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M.R.O. 1—20,002—12-8-55.

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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Rev DEPARTMENT

G.O. No. / B.P. No.	124	Press / Mis.
Dated	18. 6. 1873	196 .

Not to be folded or roughly handled

124/1

No. 1,500.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 5th August 1873.

Read again G. O., 19th March 1873, No. 341, R. D., recorded in Board's Proceedings, dated 5th April 1873, Miscellaneous No. 2,067.

Read also the following letter from F. LUSHINGTON, Esq., Accountant-General, to J. GROSE, Esq., Secretary to the Board of Revenue, dated Fort St. George, 4th June 1873, No. 1,862:—

I HAVE the honour to acknowledge the receipt of the Proceedings of Government, in the Revenue Department, dated 19th March 1873, forwarded to me by the Board, under date, the 5th ultimo, with the request that I would state my opinion in regard to a proposition made by Mr. R. Taylor, the Inspector of Local Offices of Account, and supported by the Comptroller-General, for the discontinuance of the present system of classified accounts which obtains in this Presidency, and the adoption in lieu thereof of the system of unclassified accounts which, it is stated, has been tried with success in all the other Presidencies and administrations with the exception of Bombay.

2. As I have not enjoyed the same advantage that Mr. R. Taylor has had of personally watching the working of the two different systems, I deemed it proper, before offering an opinion on the subject, to judge by personal observation, to what extent and in what manner the system of unclassified accounts would affect the work in my own Office; and I accordingly requested the Collector of Cuddapah to forward the whole of the vouchers for one or two months from which the Treasury Accounts of his district submitted to this Office had been prepared. This he accordingly did, and on receipt of the vouchers, I directed one of the Treasury Account Auditors to compile from them a Treasury Account for one month.

3. The compilation of this one Account, I beg to observe, occupied the Auditor seventeen working days, or three days in excess of the time which would have been allowed him to audit the Collector's Accounts of five districts. The account, however, with the exception of one or two errors of a trifling nature was correctly prepared, and the Auditor, after a little practice, would I have no doubt been able to complete an account in a much shorter period than was occupied by him in compiling the account now under notice. So far, therefore, as this Office is concerned, it is clear that the proposed change might be introduced without difficulty, but I am confident that the establishment would have to be considerably strengthened to enable it to perform the work efficiently, and at the same time to submit the monthly Accounts to Calcutta with the same regularity and despatch as is now observed.

4. As regards the expediency of the proposed change from classified to unclassified accounts, I see no reason, after an experience of more than eight years, to withdraw from the opinion which I expressed in my letter to Government, of the 25th November 1864, that the present system of classified accounts is far better suited to the districts of this Presidency than unclassified accounts. I entered at considerable length into the reasons which led me to form that opinion, and I am unable now to adduce any further arguments in support of it

than those which I then brought forward, beyond the fact that the Accounts of this Presidency have invariably been rendered to the Supreme Government on their due dates, and that I believe, as regards the accuracy of their details, they will bear comparison with those of any other Presidency or administration.

5. In support of his recommendation for the proposed change, Mr. Taylor brings forward the fact of his having discovered eleven errors in classification in one of the District Treasury Accounts, as shown in the Result Statement. I cannot but think that the case noticed by Mr. Taylor must have been a very exceptional one, as the Result Statements of the several districts for many years came under my personal observation, and I can with confidence state that the average of the errors in classification was very far below the number given by Mr. Taylor, and in a Statement now before me, showing the mistakes committed in each Treasury Account submitted to this Office during the past eleven months. I find that the average number of errors in classification in the accounts of the whole of the districts does not exceed $3\frac{1}{2}$ in each account. Be that, however, as it may, Mr. Taylor's statement at all events proves that a proper vigilance is exercised in this Office in checking the Collector's accounts, that the mistakes in them are duly amended, and that a correct Return is consequently submitted by this Office to the Comptroller-General of Accounts.

6. But on the other hand, if the Treasury Accounts be compiled in the first instance in this Office, how or by whom is any mistake which may be committed by the Compiler to be corrected? No Accountant, however careful, is infallible; the changes in the Account Department are frequent, and new hands to the work must occasionally be introduced. The Head of the Compilation Department certainly would not have the time to check each Treasury Account voucher by voucher. How then I would repeat are any errors either of classification or figure made by our Compilers to be corrected? The errors may be trifling, or they may be very important ones, but there they are and there they must remain, as they would, so far as I can see, inevitably pass into the final account sent up to the Comptroller-General. I am obliged, therefore, to dissent altogether from the opinion of the Comptroller-General that the unclassified account system decreases the number of possible mistakes, nor is its adoption in this Presidency called for to remove excuses of unpunctuality, for, as I have above observed, the Madras Accounts have always been rendered on their due dates.

7. I beg, in conclusion, to express my regret at the delay which has occurred in replying to the Board's reference, and which, it will be observed, has been due to my desire to test, by practical experience, how far the proposed change could be carried out by my present Establishment if it were ordered to be introduced.

Ganjam.
Kistna.
Nellore.
Bellary.
North Arcot.
South Arcot.
Tanjore.
Tinnevelly.
Coimbatore.
South Canara.

BEFORE reporting to Government the Board resolve to request the Collectors named in the margin to state their views as to the introduction of unclassified accounts.

2. It will be observed from paragraph 2 of the letter of the Comptroller-General that it is proposed that receipts should still be classified in the districts so far as is necessary for administration purposes, *i. e.*, to the extent now prevailing, but no further, and that there shall be no classification whatever of charges till the vouchers reach the Accountant-General's Office.

3. It must not be forgotten that under the existing system of administrative control some classification of charges must be done in the districts in order to give the Collectors information, and to enable the Board to do their part in controlling expenditure.

4. It has been urged on the Board that Tahsildars might send daily lists of receipts and disbursements to the Collector's office and that the first classification might take place there. This would certainly diminish the opportunities for fraud in the taluqs. It is a subject not immediately connected with the reference from the Government of India but the Board wish it to be reported on at the same time.

(A true Copy and Extract.)

J Grote
Secretary.

To the Collector of Ganjam,
" " of the Kistna District,
" " of Nellore,
" " of Bellary,
" " of North Arcot,
" " of South Arcot,
" " of Tanjore,
" " of Tinnevelly,
" " of Coimbatore,
" " of South Canara,

with G. O., 19th March 1873, No. 341, R. D.

Copy to the Acting Secretary to Government, Revenue Department.
" to the Accountant-General.

Exd. G. A. Turton.

Rec'd 15 Aug 73 Dept
No. 2445.

1873.

Board of Revenue,

MADRAS.

PROCEEDINGS, 5TH AUGUST 1873, No. 1,500.

Dep. 9 Aug 1873 -

Encl.

Received 13th Aug 73

JULY.

No. 1,500.

Treasury Accounts.—Collectors of certain districts requested to state their views as to introduction into this Presidency of system of unclassified accounts now in vogue in Bengal Presidency.

Recorded

18 Aug 73