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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

DEPARTMENT

G.O. No.
~~B.P. No.~~

1841

~~Press~~
Mis.

Dated

1-9-1875 196.

Not to be folded or roughly handled

PROCEEDINGS OF THE BOARD OF REVENUE, dated 20th July 1875, No. 2,025.

Read the following Proceedings of the Madras Government, dated 29th May 1875,
No. 843, Revenue Department:—

Read again letter from the Accountant-General, dated 3rd March 1875, No. 682,
recorded in G.O., dated 13th March 1875, No. 413.

Read also the following Proceedings of the Board of Revenue, dated 5th May 1875,
No. 1,159, Forest No. 73A.

Read the following Proceedings of the Madras Government, dated 13th March 1875,
No. 413, Revenue Department.

Read the following letter from R. W. LODWICK, Esq., Accountant-General, Madras,
to D. F. CARMICHAEL, Esq., Secretary to Government, Revenue Department,
dated Fort St. George, 3rd March 1875, No. 682.

WITH reference to G.Os., Nos. 28 and 313, dated 10th January 1873 and 26th
February 1875, respectively, I have the honor to report that the present system of
debiting advances for conservancy and working expenses to 5, "Forest," clearly
leads to larger outstanding balances remaining unadjusted every month.

2. I enclose a statement showing the transactions of the forest conservancy
and working expenses from January to September 1872, when accounts were rendered
by the Conservator of Forests monthly showing the advances received by that depart-
ment to the credit of Forest—remittances and the actual expenditure charged to
5 "Forest," supported by bills, as also the transactions up to date from October 1872,
from which date the advances were charged off at once and bills subsequently received
in adjustment. The figures from October 1872 are a summary of detailed statements
periodically sent to the Board of Revenue.

3. It will be seen that the balances outstanding under the existing arrange-
ments are large, and in addition a sum of Rupees 14,670 is with the forest officers
as "Permanent Advances."

4. I would observe also that in the bills received for adjustment the amount
and date of each advance, as suggested by Mr. Taylor in paragraph 3 of his letter,
dated 20th July 1872, No. 3,090, to the Board, is not noted in the bills passed by
them; the adjustments are consequently made upon the total outstanding advances.

5. Under these circumstances, I am of the same opinion as Mr. Lushington,
that the old system is preferable.

6. This report would have been sent in at the right time had the fact of its
having been called for been known to me. The G.O., No. 28, dated 10th January
1873, was received in this office when I was away in England, and at the expiration
of a year from that time it appears a statement was prepared similar to that now
forwarded, and everything was ready for the report when my Deputy, Mr. Cooke,
took the papers from Mr. Donald, and has kept them ever since undisposed of. The
first intimation, therefore, I received of the report being due was contained in G.O.
No. 313, and I at once instituted inquiries which elicited the above facts. I very
much regret the delay, but, as will be seen, I was in no way to blame for its occurrence.

ORDER THEREON, 13th March 1875, No. 413.

Forests, No. 10.

REFERRED to the Board of Revenue for their remarks.

(True Extract.)

(Signed) D. F. CARMICHAEL,
Secretary to Government.

The existence of larger unadjusted balances now than before the forests were transferred to Collectors is due, not to any change in the system of drawing funds and keeping accounts, but to other causes.

2. The difference in the system of accounts is simply this. Formerly advances were made by Collectors to Forest Officers on cheques drawn against letters of credit issued by the Accountant-General at the request of the Inspector of Forests, and were first debited to "Forest—remittances" under "Public Debt," and afterwards adjusted when bills were received by a credit to "Public Debt," and debit to "Forest." Now, as the Collectors have charge of forests, no letters of credit are issued, but their Forest Assistants are allowed to draw money not exceeding the budget grant, and the whole amount so drawn is at once charged off to "Forest" and afterwards accounted for by submission of bills as is done in the case of salt advances. An account of the sums drawn against the budget grant is sent monthly to the Board through the Collectors. The Board cannot see how this difference in the system can have any effect on enlarging the amount of unadjusted balances. To whatever head of account the amount drawn may be debited, the necessary advances must be drawn, and the Board do not think that either they or the Inspector of Forests are more competent than the Collectors to control and limit the advances. The real cause of the increased amount of unadjusted balances is the delay in the submission and audit of bills. Formerly range officers sent their bills for each month direct to the Central Office before the tenth of the following month with an account-current, and they were audited and forwarded to the Accountant-General within the tenth of the following month, so that there were never more than one month's bills in arrear. Now the bills have to come through Collectors, and this causes a delay of more than one month, and for auditing them in this office it generally takes nearly two months instead of one owing to heavier work mainly in connection with Budget and Administration reports which are now made to give more details than before. Thus there are always about three months' bills instead of one month's in arrear. This delay, which cannot be avoided, is not of any consequence, as the real amount of unadjusted balance is not large. At present the amount remaining unadjusted on account of each of the past years is as shown in the margin.

	Rs.
1872-73...	7,096
1873-74...	2,728
1874-75 up to December...	1,40,742*
Total...	1,50,566

Of the amount* of unadjusted balances on account of 1874-75, Rupees 82,928 have been since accounted for, and there are bills now in this office for Rupees 10,994 under audit.

3. As for the permanent advance it is always recouped at the end of each month, and is generally in cash with the Forest Officers.

4. The appearance of a very large balance in the accounts of March to October 1873 is owing to the special expenditure of a lakh of Rupees for the purchase of Walliar reserves and forest tracts adjacent to the Nelambur plantation, for which bills were received in November 1873.

5. The Board, however, must admit that the present system is calculated to complicate accounts. Amounts advanced and debited to a particular head sometimes happen to be afterwards accounted for under another head which requires adjustment in the accounts, whereas under the old system there was no necessity for such an adjustment, as the amount stood debited to "Public Debt" till it was accounted for by submission of bills. On this ground, and this ground alone, the Board would prefer the old system of debiting all advances to "Public Debt" till they are accounted for, when they are transferred to the proper head under "Forest," but the disadvantage of the system is that the transactions of one year are shown in the accounts of another, and that at the end of each year there is left a debt which has to be met from the next year's budget.

6. This system of leaving one year's expenditure to be met from another year's budget will, the Board fear, lead to complications, and on this ground the Board hesitate to adopt a system involving it.

7. On the whole the Board are of opinion that the best course is to make no change till the Account Code forwarded with G.O., dated 18th August 1874, No. 1,035, is introduced, which, it is believed, will be shortly done. It is true that the Account Code contemplates, with regard to advances, a procedure similar to that in force previous to the transfer of forests to Collectors, but it is possible that the Code, as finally adopted, may rule otherwise, and it is desirable that changes should not be made oftener than can be avoided.

(A true Extract.)

(Signed) H. E. STOKES,
Acting Secretary.

ORDER THEREON, 29th May 1875, No. 843.

Forests, No. 23.

THE Government observe that the system of drawing funds and keeping accounts in the Forest Department, which

has been in force for nearly three years, is pronounced by the Accountant-General to be less satisfactory than that which was in existence formerly. The Board of Revenue, on the other hand, maintain that the present system has certain advantages over the former, while the evils complained of are not very much greater under the present arrangements than under the past.

2. The least satisfactory feature in the present system is the existence of larger unadjusted balances and complication in the accounts arising from their not being capable of adjustment once for all as under the old system.

3. It is, however, explained that the large unadjusted balances are due not so much to the system of accounts as to the circuitous course now followed for the submission of accounts and the nature of the agency entrusted with the audit of bills calculated to cause a delay of three months against one month under the old arrange-

3

ment. The Government see no reason for a delay of one month in the Collector's offices, and consider the delay of two months in the Board's office excessive. They desire that every endeavor may be made to expedite the audit of bills, and to arrange for getting them from the Collector's office with no greater delay than fifteen days, and to complete the adjustment of accounts in their own office within a month after their receipt.

4. The adoption of the suggestion made in paragraph 3 of the Accountant-General's letter, recorded in G.O., dated 30th October 1872, No. 1,509, will facilitate adjustments, as in that case each payment can be passed and adjusted when the bills relating to it are received without waiting till the payments reach a certain sum. Attention is also requested to paragraph 4 of the letter recorded in G.O., 13th March 1875, No. 413.

5. With these remarks the Government will allow the continuance of the present system. The proposal to revert to the old system, which, with all its advantages, is subject to the one great drawback of the transactions of one year not being all shown in the accounts of that year, they defer for future consideration, it being in contemplation by the Government of India to introduce, at no distant date, a uniform Forest Account Code.

(True Extract.)

(Signed) A. MACGREGOR,
Acting Secretary to Government.

COMMUNICATED to all Collectors in charge of forests who will arrange for the submission of their monthly contingent bills within fifteen days after the expiry of the month.

2. With reference to paragraph 4, the Board observe that the insertion in the bill of the date of each advance is unnecessary. The year to which the advance relates has always been, and will in future be, entered in the bill, so that the amount passed may be credited to the year's account.

3. The object is to keep the advances and expenditure of each year separate, and adjustment will be hindered, not facilitated, by requiring each separate advance made during the year to be separately adjusted.

(A true Extract.)

H. D. M.
Acting Secretary.

To all Collectors in charge of forests, with copy of G.O.,
dated 30th October 1872, No. 1,509.

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

Erd. J. W. Fischer.

Ans: 1875 = 24th.
210/888 3309.

1875.

Board of Revenue,
MADRAS.

PROCEEDINGS, 20TH JULY 1875, No. 2,025.

20th July 1875
Enl.

Received
23rd Aug 72

JULY.
Forest No. 144.

Forest Accounts.—Government Order permitting continuance of present system of — and deferring for future consideration proposal to revert to the old system, it being in contemplation by Government of India to introduce shortly a uniform Forest Account Code, communicated to Collectors of Forest Districts with certain remarks.

18th Aug 72
18th Aug 72

To the Board of Rev. 22nd Sep 71

22nd Aug 75. 11050 Aug 75

18th Aug 72
18th Aug 72
18th Aug 72