papers:—

No. 262. Proceedings of the Board of Revenue, dated 21st February 1871, No. 810.

Read the following letter from W. S. WHITESIDE, Esq., Acting Collector of North Arcot, to the Acting Secretary to the Board of Revenue, dated Chittoor, 26th November 1870, No. 533.

I REGRET that it is my duty to bring to the unfavourable notice of Government, through the Board of Revenue, the determined disobedience shown by the Jaghiredar of Arni to the orders of Government, directing him to pay their stipends to his khandans.

2. The Board are aware that from 1860 to 1864 a prolonged correspondence took place on this subject, which was finally disposed of by the Order of Government, dated 6th April 1864, No. 536, subsequently more clearly explained by Government Order, dated 23rd May 1864, No. 881. The Jaghiredar, though repeatedly called on to comply with those orders of Government, I am sorry to say, has, up to this date, steadily resisted the demands of the khandans, the allowances of many of whom are now heavily in arrears.

3. Ever since I joined this district complaints have been weekly, almost daily, made to me by these stipendiaries of the difficulty they experience in obtaining payment from the Jaghiredar; and I have constantly and earnestly endeavoured to impress upon him the necessity for his complying with the orders of Government, and the express terms of his Sanad. I specify in the margin the numbers and dates of these	
15th June 1870, No. 6.	6.
20th July " " 8.	8.
29th " " " 9.	9.
10th Aug. " " 10.	10.
20th Sept. " " 15.	15.
22nd " " " 16.	16.
18th Oct. " " 19.	19.
21st " " " 20.	20.
7th Nov. " " 22.	22.
11th " " " 23.	23.
19th " " " 24.	24.

communications, which show how anxiously I have tried to obtain a satisfactory settlement of the question.

4. The excuses of the Jaghiredar for the non-payment of the allowances were of various kinds; the one he most relied on being that the khandans would not attend regularly to draw their stipends, although it is a notorious fact that they are all miserably poor, leading a hand-to-mouth existence, and most of them so heavily in debt that they would be only too happy to receive their money regularly.

5. Finding that my written remonstrances had no effect, I visited Arni in the month of September last, and remained there for a week, during which time I collected the khandans, inquired carefully into their claims, and then visited the Jaghiredar in his Palace, where I had a long conversation with him on the subject.