

EAST INDIES.

RETURN

To an Order of the HOUSE OF LORDS, dated 30th April 1858,

FOR

LIST of PAPERS relating to the ARRANGEMENTS for a GENERAL DEPARTMENT of ACCOUNT and AUDIT in INDIA :—

LETTER from the Court of Directors to the Governor General in Council,
17th June 1856, No. 48., Para. 48 :

LETTER from the Governor General in Council, 12th December 1856,
No. 173., Paras. 19. to 22. :

LETTER to the Governor General in Council, 2d September 1857,
No. 62., Para. 25. :

LETTER from the Governor General in Council, 4th December 1857,
No. 165., Para. 1. :

RESOLUTION of the Government of India, 4th December 1857, Paras. 7.
to 23. :

LETTER to the Governor General in Council, 28th April 1858, Paras. 6.
to 11.

(The Earl of Ellenborough.)

East India House, }
7th May 1858. }

J. D. DICKINSON,
Secretary.

Ordered to be printed 7th May 1858.

RETURN, &c.

EXTRACT FINANCIAL LETTER to India, dated 17th June 1856. No. 48.

Para. 48. We cannot but apprehend that the Difficulty you have experienced in obtaining clear and concise Statements of your Finances is partly to be ascribed to the Want of Attention to the Instructions repeatedly given by us, with a view to secure a Succession to the higher Offices of Account of Persons previously trained in that Branch of Business. We must direct your particular Attention to the Observations contained in our Letters in this Department of the 14th August 1839, No. 18., and 4th October 1843, No. 25., upon that important Subject, and to the Proceedings commented upon in our Letter of 18th October 1848, No. 40., on the Measures adopted for carrying out the Principle of those Instructions in reframing the Offices of Account at the subordinate Presidencies. We cannot too strongly impress upon you the Importance of acting upon the Instructions to which we have referred, so that a Succession of Officers conversant with the Business of the Accounts to the higher Posts in the Department may be secured, and Appointments to Vacancies regulated accordingly.

EXTRACT FINANCIAL LETTER from the Government of India, dated
12th December 1856, No. 173., Paras. 19 to 22.

Para. 19. With reference to the Remarks contained in the 48th Paragraph of your Honourable Court's Despatch, that the Difficulty experienced in obtaining clear and concise Statements of the Finances is partly to be ascribed to Want of Attention to the Instructions repeatedly given by your Honourable Court, with a view to secure a Succession to the higher Offices of Account of Persons previously trained in that Branch of Business, we would observe that the junior Officers recently admitted to the Department at this Presidency have entered it on the distinct Understanding that they are not to look for Promotion in other Departments of the Service. But the Number of Offices available to them is so small, that it is hardly possible that this Condition can, under existing Circumstances, be strictly carried out, and we think that some Change in respect to the Department is necessary.

20. In 1843, it was suggested by the then Governor General, Lord Ellenborough, that all the Departments of Account at the various Presidencies should be amalgamated by forming them into one general Office, to which the Members of the respective Establishments should be equally eligible.

21. The Plan was objected to by your Honourable Court on the Ground that such a Measure "would have little Effect in securing the important Object in question. Experience in the Business of the particular Office which an Officer of Accounts is appointed to supervise is essential to an efficient Discharge of its Duties, which Purpose could not be secured if there were frequent Removals from one Presidency to another."

22. But this Objection we beg to observe will, to a great Extent if not entirely, be obviated if the Attempt that is now being made to introduce the Bengal System of Account at the other Presidencies succeeds. In that Case, we would recommend that the Offices of Account (including the Offices of Sub-Treasurer and Civil Auditor) at all the Presidencies be formed into a separate Department under the Government of India, to which all Nominations shall be made by the Governor General in Council, and in which an Interchange of the Officers of the several Governments shall be permitted whenever Occasion may require. The Officers of the Department would under such a System obtain

fair Promotion in the Department, and it would be more likely than any other to ensure a general Uniformity in the Accounts.

EXTRACT FINANCIAL LETTER to India, dated 2d September 1857. No. 62.

Para. 25. There is only one other Topic noticed in your present Letter on which we wish to remark. In Paras. 19. to 22. you allude to the Observation made in Para. 48. of our Despatch of the 17th June, on the Importance of securing at all Times a Succession to the higher Offices of Account (including Treasury Account and Audit) of Officers thoroughly conversant with this Branch of Public Business; and you state that to ensure what is desired, some Change is necessary in the Organization of this Department, the Number of Offices of Account at each Presidency being so small as to present an Obstacle to Persons entering the Department and a Difficulty in securing the Services of those who might be well qualified. We are disposed to concur with you in opinion that if the desirable Measure of assimilating the System of Account at all the Presidencies be carried out (and we can see no Reason to prevent it), the Formation of a General Department of Account, to consist of Persons specially trained for the Duties, and qualified to be drafted to the several Presidencies as Occasion might require, would be likely, by increasing the Chance of Promotion, to operate as a great Inducement to Civil Servants to join and continue in the Department.

Letter dated
12th Dec. 1856,
No. 173.

EXTRACT FINANCIAL LETTER from the Government of India, dated
4th December 1857. No. 165.

Para. 1. With reference to your Honourable Court's Financial Despatch, No. 62. of 1857, dated the 2d of September, communicating Observations on the Subject of the Finances of India, and the Revision of Salaries and Establishments, and approving of the Plan recommended in our Despatch of the 12th December 1856 for the Formation of a General Department of Account, to consist of the Offices of Audit, Pay, and Account at the several Presidencies as well as the Punjab, we have the Honour to forward for the Information and Approval of your Honourable Court the accompanying Copy of a Resolution passed on the 4th instant, from which it will be seen that we have taken the necessary Measures for carrying out the Plan of the General Department of Account above referred to from the 1st of May 1858, subject, if necessary, to Modifications as to Salaries only, after Communication with Mr. Ricketts, the Commissioner for the Revision of Civil Salaries and Establishments throughout India.

EXTRACT RESOLUTION of the GOVERNMENT of INDIA, 4th December 1857.
Paras. 7 to 23.

Para. 7. The only other Question noticed by the Honourable Court on which the Orders of this Government are necessary is the Formation, as suggested by this Government, of a General Department of Account.

8. The Plan has been approved of by the Honourable Court, and as the System of Accounts at all the Presidencies has already been ordered to be assimilated, it is to be considered in what Manner the Changes now sanctioned may best be carried out.

9. The Object in view being to secure at all Times a Succession to the higher Offices of Account (including Treasury Account and Audit) of Persons especially trained for the Duties and thoroughly conversant with this Branch of public Business, who shall be qualified to be drafted, as Occasion may require, to the several Presidencies, the Governor General in Council is of opinion that it is necessary that the Prospect of Remuneration should be somewhat better than in the general Line of the Service, and that the Salaries should be so graduated as to give a fair Average of Promotion, so as to ensure as far as possible that those entering the Department should continue in it.

10. His

10. His Lordship in Council is also of opinion that it is necessary that it should be distinctly understood that Covenanted Officers who may enter the Department in future will (as a Rule) be expected to remain in it during their whole Service; and that it should be ascertained by the Local Governments, in giving effect to these Orders, whether the Officers now in the Department are willing to remain in it, and that if any Officer should not be willing to remain in it the Name of such Officer should be reported for the Information of the Governor General in Council.

11. The Qualifications specially needed in the Officers composing a General Department of Account and Finance in India, in addition to the ordinary Acquirements of Proficiency in Book-keeping and the Science of Account, are the Knowledge of Political Economy in its Application to this Country, and a practical Acquaintance with the Habits of the People and the Working of the Revenue Systems of the Country.

12. Looking upon Mofussil Experience and early Contact with the People as an essential Qualification, under ordinary Circumstances, for the successful Management of Public Business in this Country, his Lordship in Council resolves that no Officer shall be permitted to enter the General Department of Account under Five Years Standing, when a young Officer may be expected to have gained sufficient Experience for the Purposes of the Department, especially if he has employed his Time with the Intention of entering it.

13. Junior Civil Servants will be allowed to register their Applications for Employment in the General Department of Account after the above-mentioned Period of Service as Vacancies occur, when the Applicants will be subjected to an Examination in Book-keeping, the working of the Revenue System of the Presidency to which they belong, and the Management of District Treasuries; and the Examination Papers, together with Reports from the Local Governments in the general Aptitude for Business of the several Candidates, will be forwarded for the Consideration of the Governor General in Council, on the Understanding that the Officer who appears best qualified for the Duties of the Department will, as a Rule, be selected, but that in Cases of Equality regard will be had to the Number of Officers previously taken into the Department from the several Presidencies.

14. When once the Department has been entered the Promotion of the Officers will be regular throughout. They will be transferred from Presidency to Presidency, at Intervals of not less than Two Years, the Convenience of Parties being consulted as much as possible; but Changes will be so regulated that Officers may acquire Experience successively of all Parts of the Country before arriving at the higher Grades.

15. It is to be understood, however, that the above Rule will be departed from in Cases in which Officers have in any respect been found wanting in the Performance of their Duties.

16. As Difficulty may arise in connexion with the Provision of Furloughs and Absence on Medical Certificate, his Lordship in Council thinks the Difficulty can best be met by temporary Promotions, and the Admission of young Men on Probation to succeed to permanent Appointments on the Occasion of regular Vacancies.

17. His Lordship in Council considers that the Appointments of Accountant and Civil Auditor in the Punjab, at present held by Uncovenanted Officers, ought to be placed on a higher Footing, and that as a general Rule they should be held by covenanted Officers. He thinks that they are of sufficient Importance to require such a Change, and that the Measure can be effected, not only without additional Expense but with a saving to Government, and without Detriment to the Interests of the Department, if the following Scale of Salaries, graduated with reference to the Responsibilities of the several Appointments, is adopted, Incumbents being allowed to retain the Salaries now drawn by them so long as they remain in their present Appointments.

	Present Salaries.	Proposed Salaries.	
	Rupees.	Rupees.	
Accountant General to the Government of India	3,500	3,500	
Accountant General to the Government of Bombay	3,333	3,000	
Accountant General to the Government of Madras	3,000	3,000	
Sub-Treasurer, Fort William	3,000	3,000	
Accountant to the Government of the North-western Provinces	3,000	2,500	
Accountant to the Government of Bengal	3,000	2,500	
Civil Auditor for India and Bengal	2,500	2,500	
Sub-Treasurer at Madras	2,000	2,000	
Sub-Treasurer at Bombay	2,500	2,000	
Civil Auditor at Madras draws a consolidated Salary of 26,000 Rupees per Annum as Civil Auditor and Superintendent of Stamps	2,166	2,000	
Civil Auditor at Bombay	2,000	2,000	
Accountant in the Punjab (Uncovenanted)	700	1,500	Covenanted.
Civil Auditor in the North-western Provinces	1,500	1,500	
1st Assistant Accountant General to the Government of India	1,500	1,500	
Civil Auditor in the Punjab (Uncovenanted)	700	1,200	Covenanted.
1st Assistant Accountant General at Madras	1,250	1,200	
1st Assistant Accountant General at Bombay	1,250	1,200	
2d Assistant Accountant General to the Government of India	1,000	1,000	
2d Assistant Accountant General at Bombay (Covenanted)	850	800	Uncovenanted.
2d Assistant Accountant General at Madras (Covenanted)	850	800	Do.
3d Assistant Accountant General to the Government of India (Uncovenanted)	800	800	Do.
Assistant Sub-Treasurer, Fort William (Uncovenanted)	700	700	Do.
Assistant Civil Auditor, Fort William (Uncovenanted)	700	700	Do.
Assistant Civil Auditor, Bombay (Uncovenanted)	700	Abolished.	
	42,499	40,900	
Deduct proposed	40,900		
Saving per Mensem	1,399		

18. His Lordship in Council has attached the largest Salary to the Appointment of Accountant General to the Government of India, because it is by far the most important of the whole. The Business in it is heavier and more complex than in any other. The Accountant General has the Supervision of all Loan Transactions; he has a larger Number of Treasuries and a greater Mass of Military Accounts than either of the other Accountants General, and he has in addition considerably heavier Responsibilities as a Member of the Calcutta Mint Committee and a Director of the Bank of Bengal.

19. On somewhat similar Grounds his Lordship in Council has assigned a higher Scale of Pay to the Accountants General at Madras and Bombay than to the Accountants of Bengal and the North-western Provinces, who have less to do with Loan Transactions than the Accountants General at Madras and Bombay, and have no Concern with Military Accounts or with Mint and Bank Arrangements.

20. For the Sub-Treasurer at Calcutta his Lordship in Council has fixed 3,000 Rupees a Month, with reference to the enormous Amount of his Receipts and Disbursements, and the heavy pecuniary Responsibilities that are in consequence thrown upon him.

21. For the rest, he believes that the Salaries proposed are in fair Proportion to the Work and Responsibilities of the several Appointments; but on this Point his Lordship in Council will be able to form a better Opinion after reference to Mr. Ricketts, whose Inquiries into the Work of the Department must by this Time have been completed, and from whom an Opinion will be obtained as to the Salaries to be allotted to the several Appointments, with reference specially to the Objects the Honourable Court have in view in sanctioning the Formation of a General Department of Account, and the Impossibility of securing the Services of fitting Men unless some more than ordinary Inducement to enter the Department is held out to them in the way of Salary.

22. His

22. His Lordship in Council does not consider it desirable that the Salary of any Appointment in the General Department of Account to be held by a Covenanted Officer should be less than 1,000 Rupees a Month, because the Services of a qualified Civilian cannot be expected to be secured for less, and because he believes that the Duties of the Second Assistants to the Accountants General at Madras and Bombay may very well be intrusted to Uncovenanted Servants. It is important that the Second Assistant to the Accountant General to the Government of India should be a Covenanted Officer, in order to give such an Officer entering the Department a Knowledge of the System under which the Loan Transactions of the Government are conducted.

23. His Lordship in Council desires that the Transfer of the Uncovenanted Officers in the General Department of Account from one Presidency to another be regulated on the same Sort of Principle as is above provided for Covenanted Officers.

EXTRACT FINANCIAL LETTER to India, dated 28th April 1858, No. 32,
Paras. 6 to 11.

LETTER from, dated 4th December 1857,
No. 163.

In continuation of Despatch No. 67. of 1857, forward Copy of a further Correspondence which has taken place with the Government of Madras on the Subject of certain Objections to the Bengal System of Account raised by the Accountant General at that Presidency, which Objections, however, have not induced any Change in the Opinion already expressed in favour of the System in question.

Coll. 6.

LETTER from, dated 4th December 1857,
No. 165.

ACKNOWLEDGE Receipt of Court's Despatch No. 62. of 1857, forward Copy of a Resolution for carrying out the Plan of a General Department of Account which has received the Court's Approval, and offer Remarks in reply to the Court's Observations relative to the Measures which have been taken in view to the Revision of Civil Salaries.

Coll. 7.

6. We gather from the Correspondence which you have forwarded that your Proposal for the Introduction into Madras of the System of Account prevailing in Bengal has been the Subject of a sharp Contention between the Accountant General to your Government and the Accountant General to the Government of Madras.

7. If your Plan for securing Uniformity in the Mode of rendering the Accounts throughout India involved any Departure from the System of "Double Entry," on which your Books of Account have always been prepared, we should entertain serious Objections to the Change; but this does not appear to be contemplated. The Change, as we understand it, will affect only the Form in which the Accounts of the Collectors are to be rendered

to the Accountant General, and will involve no Alteration of the Form in which the Books of Account are rendered to us.

8. You considered that the System of Collectors Accounts which prevails in Bengal, the North Western Provinces, and the Punjab is "on the simplest Form of double Entry, and in strict accordance with the System on which Bankers Accounts are kept," and you concurred in the Opinion of your Accountant General that the System prevailing at Madras is unnecessarily cumbrous. You therefore directed that the Bengal System should be introduced at Madras without further Delay.

9. We approve this Measure; and with reference to Paragraph 25. of our Despatch in this Department, dated 2d September 1857, No. 62., we concur in your Resolution, forming a General Department of Account and Audit in India, to which Officers when appointed shall be expected to adhere during their whole Service, and whence they will be drafted to the several Presidencies or transferred from one Presidency to another as Occasion may require, the Changes to be at Intervals of not less than Two Years, and to be so regulated that Officers may acquire Experience successively of all Parts of the Country before arriving at the higher Grades in the Department. The greatest Care must be taken in the Selection of Gentlemen for this Department, and the First Year, at least, of their Service should be one of Probation.

10. With reference to the Salaries to be paid to the Accountants

	Present	Proposed	
	Salaries.	Salaries.	
	Rupees.	Rupees.	
Accountant General to the Government of India	3,500	3,500	
Do. do. Bombay	3,383	3,000	
Do. do. Madras	3,000	3,000	
Sub-Treasurer, Fort William	3,000	3,000	
Accountant to the Government of the North-western Provinces	3,000	2,500	
Do. do. Bengal	3,000	2,500	
Civil Auditor for India and Bengal	2,500	2,500	
Sub-Treasurer at Madras	2,000	2,000	
Do. Bombay	2,500	2,000	
Civil Auditor at Madras. Draws a consolidated Salary of 25,000 Rupees per Annum as Civil Auditor and Superintendent of Stamps	2,166	2,000	
Civil Auditor at Bombay	2,000	2,000	
Accountant in the Punjab (Uncovenanted)	700	1,500	Covenanted.
Civil Auditor in the North-western Provinces	1,500	1,500	
1st Assistant Accountant General to the Government of India	1,500	1,500	
Civil Auditor in the Punjab (Uncovenanted)	700	1,200	Covenanted.
1st Assistant Accountant General at Madras	1,250	1,200	
1st Do. do. Bombay	1,250	1,200	
2d Do. do. to the Government of India	1,000	1,000	
2d Do. do. at Bombay (Covenanted)	850	800	Uncovenanted.
2d Do. do. Madras do.	850	800	Do.
3d Do. do. to the Government of India (Uncovenanted)	800	800	Do.
Assistant Sub-Treasurer, Fort William (Uncovenanted)	700	700	Do.
Assistant Civil Auditor do. do.	700	700	Do.
Do. Bombay do. do.	700	Abolished.	
Total	42,499	40,900	
Deduct proposed	40,900		
Saving per Mensem - - Rupees	1,599		

General, Sub-Treasurers, and Civil Auditors, and to the subordinate Officers in Department, you have forwarded a Schedule of Twenty-three Appointments, with Salaries varying from 3,500 Rupees to 700 Rupees per Month. We give the Statement in the Margin. The total Charge for the Salaries of these Officers will be 40,900 Rupees per Month, 4,90,800 Rupees per Annum, against 42,499 Rupees per Month, or 5,09,988 Rupees per Annum, the present Charge, showing a Saving of 1,599 Rupees per Month or 19,188 Rupees per Annum.

11. It being desirable that the new Scale of Salaries should be fixed, and, as far as possible,

commence simultaneously with the Formation of the new Department, we approve the Scale as amended by us for present Adoption, but subject to further Consideration, and to Alteration if necessary, when the general Revision of Civil Salaries takes place.

EAST INDIES.

RETURN

To an Order of the House of Lords,
dated 30th April 1858.

FOR

List of Papers relating to the ARRANGEMENTS
for a GENERAL DEPARTMENT of ACCOUNT and
AUDIT in INDIA.

(The Earl of Ellenborough.)

Ordered to be printed 7th May 1858.

(07.)