LIST OF CONTENTS

AUDIT REPORT ON THE ACCOUNTS OF THE BOMBAY PRESIDENCY INCLUDING SIND FOR THE YEAR 1922-23.

PART I—PROVINCIAL.

In accordance with instructions received from the Auditor General this part of the Report deals with transactions relating to the Provincial Government only. The transactions of the Central Government which are booked in my office relating to Agency subjects or to subjects directly administered by the Government of India are dealt with in a separate part.

A—FINANCIAL IRREGULARITIES.

(a) Civil Department.

2. The irregularities which are described in detail below fall under the following categories :—

(1) Double claims or payments.
(2) Drawal of money in advance of requirements.
(3) Questionable interpretation of rules or orders.
(4) Claims covered by no authority and held to be unjustified by circumstances.
(5) Excess over estimates and other irregularities of the Forest Department.
(6) Embezzlements.

3. *Double claims or payments.*—The primary responsibility for this class of irregularity naturally rests with the officer presenting for a second time a claim which has been already honoured. No bill can be presented at a Treasury unless signed by an officer of Government authorised to do so and his signature on any bill presented by him should be a guarantee not only that the claim is in his opinion a legitimate one but also that the amount claimed is still due. A second claim on one and the same account indicates on the most favourable view that the officer signing the bill has not exercised sufficient care in scrutinising the claim and gives ground for doubt whether the officer can safely be entrusted with the duty of signing bills. In a number of cases even where he is not himself the presenting officer the Treasury Officer is in a position to detect a duplicate claim and where he fails to do so the secondary responsibility for the double payment must rest with him. Failures on the part both of the presenting officer and of the Treasury Officer appear in the following instances. It must be remembered that the Audit Office is not always in a position to detect duplicate claims—particularly so when audit is conducted only against a percentage of bills—and that therefore this form of irregularity is calculated to cause a direct loss of money to Government.

4. (*a*) *Double claims.*—(1) In December 1922 a Treasury Officer forwarded to the Audit Office for preaudit a supplementary bill of a talati (village accountant) for leave allowances for the period from 27th February to 4th April 1918. On investigation it was found that a similar bill for the same period quoting the same orders had already been paid in July 1920. The Treasury Officer who was called upon to explain the double claim replied that the claim was preferred as no note of the payment of the bill in July 1920 had been made on the office copy of the original bill. The Collector has reported that he has strictly warned the clerks responsible for neglect and has made a note in their service sheets.

(2) The same Treasury Officer submitted for preaudit in May 1922 a supplementary pay bill of the menial establishment for December 1919. It was found that the claim had already been paid in November 1920 after preaudit by this office. The Treasury Officer when called upon to explain stated that as in the first case the second claim was preferred as no note of the payment in November 1920 was made on the office copy of the original bill. The Collector reports that the clerk chiefly responsible in this case was a candidate and his name has been struck off the list.

(*b*) *Double payments.*—(1) From the same Treasury in a supplementary bill for November 1922 furlough allowance of Rs. 25 for July 1922 of a clerk in the office of a Mamlatdar (revenue officer) of a taluka was drawn and paid. In the remarks column of this bill it was stated that the amount had been shown as withheld in an earlier original bill. On reference to the original bill however it was found that the amount was not shown in the " withheld " column but in that of " Leave allowance drawn separately " and had actually been paid on that bill. When called upon to explain the double payment, the Treasury Officer replied that the second claim was paid as no reference to the original bill was made through negligence of his Head Accountant. The amount overpaid has been recovered. The Collector has reported that he has warned the clerks responsible for their gross negligence and has made a note in their service sheets.

(2) In April 1923, the Superintendent, Public Debt Office, pointed out an excess payment of interest for one half year made by the same Treasury Officer on a Government Promissory Note. When called upon to explain the double payment the Treasury Officer replied that a note of payment of interest on the reverse of the Government Promissory Note remained to be made through oversight when the interest was paid, the first time. The amount overpaid has been recovered.

The two cases of double claims and the two of double payments detailed above in the same Treasury showed that the Treasury Officer, his Head Accountant and his Sub-Treasury Officer did not realise their responsibility in the matter of scrutinising claims made against Government. In reporting these cases to Government, special stress has been laid on this point and they have been requested to take such action as they consider necessary to bring home to officers paying public money their responsibility in this matter. The orders of Government are awaited.

(*c*) *Double payment of scholarships.*—A sum of Rs. 570 on account of scholarships for May 1922 was drawn by a head master of a Training School on an original bill in May 1922 and again drawn for a second time in June 1922 on a duplicate copy of the bill. On enquiry being made the head master stated that the amount drawn for the second time was for June 1922 and was drawn as usual in advance. His attention was drawn to the fact that the school was ordered to be closed from 31st May 1922 and he refunded the amount into the treasury in October 1922. The head master was responsible for making a double claim against Government and retaining in his hands for nearly four months money incorrectly drawn. The Treasury Officer was also responsible for making payment on a bill clearly marked as a duplicate as no care was exercised by him to see that the original bill had not been paid. The case has been reported to Government and their orders are awaited.

5. *Drawal of money in advance of requirements.*—Article 88 of the C.A.C. lays down that no money should be withdrawn from the treasury unless it is required for immediate disbursement. Breaches of this rule occur most frequently at the close of the financial year and are perpetrated with the object of preventing a budget grant from lapsing. The grants are however voted by the Legislative Council for actual expenditure during the year and are based upon the estimated needs of the year. Moreover if money be drawn in one year though actually paid away by the drawing officer in the following year the accounts are to that extent falsified for what is really expenditure of one year appears as expenditure of the preceeding year. The practice of drawing money in advance of requirements tends also to encourage lavish budgetting and unnecessary expenditure, for the withdrawal from the treasury of the full unexpended balance of a grant suggests the necessity of budget provision on the same scale for future years and thus tends to perpetrate budgetting on a possibly unnecessary level. It also provides funds for expenditure in the following year in excess of that provided for by the Legislative Council and thus acts as an incentive to the incurring of expenditure beyond what is actually required. A further consideration is that funds not required for immediate disbursement are more safely lodged in the strong-room of the Treasury than in the hands of a disbursing officer and though no case of actual loss of money owing to premature drawal from the Treasury appears in this report the danger cannot be entirely overlooked. It will be observed that in two instances money so drawn was lodged with a Bank or in the Post Office Savings Bank. But it has to be remembered that the responsibility for providing funds at the Treasuries rests with the Government of India and that any unnecessary withdrawal of funds to some extent

complicates their Ways and Means programme and may lead to additional borrowing on their part. Even if the money be lodged with the Post Office Savings Bank and so still continue to form part of the General Balances, the Local Government or its officers are not entitled to derive interest from Central Revenues for what is in essence part of the Provincial balance.

6. (*a*) In 1921, the purchase during 1922-23 of 30 tape beds manufactured by a firm in Bombay was proposed for a hospital, the cost of each bed being Rs. 52. This was approved as an administrative measure in Government Order, General Department, No. 199, dated 22nd September 1921, in which it was directed that requisite provision should be proposed in the Budget estimate. It was also directed that before the expenditure was incurred, it should be ascertained by calling for tenders by advertisement whether suitable cots could be obtained at a cheaper rate.

Provision was not included in the estimates for 1922-23 as passed but a supplementary grant having been passed by the Legislative Council, a grant of Rs. 2,280 for the purchase of the beds was sanctioned in Government Resolution, General Department, No. 199, dated 9th March 1923, it being specifically directed by Government that the amount should be drawn before the 31st March 1923.

A copy of the Resolution was forwarded by the Surgeon General to the Civil Surgeon on 15th March with a further direction that the money should be drawn before the 31st March and that the Civil Surgeon should see that it was actually spent for the purpose for which it was sanctioned. The Civil Surgeon placed orders for the cots with the firm originally proposed and for "Newar" (broad tape) with Mills in Cawnpore. Both firms were asked to send bills in advance and on their submitting pro-forma invoices the money was drawn on the 27th March and remitted to them although no goods had then been delivered. Out of the sum drawn Rs. 174-5-0 remained undisbursed with the Civil Surgeon until the end of May when the irregularity came to light. A detailed bill to cover the expenditure was submitted to the Surgeon General by the Civil Surgeon on 25th May only although on abstract bills presented for payment at the Treasury on 2nd and 8th May, it was certified that detailed bills for previous months had been furnished. The Civil Surgeon was called upon to refund into the Treasury, the outstanding balance lying with him.

The case involves a number of irregularities, viz., the drawing of money in advance of requirements to save a lapse of grant, the payment for goods not received before the Firms were in a position to deliver them, the holding undisbursed money not needed for actual requirements and the certification that detailed bills for previous months had been furnished when no detailed bill for the drawal on 27th March had been prepared. The irregularities are apparently due to the late sanction accorded by Government coupled with the instructions that the amount should be drawn before the close of the year. It does not appear whether any or if so sufficient steps were taken in connection with the instructions of 1921 to ascertain whether cheaper cots could be obtained—but it is evident that there was not sufficient time for such action after the sanction accorded in March 1923.

(*b*) The officer in charge of a laboratory placed an order for apparatus, etc., with a firm in London about the end of December 1921. Some of the articles were received in India in May 1922 and the remainder at the close of July 1922. Though the amount was not required for immediate disbursement the officer in charge of the laboratory drew from the treasury a sum of Rs. 5,000 on 27th March 1922 to avoid lapse of the budget grant. A sum of Rs. 1,364 out of this amount was sent to the firm as late as 19th July 1922 and the balance on 29th July 1922. The action of the officer in charge was opposed to the provision of Article 88 of the Civil Account Code. The case was reported to Government and in their orders, Government condoned the irregularities in question but asked the officer concerned to see that they do not occur in future.

(*c*) Three sums of Rs. 941-6-0, Rs. 100 and Rs. 1,731-15-0 were drawn on abstract bills in March 1921 by a Mamlatdar (Revenue officer) of a Taluka for repairs to Chavdis (village offices) and water supply. The works are stated to have been completed in May and June 1921 and final payments were made in November and October 1921 respectively. Detailed bills were submitted in November 1921. The Mamlatdar explained that the cause of delay in the submission of detailed bills was due to the expenditure on the works having

exceeded the sanctioned allotment and that he was awaiting additional grants from the higher authorities concerned. The explanation furnished was not satisfactory. The action of the Mamlatdar in drawing the amounts which were not required for immediate disbursement was irregular and was brought to the notice of Government for suitable action. The Local Government have strongly disapproved of the irregular procedure followed by the Mamlatdar and have requested the Commissioner of the Division concerned to convey this disapproval to him.

(*d*) Two grants of Rs. 3,483 and Rs. 1,014 (including a contract grant of Rs. 112) were sanctioned for the purchase of furniture and other contingencies for use in a maternity ward at a Civil Hospital. During the year 1921-22 Rs. 3,693-12-0 were drawn against the grants and all the charges which except for those against the contract grant should have been drawn on counter-signed contingent bills, were drawn on contract contingent bills. The error should have been detected in audit and detailed bills and sub-vouchers should have been called for at the time. This was, however, overlooked and it was not until the hospital accounts were inspected by the Local Audit Department in October 1922 that the irregularity came to light. It was further found that Rs. 1,715-2-6 drawn on 31st March was not required for immediate disbursement but was drawn in violation of Article 88, Civil Account Code, Vol. I, to avoid a lapse of the budget grant. Of this amount Rs. 1,605 was invested in a Co-operative Central Bank. On the matter being fully investigated, certain bills presented for goods received subsequent to March 1922 were paid and the balance of Rs. 1,062-7-0 with interest of Rs. 5-1-11 was credited into the Treasury in February 1923. The case was reported to Government and the Civil Surgeon was replaced by a junior officer, Government deciding that he was unfit to hold the post of Civil Surgeon and that he should not be recommended for it in future.

(*e*) A grant of Rs. 2,000 for purchase of furniture for the use of a Girls' High School was administratively approved by Government in January 1921. On the authority of this approval, the Lady Superintendent drew the amount from the Treasury on the 2nd August 1921. Rs. 1,000 only were finally sanctioned by Government on 12th July 1921 and it was not till 13th October 1921 that the Lady Superintendent refunded the amount overdrawn to Government. The Rs. 1,000 retained was not completely disbursed till January 1922, the unexpended balance from time to time being deposited in a Post Office Savings Bank Account called "The Girls' Fund Account".

The same officer drew from the Treasury on 29th March 1922 a sum of Rs. 300 for paying municipal taxes on the school buildings. The liability to tax was under dispute at the time and the money was not required for immediate disbursement. It was deposited in the Post Office Savings Bank Account referred to above and was only refunded to Government on 22nd September 1922.

The irregularities involved in drawing money without proper sanction and when not required for immediate payment, in its retention outside the Treasury and its deposit in a Savings Bank Account have been reported to Government whose orders are awaited.

7. *Questionable interpretation of rules or orders.*—Questionable or incorrect interpretations of rules or orders may be *bona fide* errors due to obscurity or indefiniteness in the rules or orders themselves, may be due to insufficient care to master the rules or orders or may result from a straining of their literal wording to suit a particular case. It is invariably possible for an officer to obtain an authoritative decision on points of doubt and where he fails to do so, he cannot be held excused from the effects of the responsibility which he has deliberately shouldered on the score of inexperience in matters of interpretation.

8. (*a*) In the case of a District Judge's office, four Government Resolutions dealing with the pay of his staff were wrongly interpreted with the result that incorrect claims were presented and overpayments made at the Treasury. Long correspondence and recoveries of amounts overpaid over a period of years were the result. Had the Head of the office paid proper attention to the bills submitted for signature and to the orders on which the claims were based, the unnecessary correspondence, overpayments and recoveries would have been avoided. The neglect of the officer was brought to the notice of Government who while accepting

his explanation in two of the cases, have in the third informed him that his explanation is not satisfactory and in the fourth asked him to warn his office to be more careful in future.

(*b*) Leave on average pay for four months with effect from 31st March 1923 was sanctioned on 21st November 1922, for an officer of the provincial judicial service. An amendment to the rule under which the leave was sanctioned was introduced by Government of India, Finance Department, No. 1414-C.S.R., dated 20th December 1922, which had the effect of reducing the leave admissible on average pay to three months. The amendment provided that "leave on average pay already granted in excess of the amount which will be admissible under the rule as now amended is allowed to stand". The attention of the Local Government was invited to the amendment of the rule with a view to revision of the sanction which had not then taken effect. Government decided to leave the sanction unaltered as it had been given prior to the date of the amendment. It is questionable whether this action though covered by the wording of the amendment can be considered as in accordance with its spirit in view of the length of time (over three months) which elapsed between the amending of the rule and the commencement of the leave.

9. (*a*) *Claims covered by no authority and held to be unjustified by circumstances.*—A contingent bill for Rs. 240 on account of fees for sessions cases conducted by a Deputy Superintendent of Police was presented at the Treasury. The officer presenting the bill either was aware that there was no authority under which payment could be made or was culpably negligent in not ascertaining whether any authority existed. The Treasury Officer refused to cash the bill and submitted it to the Audit office for pre-audit. The sanction of Government was insisted upon, but Government after consultation with the Remembrancer of Legal Affairs declined to accord their sanction on the ground that the payment of fees to whole-time Government servants was wrong in principle where the work was a part of the officer's ordinary duties.

(*b*) In one office, it was noticed that halting allowances had been claimed for coolies on a contingent bill and subsequent enquiries showed that the practice was regularly followed of taking coolies from one place to another and allowing them travelling and halting allowances for long periods which extended up to four months in one case. It was held by the Head of the Department that they were trained coolies, and were rightly treated exactly like peons on a regular establishment. In reporting the case to Government, it was pointed out that the necessity for sending the coolies to outside stations for long periods to accompany a Subordinate Officer was not proved and that the officer apparently wished to avoid approaching Government for regular sanction to an increase in the menial establishment. Government agreed that the practice is highly irregular and ordered that it should stop.

10. *Forest Department.*—Many irregularities were noticed in the Forest Department during the year under review. Important ones will be found at paragraphs 11 to 13 of this Audit Report.

(*a*) In the case of Forest works it was noticed that a regular account of these works was not always kept and where kept was not properly maintained. Expenditure against one work was found charged to another, estimates were exceeded, excesses were not covered by provision, plans were altered without authority and furnishing of completion certificates was abnormally delayed.

(*b*) *Forest advances.*—In some cases it was noticed that advances were paid to coolies and labourers styled petty contractors and written off as irrecoverable when they absconded as no security was obtained. The rules in the Bombay Forest Manual seem to allow wide and undefined powers to Forest Officers in respect of the grant of advances to contractors and Government servants and require overhauling in view of the fact that the loan of Government money without interest should be restricted to bare requirements only, particularly when such special concessions are not allowed in other departments. The question is under the consideration of Government.

(*c*) *Submission of accounts.*—The suggestion of the Auditor General that forest accounts could be signed by head clerks in the absence of the Divisional Forest Officers on tour, which was accepted by Government, has had its effect on the punctuality in the submission of accounts. The situation improved and most

of the accounts were received in time, except those of one division, which were delayed abnormally throughout the year. So much was this the case that all the accounts from April 1922 to November 1922 had to be omitted from incorporation in the Civil Account for those months and were included in the accounts for subsequent months. This state of affairs was reported to be due to inadequate and inefficient staff.

11. *Failure to maintain proper accounts.*—On receipt of the completion report of a certain road it was found that excess expenditure of Rs. 2,500 had been incurred without the sanction of Government. Sanction was called for and the Divisional Forest Officer on looking into his accounts found that Rs. 2,975-4-0 debitable to " A I a Departmental Extraction of Timber-Drag Roads " was wrongly debited to the Road and that on correction of this error the excess disappeared. As it was clear that his accounts were not properly supervised and that he had not taken proper steps to regularize expenditure which was on the face of it incurred without proper sanction, the case was reported to Government. Government have directed that the officer should be instructed to see that proper accounts of Forest works are maintained and that sanction is applied for in time when an excess over estimates already approved is anticipated.

12. *Excess over estimates.*—Certain excesses over estimates for Forest works were discovered in audit and on pursuit of enquiries it was found that although the excesses averaged from 30 to 125 per cent. of the original sanctioned figure, the departmental authorities had taken no action to regularise the situation by obtaining necessary higher sanction. There were delays of from 7 to 22 months in the submission of the completion reports. It appears that the original estimates were unduly low, that the system of maintaining accounts of work was bad, that sanctioned plans were altered subsequently without adequate sanction. Necessary orders have been issued by the Chief Conservator and Government have warned the officers at fault.

13. *Delay in accounting for expenditure.*—A Divisional Forest Officer accounted in March 1922 for expenditure of Rs. 74-10-0 on account of food supplied to ten witnesses, brought in some days before their attendance was actually required by the Court, in a Forest case. The expenditure was incurred on the strength of the Conservator's sanction and it was explained that the witnesses were required at the instance of the Government Pleader. The expenditure was actually incurred in February and March 1920, when the case was under trial, and the delay of two years in actually accounting for it was not satisfactorily explained. The grant of diet-money to witnesses is admissible only for days of attendance in a Court, and the charge referred to above required the previous sanction of Government, which has since been obtained, at the instance of this office. The great delay in bringing the expenditure to account has been condemned by Government as unsatisfactory.

14. (*a*) *Excess over allotment.*—The explanation of the Divisional Forest Officer concerned in the case of irregularity referred to in paragraph 7 (*a*) of the Audit Report for 1921-22 has since been obtained and accepted by Government. They however expressed disapproval of the alterations of the original plans without authority and of the long delay in the preparation of revised plans and estimates.

(*b*) The orders of Government in respect of the irregularity referred to in paragraph 7 (*b*) of the Audit Report for the year 1921-22 have since been received. The excess over the allotment for the guard's lines is stated to be due to the fact that the expenditure on materials worth Rs. 550 was wrongly charged to this work. Delay in the settlement of expenditure for a considerable time is stated to have been due to the unsatisfactory state of accounts of the Range Office concerned. The Ranger at fault has been transferred to a less important charge and superseded. One Forester was reduced and another was called upon to make good an overpayment for which he was responsible.

15. *Embezzlements.*—Twenty-five cases of loss of Government money and 4 cases of loss of Stamps and Opium were reported to this office during the year under report.

(*a*) *At treasuries.*—Of the 29 cases of loss of Government money 7 cases occurred at Treasuries and the rest in other departments. The total amount involved in respect of loss at treasuries was Rs. 4,411-10-9 out of which a sum of Rs. 1,355-1-6

was made good and the net loss of Rs. 3,056-9-3 written off by Government and other competent authorities. The losses were mainly due to theft and misappropriations.

(*b*) *In other Departments.*—The total loss in other departments was Rs. 14,212-3-7, out of which Rs. 3,991-12-0 were recovered and the balance of Rs. 10,220-7-7 written off as net loss to Government. The loss was chiefly due to misappropriations involving manipulation of accounts and neglect of financial rules. In the Police Department in Sind, as many as 114 railway warrants were stolen and misused and the case has been separately reported to Government. A very serious case of embezzlement occurred in the office of a Resident Magistrate involving a loss of about Rs. 3,500 to 4,000, the circumstances being as follows:—

A Resident Magistrate reported in April 1922 that his clerk had embezzled a sum of Rs. 1,807-14-5 and absconded. The accounts were thereupon examined from the year 1919 onwards and it was found that over Rs. 3,500 in all had been misappropriated. Money was at first embezzled on a small scale, but as the clerk found that his books and cash were not checked by the Magistrate he manipulated figures in his registers which were not maintained in the form prescribed by the High Court, and misappropriated on a larger scale. Though he had given security of only Rs. 200 he was allowed to keep in his possession sums in excess of Rs. 1,000 at a time consisting of bhatta money, fines and process fees. He was convicted under Section 409, Indian Penal Code, and sentenced to two years' rigorous imprisonment. Of the amount misappropriated Rs. 792-9-7 have been recovered and proceeds of the sale of his house, landed and other property are expected to make good the balance.

The systematic embezzlement and the manipulation of accounts were rendered possible by the negligence of the Magistrate who failed to check his office accounts and to see that collections in excess of the clerk's security were regularly remitted to the Treasury. This negligence has been brought to the notice of Government and their final orders are awaited.

(b) Public Works Department.

16. *Starting of works before estimates were sanctioned or allotment of funds was made.*—Irregularities of this nature continued to be prevalent as before. The latest orders issued by the Local Government are contained in Government memorandum No. P-2, dated 30th November 1922, stating that the officers and subordinates incurring irregular expenditure in contravention of the existing rules and orders will be subject to disciplinary action. Typical instances of this form of irregularity are as follows:—

(*a*) On 18th October 1922 an Executive Engineer applied for permission to start jungle cutting, surveying, and levelling and lining out in anticipation of sanction to the plans and estimates for certain cuts in order that commencement of work by the contractor might not be delayed by these preliminary departmental operations. Permission was communicated to the Executive Engineer two days later. Expenditure on the work appeared as follows:—

	Rs.	a.	p.
In November..	102	0	0
„ December	19,066	6	0
„ January	52,337	10	0
„ February	57,344	1	0
„ March	45,649	11	0
Total to end of year ..	1,74,499	12	0

No funds were provided before March 1923, in the course of which month three allotments were made, *viz.*—

	Rs.
On 6th March 1923	1,29,500
„ 20th March 1923	40,000
„ 26th March 1923	5,000
Total to end of year ..	1,74,500

The estimate for the work was not sanctioned until 12th July 1923.

Even if the urgency of the work be admitted, the question arises whether it could not have been foreseen in time to allow of the estimate being sanctioned before its commencement, nor is it clear why no funds were provided until expenditure had exceeded a lakh and a quarter and work had been in progress for four months. The fact that three separate allotments were necessary in March suggests no great degree of control over the progress of work, while the further fact that the payments made were less than the allotment by four annas only taken in conjunction with the payment of a further sum of no less than Rs. 19,000 on the 4th of April suggests that it was the actual disbursements made rather than the work done or liabilities incurred which were regulated by the funds allotted for the work.

(*b*) An estimate amounting to Rs. 6,77,092 for providing one dredger and two hopper barges was submitted by a Superintending Engineer on 1st December 1922, forwarded by the Chief Engineer to Government (after slight modification) on 7th February 1923 and sanctioned by Government for Rs. 6,80,251 on 14th July 1923. Meanwhile work was commenced in December though permission for the commencement of work in anticipation of sanction was not given till 21st February 1923. By the close of March works expenditure amounted to Rs. 5,40,736 though the works expenditure on this account provided for in the estimate sanctioned 3½ months later amounted to Rs. 5,35,589 only. Budget provision of Rs. 5,00,000 had been made in the estimates of the year and a further allotment of Rs. 50,000 was made on the last day of the year to cover the expenditure already incurred. The case illustrates how estimate and allotment alike lose much of their meaning if not sanctioned in time to act as a check upon the spending officer.

(*c*) The incurring of expenditure on tools and plant in anticipation of sanction to estimate or allotment of funds is not uncommon. A typical instance is as follows :—

> In connection with a work an estimate was sanctioned by Government in December 1922 and at the same time funds were allotted. Expenditure on tools and plant however commenced in April and by the end of November amounted to Rs. 14,354. The necessity for this anticipatory expenditure has not been explained nor does it appear why earlier sanction to the estimate was not obtained. The estimate was forwarded to Government by the Superintending Engineer concerned on 25th August 1922.

In a similar case in another Division, tools and plant expenditure to the end of September 1922 amounted to Rs. 15,206 in connection with a work the estimate for which was sanctioned in October 1922 only. The first allotment of funds was made in November.

17. *Irregular payment to avoid lapse of grant.*—On 31st March 1922, an Executive Engineer made a payment of Rs. 1,000 to a Company by a Remittance Transfer Receipt on account of materials ordered from them. Count of the materials was recorded in the measurement book as made on 31st March 1922 from which day the materials were also brought on to the Tools and Plant Ledgers. Cart hire for the conveyance of the same materials, from the Railway Station to the stores, was however found to have been paid at a later date, thus disclosing the fact that the materials were not actually received when the entry was noted in the measurement book and the payment made thereon. The Executive Engineer concerned is now dead and his successor admits that the payment was ordered by his predecessor merely on the strength of the Railway Receipt, supporting the consignment. The payment was apparently made with the intention of utilising the grant and incorrect entries were made in the records to support the payment.

The Local Government have intimated that as the Executive Engineer responsible for the irregularity is dead no action is necessary.

18. *Preparation of a fictitious muster roll.*—It was found at the time of inspecting an office that a mustering karkun (clerk) had been prosecuted and convicted for preparing a fictitious muster roll for Rs. 117, but the Sub-overseer in charge whom the trying Magistrate and the Sessions Judge considered guilty of criminal breach of trust, as a public servant, was allowed to escape with a penalty of transfer only, his case being dealt with departmentally. The matter was reported to Government who ordered that the Sub-overseer should be dismissed from the Public Works Department and that he should be listed as unfit for re-employment.

19. *Shortage of tools.*—On examining a cash-book, a refund of a recovery of Rs. 15-4 made from a Sub-Divisional Clerk on account of part value of tools lost was noticed. On further enquiry it was found that the shortage of tools was discovered by a Sub-Divisional Officer at the time of assuming charge of the Sub-Division. The relieving Sub-Divisional Officer reported the matter to the Superintending Engineer in the charge report. In the meantime, as a result of further investigation on the spot, the Executive Engineer discovered certain tools including some of the same class as those missing but with a stamp apparently of the District to which the relieved Sub-Divisional Officer was transferred, a fact which made him suspicious of the Sub-Divisional Officer and he reported the fact to the Superintending Engineer recommending recovery of the value of the missing tools from both the Sub-Divisional Officer and the Sub-Divisional Clerk. The Superintending Engineer, however, sanctioned the write off of the missing tools, without any recovery. The matter was reported to Government, who ordered the recovery of the cost of the missing tools from the Sub-Divisional Officer in full, and also reprimanded him as the fact that the tools marked with the stamp of one District were found in another made his conduct suspicious.

20. *Occupation of Government bungalows as residences at a nominal rent.*—Public Works Department Inspection bungalows situated at the head-quarters of three Irrigation Districts have, for some years past, been occupied as residences by the respective Executive Engineers in charge at a nominal rent of Rs. 15 p.m. in consideration of the fact that they provide accommodation therein when required for Inspecting officers. These bungalows which have been constructed at a capital cost of Rs. 23,000, Rs. 15,700 and Rs. 14,400 respectively are furnished at Government expense and one is also fitted with an electric installation. Under the ordinary rules rent is leviable at 5 per cent. on the capital cost of the building, limited however to 10 per cent. of the average salary and allowances of the occupant which would come to considerably more than the rent fixed by the Local Government in the three cases. Moreover rent for electrical, water supply and sanitary fittings should be recovered in addition to the rent of the building proper.

The matter was reported to Government and they were requested to consider the advisability of revising the rents charged in each of these cases and placing them on the same footing with other buildings used as residences so as to give Government an adequate return on the capital invested.

In reply Government have intimated that they consider no change called for in the existing rules by which the rent of these bungalows is regulated.

21. *Occupation of a Government bungalow rent free without proper authority.*—In 1920, the Head of a Department gave verbal permission to the clerks of the office of an officer subordinate to him to live in a Government building rent free till such time as the Bombay scale of pay should be sanctioned for them. This scale was however not sanctioned and the officer then moved to obtain official recognition of the arrangement made. Government proposed to issue an order totally exempting the clerks from payment of arrears of rent up to 30th November 1922 which amounted to Rs. 906 but requiring rent to be recovered thereafter. It was pointed out in April 1923 that the write off was within the powers of Government but Government was asked in the event of their adopting this course to report the matter to the Public Accounts Committee as soon as possible under Article 228, Civil Account Code. The write off has since been sanctioned. The case is one in which what is admittedly a legitimate claim for rent was without authority waived by the Head of a Department with the result that Government having confirmed the arrangement made by him for the period preceding their orders, a definite loss of revenue has accrued.

22. *Loss of rent due to oversight of Government Orders.*—In 1883 accommodation was provided in a Collector's Kacheri (office) for the office of the District Local Board. In April 1897 the Local Government issued a general order requiring that rent should be charged, when a separate room or building was provided for or used solely by Local Boards; but no rent was recovered from the Local Board in this case. The omission came to the notice of the Audit Office while checking rent statements, sanctioned by the Superintending Engineer of the Division. The total amount due to Government, if recovered from 1897, roughly computed, would come to Rs. 9,200. The matter was referred to Government by the Collector

in February 1922 and Government have, on the recommendation of the Commissioner, ordered that as the financial condition of the Board is bad, rent should be recovered only from 1st December 1919. As the omission to assess rent occurred some 25 years back, no attempt was made to fix responsibility or to take disciplinary action.

23. *Loss due to delay in assessing rent on installations of water supply, etc.*—Prior to the year 1917, the capital cost of a residential building was treated as including not only the cost of construction of the building proper, but also of the cost of water, sanitary and electrical installations, the rent leviable upon the occupant of the building being limited to 10 per cent. of the capital cost thus arrived at. In their letter No. 232-B.I., dated 22nd June 1917, the Government of India ruled that with effect from 1st September 1917 rent on all such installations attached to residential buildings should be calculated separately from the rent on the buildings proper to which alone the 10 per cent. limit would apply. This involved a revision of the rents on all buildings affected. The preparation and sanction of revised rent statements and the resultant assessment of rent was, however, so long delayed in one district, due, as it was said, to shortage of staff, that rent amounting to some Rs. 41,684 was in arrears at the end of September 1920. When assessed, the tenants concerned objected to pay, on the ground that the claims were time-barred.

The facts were reported to Government and their final orders have been received according sanction to writing off the arrears of rent and asking the Executive Engineer to observe strictly the rules regarding the levy of rent on account of Government residential buildings and the installations provided therein and to take steps to prevent such charges from falling into arrears in future.

No disciplinary action against the officers at fault has been taken though the ground alleged for delay in assessment, *viz.*, shortage of staff, does not appear to be valid in the absence of efforts to obtain sanction to extra staff.

This was not the first occasion on which Government revenue has suffered through tardy action on the part of Executive officers as amounts due on account of electrical installations were written off in somewhat similar circumstances in 1914, 1918 and 1919.

24. *Incorrect book balance of materials at site.*—It was noticed at a local inspection of an Executive Engineer's office that in the statement of verification of material at site on 31st March 1922, materials worth Rs. 1,864 were shown as balance. It was however noted in the same statement by the Sub-Divisional Officer that there was actually no balance of materials at site. The book balance was therefore not correct. The reason for this discrepancy was stated to be that cement had been issued to a contractor, but no recovery on that account had been made from him as his bill had not been paid pending sanction to an excess over the allotment. It was also brought to notice that a similar issue of cement had been made in August 1921 without making the necessary recovery from the contractor and the reason alleged for the non-recovery in this case also was the same, *viz.*, excess over allotment.

The Superintendenting Engineer ordered payment of the claim against the allotment for the following year. Amounts due to Government for issue of materials were also recovered from the bill when paid.

It was pointed out to Government that the action of the Executive Engineer was irregular for two reasons—(*i*) the liability should not have been incurred in the absence of adequate funds, and (*ii*) when it was so incurred payment for work done should not have been withheld.

Government in their remarks on the Inspection Report observed that the above points should be attended to in future. As the Executive Engineer responsible for the irregularity was dead no further action was possible.

25. *Payment of compensation for loss of materials without actual measurement.*—It was noticed at the time of inspecting an Executive Engineer's office that a payment of Rs. 2,193 on account of compensation for loss of materials, etc., was made to a contractor on 31st March 1920 without recording any measurements at site of work to substantiate the loss involved. On enquiry being made the Sub-Divisional Officer reported that as the loss was due to floods no measurements at site were practicable. The entries in the measurement book were therefore recorded at the Sub-Divisional Officer's head-quarters from his knowledge of the items acquired at the time of a personal inspection made by him for the purpose of

making out a supplementary estimate for the work. The Sub-Divisional Officer further stated that had measurements been recorded at site it would have been impossible to make the payment during the official year since, as it was, the telegram conveying the sanction to the payment of compensation and allotment of funds for that purpose was received from the Superintending Engineer only on the last day of the year, *i.e.*, 31st March 1920.

The action of the Superintending Engineer in authorising the payment was irregular as Superintending Engineers have no power to sanction compensation in such cases. Even in cases of writes-off of losses of Government property the power of a Superintending Engineer is limited to Rs. 1,000.

The case was reported to Government who agreed that the Superintending Engineer had exceeded his powers but decided that he should not be penalised and the payment of compensation was approved by them.

26. *Unusual payments.*—(*a*) In continuation of paragraph 24 of the Audit Report for 1921-22, it may be pointed out that the total cost on account of fees paid to the private architects amounted to Rs. 1,02,718-11-2. As stated in my last report a sum of Rs. 40,000 was paid during that year. The balance of Rs. 62,718-11-2 has since been paid.

(*b*) The above is not the only case of its kind. A similar payment of Rs. 1,31,918-11-0 was made during the years 1920-21 to 1922-23 to a private architect for designing public buildings in another district. The reason given by Government for the employment of private agency was the same as in the case of (*a*) above, *viz.*, great congestion of work in the Consulting Architect's office at the time.

27. *Insufficient attention to financial interests.*—(*a*) In continuation of paragraph 25 (*a*) of the Audit Report for the year 1921-22 it is observed that the Local Government in October 1922 sanctioned a supplementary estimate for Rs. 8,880 for providing furniture, bringing the total amount of estimate to Rs. 2,04,460 for the District Bungalow. Expenditure of Rs. 7,659-14 was incurred in March 1923 against this supplementary estimate.

(*b*) A proposal to erect new offices at Ganeshkhind for the Private and Military Secretaries at a cost of Rs. 53,550 was administratively approved by the Government of India in February 1920. In May 1922 the Government of Bombay requested the Government of India to obtain the sanction of the Secretary of State to amended plans and estimate for the same work, the latter amounting to Rs. 93,600. The reasons given for the increase were (1) change of site, (2) adoption of an altogether new design giving larger and more suitable accommodation, (3) construction of the ground floor verandah arcade to match the existing building close by, (4) increase in rates and (5) provision of new record stands. It was also stated that the buildings originally designed were of a plain and simple nature and accommodation provided therein was found to be insufficient; hence that proposal was set aside and a fresh design prepared in which provision was made for adding upper storeys over two existing buildings thus giving the required accommodation in a more suitable manner.

The work had already been started in anticipation of sanction on the ground that it was to be completed before the Government moved to Ganeshkhind in June.

The Government of India in forwarding the letter from the Government of Bombay to the Secretary of State invited attention to the increase over the original estimate and expressed a doubt whether it was really necessary to proceed with the work in present financial circumstances.

The Government of India also invited the attention of the Secretary of State to the large expenditure of Rs. 30,17,215 incurred during the three years ending on the 31st March 1922 on the three Government Houses in the Bombay Presidency.

As the work had already been started the Secretary of State felt that he had no alternative but to accord sanction and expressed regret that the Government of Bombay should have thought it fit to incur this additional expenditure in the present financial circumstances. The work is almost completed and the expenditure to the end of May 1923 is Rs. 89,614.

(c) Bombay Development Works

The following irregularities are brought to notice :—

28. *Insufficient attention to financial interests.*—While submitting certain revised estimates for the sanction of Government, a Superintending Engineer

reported that in one case the excess was due to the collapse of a structure already built. A further enquiry into the matter, brought to light the following facts :—

(I) The collapse was due to carelessness and neglect of the Assistant Engineer in charge, as

(*a*) Excavation was carried out for foundations without regard to the nature of the soil.

(*b*) The maximum amount of excavation was 1 foot only and there were only 6 inches of lime concrete underneath the walls.

(*c*) The plinth masonry was built in mud instead of in lime.

(II) The work was not supervised by any Senior officer as there was no Executive Engineer and the Superintending Engineer in charge of the Division considered that a senior Assistant Engineer should be able to carry out the construction of ordinary bungalows without superior supervision.

(III) The extra cost to Government was about Rs 4,000.

The matter was brought to the notice of Government who in view of the termination of the services of the Assistant Engineer in charge confined their action to the issue of orders to the Superintending Engineer to ensure that building construction should be properly supervised and that unsatisfactory work of the description referred to above should be made impossible in future.

29. *Interest charges for land acquisition.*—Certain land which was urgently required for the extension of a quarry was taken possession of, on 11th March 1921, without a valuation. The Award Statement in connection with this land was not prepared till 9th June 1922, *i.e.*, nearly 15 months after, when, it was discovered that the area taken possession of was greater than the area notified. The possession of the correct area of the land was then formally taken over on 3rd July 1922. The delay however led to an unnecessary payment of interest amounting to Rs. 3,234-14-6 under section 34 of the Land Acquisition Act. The matter was brought to the notice of Government who have issued orders to the Collector to avoid such delays in valuation of lands in future.

30. *Pay of establishment charged to works.*—With a view to effect economy, the menial staff in an Executive office was reduced by three. The Executive Engineer however engaged four men instead by charge to " works" and the irregularity was noticed when the Muster roll was received in the Audit office for audit before payment. The Executive Engineer on being asked to explain the same stated that he had done it under instructions from the Superintending Engineer. The matter was brought to the notice of Government who agreed that the action was irregular and in contravention of the Code Rules but merely directed that the services of the men engaged should be dispensed with at once.

B. STATISTICS OF EXPENDITURE PLACED UNDER OBJECTION DURING 1922-23.

(a) Civil Department.

31. *Percentage of objections to total expenditure.*—The following statement shows the gross amount of objections raised during the year under review, the net amount of objections representing substantial deviation from rules, the total expenditure relating to the year audited and debited to service heads and the percentage which the net amount of objections bears to the total expenditure.

		Rs.
1.	Total expenditure placed under objection relating to the year 1922-23	1,08,93,888
2.	Deduct—	
	(*a*) amount relating to debt heads including suspense	72,43,737
	(*b*) amount placed under objection for want of detailed bills	23,57,787
	Total deductions	96,01,524
3.	Net expenditure placed under objection which represents substantial deviation from rules	12,92,364
4.	Total expenditure relating to the year 1922-23 debited to service heads and audited during the year	11,87,52,434
5.	Percentage of objections (3 above) to total expenditure (4 above)	1·08
6.	Similar percentage for the preceding year	·86

32. *Classification and analysis of outstanding objections.*—The classification and analysis of objections relating to the year under review and also relating to previous years are given in the following statement:—

Statement showing the classification and analysis of objections relating to Provincial expenditure for 1922-23 which remain outstanding on 31st July 1923.

Year to which the objection relates.	Suspense.				Items awaiting clearance.			
	Dr.		Cr.		for want of D. c. bills.		for other reasons.	
	Number of items.	Amount.	Number of items.	Amount.	Number of items.	Amount.	Number of items.	Amount.
1	2	3	4	5	6	7	8	9
		Rs.		Rs.		Rs.		Rs.
1917-1918 ..	..	..	..	..	..	..	..	..
1918-1919 ..	..	..	..	..	..	..	..	..
1919-1920 ..	..	..	..	..	..	..	..	..
1920-1921 ..	..	..	..	..	..	..	26	2,470
1921-1922 ..	..	..	..	..	..	..	9	512
1922-23 (year under review) { Objections relating to the year raised upto 31st March 1923 ..	..	..	..	..	36	6,070	147	60,221
1922-23 (year under review) { Objections relating to the year raised after 31st March 1923 ..	..	..	..	..	87	21,568	26	8,336
1922-23 (year under review) { Total outstanding on 31st July 1923 relating to the year ..	..	..	..	..	123	27,638	173	68,557
Total outstandings on 31st July 1923 ..	..	..	..	..	123	27,638	208	71,539

Year to which the objection relates.	Service payments for recovery.		Total.		Total on the 31st July of the preceding year.		Increase + decrease—	
	Number of items.	Amount.	Number of items.	Amount.	Number of items.	Amount.	Number of items.	Amount.
	10	11	12	13	14	15	16	17
		Rs.		Rs.		Rs.		Rs.
1917-1918 ..	..	..	..	..	1	5,000		
1918-1919 ..	..	..	..	..	3	17,988		
1919-1920 ..	..	..	..	..	14	42,128		
1920-1921 ..	1	1,373	27	3,843	109	1,53,624		
1921-1922 ..	24	1,502	33	2,014	1,413	4,20,969		
1922-23 (year under review) { Objections relating to the year raised upto 31st March 1923 ..	127	9,891	310	76,182	..	..	..	
1922-23 (year under review) { Objections relating to the year raised after 31st March 1923 ..	41	561	154	30,465	..	..	..	
1922-23 (year under review) { Total outstanding on 31st July 1923 relating to the year ..	168	10,452	464	1,06,647	..	..	..	
Total outstandings on 31st July 1923 ..	193	13,327	524	1,12,504	1,540	6,39,709	— 1,016	—5,27,205

33. *Outstanding items for 1920-21.*—The 27 items relating to the year aggregating Rs. 3,843 are on account of temporary, provisional and acting allowances drawn in the Educational Department in addition to the revised rates of pay. Items of this kind from their very nature call for early settlement, but in spite of action taken as early as September 1920, orders of Government disposing of the case are still awaited.

34. *Recoveries in 1922-23 as the result of audit objections.*—The total amount recovered during 1922-23 as the result of objections raised in audit was Rs. 1,25,022.

35. *Comments on the expenditure for March 1923.*—The occurrence of heavy expenditure in March persists. Cases of individual irregularity are detailed in paragraph 6. The statement below illustrates how amounts drawn in that month not only exceeded 33⅓ per cent. of the grant for the year but also completely exhausted them. The natural inference is that as money was available at the end of the financial year it was drawn to avoid a lapse of grant. In October 1922 Government issued an order in connection with an irregularity of this nature pointing out that the object of article 88, C.A.C., was sufficiently clear and that it precluded officers from purchasing towards the close of the year stamps or other supplies considerably in excess of probable and reasonable requirements upto the end of the year :—

Head of account.	Nature of charge.	Grant for the year.	Expenditure for the year.	Expenditure in March.
		Rs.	Rs.	Rs.
5, Land Revenue ..	Service postage and telegrams ..	150	150	59
9, Registration ..	Contract contingencies ..	460	460	256
Do. ..	Do. ..	520	520	185
Do. ..	Service postage ..	2,000	2,000	800
31, Education ..	Contract contingencies ..	1,100	1,100	401
32, Medical ..	Service postage ..	100	99	39
34, Agriculture ..	Do. ..	150	150	90
Do. ..	Countersigned contingencies ..	700	700	351
Do. ..	Do. ..	810	810	502

(b) Public Works Department.

36. The following statement shows the total expenditure incurred, the total amount of objections raised and the percentage the latter bears to the former :—

Civil Works—Provincial 1922-23

	Rs.
(1) Total expenditure during 1922-23	1,26,89,849
(2) Total amount of objections during 1922-23	28,97,288
(3) Amount of objections common to more than one head of objection	30,553
(4) Percentage of total objections (2 above) to total expenditure (1 above)	22·83
(5) Percentage of net objections [(2) above *minus* (3) above] to total expenditure (1 above)	22·59
(6) Percentage for the preceding year similar to (4) above ..	48·08
(7) Percentage for the preceding year similar to (5) above ..	47·79

Note.—Percentage of net objections to total expenditure after excluding the objections for want of Vouchers, 17·35.

Do do. for the previous year .. .. 42·79

The decrease is due to the stringent orders of the Local Government against irregular expenditure.

37. The percentage of works started without estimate to the total number of works started during the year under review stands at 19 against 37 of the last year.

The percentages separately under (*a*) original works, (*b*) special repairs and (*c*) ordinary repairs work out to 18, 13 and 26 against 26, 29 and 68 of the previous year.

The percentages given above have been arrived at by taking 20 per cent. of the Divisions in the Province selected at random including at least one heavy Division from each circle of Superintendence.

38. The following statement shows the classification and analysis of objections relating to the year under review which remain outstanding on 31st July 1923 :—

Civil Works—Provincial, 1922-23.

Year to which the objection relates.	Want of estimate.		Excess over estimate.				Miscellaneous irregularities.	
			Not covered by administrative sanctions.		Covered by administrative sanctions.			
	Number of items.	Amount.	Number of items.	Amount.	Number of items.	Amount.	Number of items.	Amount.
1	2	3	4	5	6	7	8	9
		Rs.		Rs.		Rs.		Rs.
1919-20 and prior ..	..	..	..	..	..	..	..	..
1920-21 ..	1	1,875	..	..	5	10,086	1	55
1921-22 ..	2	15,257	..	..	8	1,76,252	6	2,03,689
1922-23 — Objections relating to year raised up to 31st March 1923 ..	11	18,695	..	..	29	2,73,545	21	99,339
1922-23 — Objections relating to year raised after 31st March 1923 ..	7	45,001	..	..	10	7,623	7	15,498
1922-23 — Total outstanding on 31st July 1923 relating to year ..	18	63,696	..	..	39	2,81,168	28	1,14,837
Total outstanding on July 31st, 1923 ..	21	80,828	..	..	52	4,67,506	35	3,18,581

Year to which the objection relates.	Total.		Total on 31st July of preceding year.		Increase + decrease —	
	Number of items.	Amount.	Number of items.	Amount.	Number of items.	Amount.
	10	11	12	13	14	15
		Rs.		Rs.		Rs.
1919-20 and prior ..	..	..	4	83,860	..	..
1920-21 ..	7	12,016	41	6,68,532	..	..
1921-22 ..	16	3,95,198	214	18,61,450	..	..
1922-23 — Objections relating to year raised upto 31st March 1923 ..	61	3,91,579	..	..	..	..
1922-23 — Objections relating to year raised after 31st March 1923 ..	24	68,122	..	..	..	..
1922-23 — Total outstanding on 31st July 1923 relating to year ..	85	4,59,701	..	..	..	..
Total outstanding on 31st July 1923 ..	108	8,66,915	259	26,13,842	—151	—17,46,927

39. The more important items included in the balances outstanding on 31st July 1923 are explained below :—

No estimate.

(1) Police accommodation scheme at DeLisle road, 1922-1923....Rs. 36,500

The objectionable expenditure first appeared in March 1923 (supplementary) on account of payment of compensations for land. This was reported to the Superintending Engineer in July 1923. Sanction to the estimate is awaited.

Excess over estimate.

(2) Constructing a bungalow for the Inspector General of Police, Poona—

		Rs.
1920-21	..	4,130
1921-22	..	1,445
1922-23	..	6,160
Total	..	11,735

The excess expenditure first appeared in November 1920.

(3) Constructing a bungalow for the Chief Engineer and Joint Secretary at Poona—

		Rs.
1920-21	..	2,170
1921-22	..	18,260
1922-23	..	141
Total	..	20,571

The excess expenditure first appeared in March 1921.

Items (2) *and* (3).—The objection was last reported to Government in August 1923. The works are said to have been completed. Detailed completion reports dealing with the excess are under preparation in the Executive Engineer's office and are awaited.

(4) Constructing a bungalow for the Deputy Inspector General of Police, Poona—

		Rs.
1920-21	..	679
1921-22	..	5,794
1922-23	..	2,886
Total	..	9,359

This was included in the previous Audit Report.

The excess first appeared in March 1921. The irregularity was last reported to Government in August 1923. The Executive Engineer reports that the revised estimate is under preparation.

(5) New generating plant at Government House, Ganeshkhind—

		Rs.
1921-22	..	7,322
1922-23	..	211
Total	..	7,533

The objectionable expenditure first appeared in December 1921. The last report to Government was made in June 1923. The Executive Engineer states that the excess will disappear when the old plant is sold.

(6) Constructing a bungalow for the Superintending Engineer, Central Division—

		Rs.
1921-22	..	19,292
1922-23	..	103
Total	..	19,395

The excess expenditure first appeared in October 1921 and was specially reported to Government in March 1922. The work has since been reported to have been completed and a detailed Completion Report is under preparation by the Executive Engineer which is awaited.

(7) Constructing roads and drains on the land acquired for the Development of the Suburb, east of Koregaon road, Poona District—

	Rs.
1921-22	40,296
1922-23	26,686
Total ..	66,982

The objectionable expenditure first appeared in October 1921. Revised estimate for the work is said to be under preparation by the Executive Engineer. The Local Government have been requested in August 1923 to regularise the excess.

(8) Purchase of new Drilling Machinery required by the Sanitary Project Office—

	Rs.
1921-22	63,512

The objectionable expenditure first appeared in March 1922. The work is completed. The excess over estimate has since been passed by Government in August 1923.

(9) Constructing office and quarters for the Deputy Superintendent of Police at Aden—

	Rs.
1921-22	3,894
1922-23	11,115
Total ..	15,009

The objectionable expenditure first appeared in March 1922. The last report to Government was made in February 1923. The excess is being dealt with in a detailed Completion Report which is awaited.

(10) Tools and Plant, Karachi Buildings District—

	Rs.
1921-22	10,625

The objectionable expenditure first appeared in the supplementary accounts for March 1922 due to adjustment of the cost of English stores. The sanction of Government is being applied for by the Executive Engineer to the excess.

(11) Alterations and additions to the Central Lunatic Asylum at Yeravda—

	Rs.
1922-23	20,508

The objectionable expenditure first appeared in March 1923. The Executive Engineer has been asked to regularise the expenditure. A special report was made to Government in August 1923.

(12) Acquisition of land for housing Government officials, Poona—

	Rs.
1922-23	13,562

The objectionable expenditure first appeared in March 1923. The Executive Engineer has been asked to regularise the expenditure. A special report was made to Government in August 1923.

(13) Constructing a causeway over the river Bhima at Pandharpur—

	Rs.
1922-23	70,580

The objectionable expenditure first appeared in August 1922. The revised estimate is under check in the Superintending Engineer's office. A special report was made to Government in January 1923.

(14) Constructing King Edward Memorial Hospital at Sholapur—

	Rs.
1922-23	58,530

The objectionable expenditure first appeared in January 1923. The revised estimate is under check in the Superintending Engineer's office. A special report was made to Government in May 1923.

Miscellaneous Irregularities.

(1) Maintaining Water Works installations at Pandharpur—

	Rs.
1921-22	11,897

Out of Rs. 36,242 appearing in the last year's audit report Rs. 24,345 have since been recovered from the Pandharpur Municipality. The Commissioner, Central Division, has been asked by the Local Government to take steps towards the recovery of the balance. The last report to Government was made in January 1923.

(2) Ahmedabad Water Works—

	Rs.
1921-22	1,88,696
1922-23	65,100
Total ..	2,53,796

The objectionable expenditure first appeared in the supplementary accounts for March 1922 on account of the cost of English Stores. The last report was made to Government in August 1923. Government state in memorandum No. 151-8-13630 dated 3rd August 1923 that the orders to regularise the objectionable expenditure will be issued shortly.

(3) Charges incurred on behalf of the Dhrangadhra State in connection with boring operations—

	Rs.
1922-23	11,465

The amount represents the value of materials issued from time to time. The Huzur Accounts Officer, Rajkot, has been asked to recover the amount from the State. The recovery of Rs. 1,199 has been made in the accounts for July 1923 and that of the balance is awaited.

Public Works Department—Irrigation, Navigation, Embankment and Drainage Works.

40. The following statement shows the total expenditure incurred, the total amount of objections raised and the percentage the latter bears to the former :—

	Rs.
(1) Total expenditure during 1922-23	1,04,41,378
(2) Total amount of objections during 1922-23	61,34,467
(3) Amount of objections common to more than one head of objection	13,57,685
(4) Percentage of total objections (2) above to total expenditure (1) above	59
(5) Percentage of net objections (2 above *minus* 3 above) to total expenditure (1 above)	46
(6) Percentage for the preceding year similar to (4) above ..	139*
(7) Percentage for the preceding year similar to (5) above ..	83

NOTE.—Percentage of net objections to total expenditure after excluding objections for want of vouchers .. 41
Do. do. do. for the previous year .. 78

*Please see the note regarding this percentage in the audit report for 1921-22.

NOTE.—The decrease in percentage is due to the stringent orders of the Local Government against irregular expenditure.

41. The percentage of works started without estimate to the total number of works started during the year under review, stands at 25 against 46 of the previous year.

The percentages separately under (*a*) original works, (*b*) special repairs and (*c*) ordinary repairs work out to 27, 4 and 34 against 36, 33 and 59 of the previous year.

The percentages given above have been arrived at by taking 20 per cent. of the Districts in the Province selected at random including at least one heavy division from each circle of Superintendence.

Public Works Department—Irrigation, Navigation, Embankment and Drainage Works.

42. The following statement shows the classification and analysis of objections, relating to the year under review which remain outstanding on the 31st July 1923 :—

Provincial Irrigation, 1922-23.

Year to which the objection relates.	Want of Estimate.		Excess over estimate.				Miscellaneous Irregularities.	
			Not covered by administrative sanctions.		Covered by administrative sanctions.			
	Number of items.	Amount.	Number of items.	Amount.	Number of items.	Amount.	Number of items.	Amount.
1	2	3	4	5	6	7	8	9
		Rs.				Rs.		Rs.
1919-20 and prior ..	..	....	..	..	2	3,633	1	13,81,335
1920-21	8	26,285	..	..	10	29,675	1	2,06,471
1921-22	5	55,47,103	..	..	29	74,005	..	40,72,357
1922-23—Year under review. Objections relating to the year raised up to 31st March 1923 ..	33	12,42,301	..	..	65	4,74,449	8	21,24,746
1922-23—Year under review. Objections relating to the year raised after 31st March 1923 ..	2	1,41,189	..	..	5	20,788	2	3,46,735
1922-23—Year under review. Total outstanding on 31st July 1923 relating to the year.	35	13,83,490	..	..	70	4,95,237	10	24,71,481
Total outstanding on 31st July 1923 ..	48	69,56,968	..	..	111	6,02,550	12	81,31,644

Year to which the objection relates.	Total.		Total on 31st July of the preceding year.		Increase + decrease —	
	Number of items.	Amount.	Number of items.	Amount.	Number of items.	Amount.
1	10	11	12	13	14	15
		Rs.		Rs.		Rs.
1919-20 and prior ..	3	13,84,968	26	14,28,399	....	....
1920-21	19	2,62,431	47	4,11,019	....	....
1921-22	34	96,93,555	179	1,17,84,022	....	....
1922-23—Year under review. Objections relating to the year raised up to 31st March 1923 ..	196	38,41,496	....	....	....	....
1922-23—Year under review. Objections relating to the year raised after 31st March 1923 ..	9	5,08,712	....	....	....	....
1922-23—Year under review. Total outstanding on 31st July 1923 relating to the year.	115	43,50,208	....	....	....	....
Total outstanding on 31st July 1923 ..	171	1,56,91,162	252	1,36,23,440	—81	+20,67,722

43. The more important items included in the balance outstanding on 31st July 1923 are enumerated below :—

No estimate.

1. Prayara Canal Project—

	Rs.
8 items during 1920-21	26,285
3 items during 1921-22	7,718
3 items during 1922-23	2,49,545
Total ..	2,83,548

2. Nira Right Bank Canal Project—

		Rs.
1 item	1921-22	55,38,942
	1922-23	10,98,958
	Total	66,37,900

3. Refund of Revenue in 1921-22—

	Rs.
(Pravara Canals District)	533

Excess over estimate.

4. Compensation for Land-Darna Dam—

	Rs.
1920-21	10,161
1921-22	655
1922-23	459
Total	11,275

5. Chankapur Tank Girna River Project. Distributary No. 3—

	Rs.
1921-22	1,568
1922-23	2,000
Total	3,568

6. Tools and Plant, Lonand District—

	Rs.
1921-22	427

7. Additions and alterations to the Yesgaon Chowki, Godavari Left Bank Canal—

	Rs.
1921-22	1,115

8. Constructing Head Distributary, Hiral Canal—

	Rs.
1921-22	979
1922-23	2,910
Total	3,889

9. Revision of the Gokak Canal Extension Project—

	Rs.
1922-23	10,660

10. Pravara Canal Project—

		Rs.
2 items,	1919-20	3,633
2 items,	1920-21	14,193
3 items,	1921-22	31,583
3 items,	1922-23	3,59,002
	Total	4,08,411

11. Nira Right Bank Canals Project—

		Rs.
7 items,	1920-21	5,321
22 items,	1921-22	37,678
2 items,	1922-23	35,349
	Total	78,348

Miscellaneous Irregularities.

12. Excess over project provision. Nira Right Bank Canal Project :—

	Rs.
1919-20	13,81,335
1920-21	1,96,310
1921-22	40,71,702
1922-23	22,90,899
Total ..	79,40,246

13. Excess over project provision. Land compensation—Darna Dam :—

	Rs.
1920-21	10,161
1921-22	655
1922-23	459
Total ..	11,275

14. Hyderabad Water works :—

	Rs.
1922-23	1,28,223

Items 1 *and* 10.—The second revised project has been sanctioned by the Secretary of State in his despatch No. Public Works 1766-22 dated 31st May 1922 and the Superintending Engineer, Deccan Irrigation Division, reports that the detailed estimates for the works will be sanctioned shortly.

Items 2, 11 *and* 12.—The revised Project estimate for the Nira Right Bank Canal, amounting to Rs. 4,91,10,860 inclusive of indirect charges, has been approved by the Secretary of State who, however, directed that the sanction should not be treated as operative until the matter had been brought before the Local Legislative Council. This has not as yet been done.

Item. 3.—The estimate has since been sanctioned in August 1923 and the objection will be removed.

Items 4 *and* 13.—This was included in the previous audit report. The Executive Engineer reports that the Collector of Nasik has been directed to realize the value of lands relinquished and afford credit to the Public Works Department.

Item 5.—The work was completed in December 1922. A completion report dealing with the excess has been called for in this office No. P. W. I.-495 dated 10th July 1923 and it is awaited.

Item 6.—The Superintending Engineer, Deccan Irrigation Division, has applied for Government sanction to the excess over the estimate in his No. 2116 dated 5th May 1923. The sanction of Government is awaited.

Item 7.—The work was completed in March 1922 and a completion report dealing with the excess is awaiting the sanction of Government. (Executive Engineer's letter No. 6195 dated 6th August 1923).

Item 8.—The excess over estimate will be dealt with in the completion report which will be submitted when the land compensation charges are paid by the Revenue Authorities.

Item 9.—The excess is due to the adjustment of establishment charges in the supplementary accounts for March 1923.

Item 14.—This represents the cost of English stores adjusted in the supplementary accounts for March 1923 and debited to "Miscellaneous advances" pending receipt of contribution.

March Expenditure. (*Public Works.*)

44. The following statement shows the percentage of the amount of cheques drawn in March 1923 to the total amount of cheques drawn during the year under

review, and the percentage of the amount of cheques drawn during the last three days of March 1923 to the total amount of cheques drawn during that month. The corresponding figures for the preceding year are also given for the purpose of comparison.

Province.	Percentage of the amount of cheques drawn in March to the amount drawn during the year.		Percentage of the amount of cheques drawn during the last three days of March to the total amount drawn in March.	
	1921-22.	1922-23.	1921-22.	1922-23.
Bombay	19·96	19·33	23·89	20·73

The expenditure in March 1923 was heavy in a large number of districts. In 12 out of 14 districts in Sind, and 21 out of 34 districts in the Presidency proper the expenditure in March 1923 exceeded twice the average of the preceding 11 months and in 10 districts of Sind and in 11 districts of the Deccan and Gujarat it exceeded thrice the average expenditure of the preceding 11 months. The causes of heavy expenditure in March 1923 are stated to be as under :—

(*a*) The accounts for March include payments made by the Sub-Divisional Officers during 21st to 28th February in addition to the payments for the full month of March.

(*b*) The canal bunds and silt clearance works in Sind were in full swing during February and March.

(*c*) Large earth works in one of the Irrigation Districts were in full swing in March.

(*d*) Sanctions to estimates and allotment of funds for large and important works were in some cases received late.

(*e*) Difficulty was experienced in obtaining labour in the first six months of the year in some Districts.

Although heavy expenditure in March is not necessarily objectionable and is in part inevitable as the month falls within the busy working season, a presumption naturally arises when such expenditure shows a very marked excess over that of other months that it includes unnecessary or premature payments made to avoid lapse of grants or has been rendered possible only by the hurried execution of work or measurements or in extreme cases by their omission altogether.

The Local Government in view of the tendency towards heavy expenditure by the Public Works Department at the close of the year have in their Resolution No. 3683 dated 1st February 1923 directed that the expenditure in March should not be allowed to exceed, even in a heavy district, twice the monthly average of the expenditure during the preceding eleven months of the year.

The foregoing figures show that in many cases these instructions have not been complied with. The case mentioned at paragraph 17 of this report is an instance of irregularities influenced by the desire to avoid lapses of grant at the close of the year.

(c) Bombay Development Department.

45. As stated in paragraph 45 of the Audit Report for 1921-1922 the strict observance of the ruling in paragraph 258 of the Public Works Department Code has resulted in greatly reducing the number of works started without estimates, the relaxation thereof being allowed in very few exceptional cases. The percentage of such cases comes to two approximately.

46. The percentage of total objections to the total expenditure during the year is commendably low.

The following statement shows the percentage of objections to the total expenditure (1922-1923) :—

		Rs.
1.	Total expenditure relating to the year 1922-23	2,65,60,802
2.	Total amount of objections	7,08,168
3.	Amount of objections common to more than one head of objection.	....
4.	Percentage of total objections (2) to total expenditure (1) above. .	2·66
5.	Percentage of net objections (2—3 above) to total expenditure (1) above	2·66
6.	Percentage for the preceding year similar to (4) above ..	103·2
7.	Percentage for the preceding year similar to (5) above ..	99·9

47. The following statement shows the classification and analysis of objections relating to the year 1922-23 which remain outstanding on 31st July 1923.

Year to which the objection relates.	Want of Estimates.		Excess over Estimates.				Miscellaneous irregularities.	
			Covered by administrative sanction.		Not covered by administrative sanction.			
	Number of items.	Amount.	Number of items.	Amount.	Number of items.	Amount.	Number of items.	Amount.
1	2	3	4	5	6	7	8	9
		Rs.		Rs.		Rs.		Rs.
1921-22	..	..	4	59,687	..	..	1	2,40,916
Objections relating to the year raised upto 31st March 1923 ..	..	..	17	1,49,414	..	..	..	....
Objections relating to the year raised after 31st March 1923 ..	4	54,012	15	1,11,552	..	..	2	99,615
Total outstanding on 31st July 1923 relating to the year	4	54,012	32	2,60,966	..	..	2	99,615
Total outstanding on 31st July 1923	4	54,012	36	3,20,653	..	..	3	3,40,531

Year to which the objection relates.	Total		Total on 31st July of the preceding year.		Increase + Decrease—	
	Number of items.	Amount.	Number of items.	Amount.	Number of items.	Amount.
	10	11	12	13	14	15
		Rs.		Rs.		Rs.
1921-22	5	3,00,603	75	2,76,44,590	....	....
Objections relating to the year raised upto 31st March 1923 ..	17	1,49,414	....	....	....	....
Objections relating to the year raised after 31st March 1923 ..	21	2,65,179	....	....	....	....
Total outstanding on 31st July 1923 relating to the year	38	4,14,593	....	....	....	....
Total outstanding on 31st July 1923 ..	43	7,15,196	75	2,76,44,590	—32	—2,69,29,394

C—GENERAL REMARKS.

48. *Revision of pay.*—(*i*) The pay of Mamlatdars and Mukhtiarkars (Revenue officers) was revised in Government Resolution, Revenue Department, No. E.—12, dated 16th March 1922, with effect from 1st March 1920. The pay of officiating Mamlatdars was fixed in Government Resolution No. 1186, dated 23rd March 1922,

and was given retrospective effect from 1st March 1920 in Finance Department Memorandum No. 1186, dated 15th/16th January 1923. Again, the substantive *pro tempore* promotions of Mamlatdars in the Central Division for the period from October 1917 to July 1920 were notified late in the *Gazette* of 7th December 1922.

(*ii*) Officiating pay of Mamlatdars and Head Accountants officiating as Deputy Collectors was fixed in Government Resolution, Revenue Department, No. 296 dated 28th April 1922 and 5267 dated 4th July 1922, respectively. These orders were, however, given retrospective effect from 1st March 1920 in Government Resolution, Revenue Department, No. 296, dated 22nd January 1923, and 5267 dated 27th April 1923. These revisions necessitated a recalculation of officiating pay for the period affected and threw considerable work upon the Audit Office.

49. *Revision of establishments.*—(*a*) As many as 131 establishments were revised in the Presidency and Sind during the year 1922-1923 on a time scale of pay. Of these 46 were superior and 85 inferior.

(*b*) Sub-Registrars who are on a provincial cadre have in the past drawn pay each on a separate bill. It has now been arranged that the pay of all such officers in a district shall be drawn on one establishment bill only. The change of procedure which involves a drastic reduction in the number of bills will save appreciable work in the Audit as well as in the district offices.

50. *Revision of Contract Grants.*—As mentioned in my Audit Report for the year 1921-22 the last quinquennial period of the contract contingent grants ended in 1919-20. The revised grants for the major head "31, Education" have not yet been sanctioned and some further delay appears probable as the revised proposals called for by the Local Government in March 1922 have not yet been submitted by the Head of the Department. In the meanwhile the contract expenditure under this major head is being audited against similar grants to those fixed for the last quinquennium as desired by the Local Government. The revised contract grants for 5, Land Revenue for the three years of the quinquennium from 1922-23 to 1924-25 were sanctioned in March 1923.

51. *Limit of Government House expenditure.*—The Secretary of State in his letter No. F.—4769 dated the 29th June 1922 fixed the annual limit of expenditure on "Original works", in connection with the residences of a Governor at Rs. 50,000 a year, permitting the Local Government to sanction expenditure on ordinary and special repairs, without limit.

The actual expenditure incurred on the three Government Houses in the Bombay Presidency during the year 1922-23 is as under :—

	Rs.	a.	p.
(*i*) Against the limit of Rs. 50,000	45,240	9	11
(*ii*) Against the sanction accorded by higher authority.. ..	1,35,222	1	4
(*iii*) Current and special repairs	2,02,828	15	2
Total ..	3,83,291	10	5

All sanctions to expenditure on Government Houses in Bombay were pre-audited in accordance with the orders of the Government of India.

52. *Appointment of Committees.*—Eight committees were appointed by the Local Government during the year and four committees of previous years continued their work. They were responsible for an increase in the number of travelling allowance bills and in the volume of correspondence dealt with in audit.

53. *Issue of supplementary and financial rules by the Local Government.*—Supplementary rules framed under the rule making powers conferred by the Fundamental Rules have been issued from time to time by Government, but final and up-to-date rules governing travelling allowances have not yet been completed. The issue of subsidiary rules under Treasury Orders 9 (*a*), 16 and 18 and of financial and procedure Rules under Devolution Rule 37 (*e*) is awaited.

In connection with travelling allowance however two important orders were issued by Government in the course of the year. With effect from 15th July 1922 the travelling allowance of an officer of the 1st, 2nd or 3rd class when travelling by rail and on tour has been reduced from double the fare to 1 3/5ths fares of the class in which he is entitled to accommodation. This measure was adopted in view of the

increase in passenger fares on railways. The second measure was the drawing up of new graduated rates of daily allowance for all classes of Government servants. The changes thus introduced take cognisance of the revised rates of pay which have been sanctioned for the various services in recent years.

54. *Preparation of Budgets.*—Prior to the year under report, the Accounts Office prepared the estimate of establishment charges and contract contingencies. As, however, the duty of preparation of estimates devolved upon the Finance Department of the Government, under the Devolution Rules, the system has been changed with the concurrence of the Government of Bombay from the year 1922-23 and the Accounts Office is now required only to assist the Finance Department in preparing the estimates by checking scales, etc.

55. *The proposed introduction of accounting on commercial lines for certain activities of Government.*—The Forest Department being a quasi-commercial Department, the Auditor General has suggested to the Government of Bombay the maintenance of separate accounts on commercial lines based on reports prepared by chartered accountants for use in Burma and Madras.

Similar proposals are pending regarding the Distilleries worked departmentally by Government. There are two such distilleries, one at Khanapur and the other at Nasik. The Acetone Factory at Nasik was purchased by Government in April 1922 for use as a country spirit distillery. The accounts of the distillery have hitherto been audited by a private firm of chartered accountants and the Examiner of Local Fund Accounts was accordingly asked to examine the accounts system obtaining there. He reported that the accounts system followed was not suitable as a record of transactions of a commercial nature. Preliminary instructions as regards the accounts were therefore drawn up and forwarded to the Commissioner of Customs, Salt and Excise, pending final settlement of the form in which the *pro forma* accounts required should ultimately be maintained. Further proposals have recently been submitted to Government and their final approval is awaited.

The report on the examination of the system of the workshop at Dapuri by a firm of Chartered accountants referred to in paragraphs 18 and 80 of the audit reports for 1920-21 and 1921-22 respectively, is still under the consideration of Government and their final orders are awaited.

The control of the workshop, which was under the Industries Department since October 1919, has been retransferred to the Public Works Department from 1st April 1923.

The fact that the accounts of the workshop show a recurring loss, as given below, was specially brought to the notice of Government in the Inspection report by this office :—

	Loss Rs.
1916-17	16,447
1917-18	24,209
1918-19	9,465
1919-20	47,177
1920-21	35,344
1921-22	48,487

The Executive Engineer reports that the losses were chiefly due to an insufficiency of work orders. The workshops were equipped to turn out work to the value of some 2½ lakhs, yearly, while the actual output is about 1½ lakhs.

It being admitted that recent years owing to depression in trade and curtailment of Government expenditure have provided an unfavourable test of the workshop activities, it still remains true that the workshops are at present far from having justified their existence from a financial point of view. It is understood that the matter is engaging the attention of Government.

56. *Audit of Kamaran Accounts.*—The audit of accounts of the Kamaran Island including the Lazaretto since its occupation by the Imperial Government was entrusted to the Civil Audit Office, Bombay, though the expenditure was finally adjusted on the books of the Military Department. From April 1922, it was decided by the Government of India that the expenditure so far as it pertained to

the Lazaretto should remain outside the Government accounts and should be met from its own resources. A further advance has been made in the recent decision of the Government of India that the accounts of the entire Kamaran Island should be kept outside the Government accounts and a personal ledger account has been opened for the same from April 1922, with the sanction of the Auditor General under whose instructions the audit of this account is being arranged for.

57. *Salt Refunds.*—Owing to the revised system of inviting the whole year's indents for Baragora Salt in advance of requirements adopted from October 1920 payments of salt refunds to the extent of Rs. 20,00,000 approximately were necessitated at treasuries in the various Provinces. The procedure followed was of an elaborate nature and not conducive to speedy payment. As a remedial measure it was suggested to the Auditor General that the payment of refunds should be made by Remittance Transfer Receipts and this was accepted by him. This procedure has saved much delay in payment and consequent inconvenience to Salt merchants some of whom threatened legal proceedings in consequence of the delay in obtaining refunds.

58. *Payment of Pensions by Money Order.*—The system of making payment of pensions not exceeding Rs. 20 per mensem by postal Money Order introduced in this Presidency in July 1921 as an experimental measure continues to be on its trial. The original period of one year has been extended for a further period of two years, the experience gained during the first year being regarded as insufficient to justify the continuance of the system as a permanent measure.

59. *Check of leave ledgers and initial pay on the time scale.*—As stated in paragraph 61 of my last report, this additional work was taken up by the Inspecting Audit staff and completed in respect of the Central, Northern and Sind Divisions during the year under report. In the case of leave ledgers it was noticed that many of the leave accounts were not worked out correctly. In some cases accounts were prepared *ab initio* by the Inspecting staff as the clerks in the mofussil were unable to do so. Similarly it was found that initial pay on the time scale was frequently worked out incorrectly. The overpayments which resulted are for the most part in process of recovery.

60. *Efficiency bars.*—Statements showing the practical effect of the introduction of efficiency bars into time scales were obtained from the various Heads of Offices as usual for report to the Auditor General. The report for the year 1922-23 shows that in the case of Gazetted officers the efficiency bar proved a real obstacle in the way of promotion in the Forest Department only. The percentage of cases where the bar was applied in respect of the non-gazetted services of the Salt, Forest and Medical departments stood high as compared to departments employed in the Administration of Justice, Police and Education for which the same low percentages ruled as in the previous year.

61. *Training of Treasury clerks.*—The scheme of training treasury clerks referred to in paragraph 75 of my last report which was postponed temporarily was taken up again during the year under report. Four clerks two from each of the four divisions in turn are being trained in the simpler rules of accounts and audit during each quarter.

62. *Amounts foregone.*—(*a*) During the year, a number of cases occurred in which the recovery of sums held under objection was foregone by Government under article 228, Civil Account Code. It is not possible to state the exact amount of recoveries thus foregone but it is estimated to be between Rs 35,000 and Rs. 40,000. A large portion out of this represented pay drawn in excess due to acting arrangements made under the old rules of the Civil Service Regulations, pending the orders of Government on the classification of posts necessitated by the condition introduced in the revised rules of 1920 under which acting allowance was inadmissible unless the officiating appointment involved the assumption of duties or responsibilities of greater importance or of a different character.

(*b*) The total amount waived by the Audit Office under article 156, Audit Code, amounted to approximately Rs. 500. The amount foregone under article 323 (*c*), Audit Code, on account of leave allowances found to have been irregularly drawn at the time of verifying services of Government servants for purposes of pension was approximately Rs. 2,000.

63. *Inspection of Treasuries.*—The following twelve treasuries were inspected during the year 1922-23 :—

1. Satara.
2. Belgaum.
3. Dharwar.
4. Ahmednagar.
5. East Khandesh.
6. West Khandesh.
7. Baroda.
8. Rajkot.
9. Palanpur.
10. Sadra.
11. Sukkur and
12. Karachi.

Out of the remaining 18 treasuries 16 were inspected in the previous year. One (Aden) was inspected in 1920-21 and arrangements will be made for the inspection during the current year of the Cutch Treasury which was last inspected in 1918-19.

No serious irregularities were noticed in the course of the inspections and the treasuries were found to be in a generally satisfactory state. Certain defects were noticed in regard to details of work to which the attention of the officers concerned was drawn and the necessary instructions were issued.

64. *Inspection of Public Works Offices.*—During the year, 41 of the 48 Public Works District offices in the Presidency were visited by the Audit Inspection staff and of the remaining, 3 districts have since been inspected. The cases of accounts irregularities that were found during these inspections have been mentioned in Section A—Financial Irregularities, (*b*)—Public Works Department.

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