Progress in the installation of the new Central Accounting system for the City of Baltimore is reported in a report made to Mayor Jackson by the Accounting Committee of the Commission on Efficiency and Economy. The Committee making this report is composed of William Schmidt, Jr., Chairman, W. J. Casey, John J. Eakin, George E. Probst, Jr., and Abraham J. Weinberg. An ordinance of the Mayor and City Council creating the Bureau of Audits was recommended in this report has been enacted. As this report relates to all city departments it is of special interest to city officials and employees generally. The report of the Accounting Committee is as follows:

The development by our Commission of the new Central Accounting System for the City of Baltimore has now reached the following stages of progress:

There has been installed the Central Payroll and Paymaster's Bureaus, the Bureau of Receipts (central system for billing and collecting taxes, water rents and all other miscellaneous charges), and the Bureau of Disbursements (Central Budget Control and Disbursements).

The Accounting Committee has had under way for several months the development through sub-committees of the following essentials to a complete Central Accounting System:

(a) General Accounting Bureau.
(b) Cost Accounting and Statistical Bureau.
(c) Bureau of Audits.

We are now ready and herewith submit to you the recommendations of our Accounting Committee for the Bureau of Audits, as follows:

That by executive order of the Mayor there be now organized the Bureau of Audits so as to begin to function on the first business day of 1926.

That the present contract system for auditing the books of the City be abolished as of December 31, 1925, and this work assigned to the new Bureau of Audits. The Bureau of Audits to have a staff of six employees, selected through the City Service Commission, these employees to consist of the head of the Bureau, who shall be designated as City Auditor. The requirements for the position of City Auditor to be the same qualifications as are necessary for passing the state examination as Certified Public Accountant; that in the initial selection of this official the age limit be fixed between thirty and forty-five years. It is recommended that the salary of this position be $5,000 a year.

The organization to include an Assistant Auditor, whose salary shall be $2,400 a year; the requirements for the position of Assistant Auditor to be the same qualifications as are necessary for passing the City Service Commission examination for head accountant. In filling this position weight should be given to accounting experience in departments of the City Government.

Three auditing clerks of a training and experience equivalent to that required for a senior account clerk in the City service, weight to be given for actual experience in accounting work in City departments. The annual salary of these positions to be $1,800.

The organization to further include a stenographer and typist; the occupant of this position to have training and experience equivalent to the requirements of a senior stenographer in the City service and the initial salary to be $1,300 a year.

The salaries of the foregoing positions aggregate $14,100 a year. It is recommended that an allowance of $1,900 be provided for stationary and other expenses, including temporary help for peak periods of audits. This makes a total salary and expense budget of $16,000 a year, and conforms to the appropriation for auditing work in the Ordinance of Estimates for 1926. This compares with an expenditure for similar work under the contract system during 1924 of $21,596.60. Of this amount, $16,000 came out of the budget and $5,596.60 out of the contingent fund.

The Bureau of Audits should report directly to the Chief Executive of the City, the Mayor, and be his source of maintaining a constant supervision over the entire accounting system of the City.

To adequately and efficiently perform this service the Auditor and all employees of the Bureau of Audits should spend their whole time on City work and not be permitted to engage in outside work.

Upon the organization of the Bureau of Audits our Accounting Committee will furnish a detailed schedule of the character of audits deemed advisable and necessary. This schedule will provide a constant system of audits to be maintained throughout the year and a form of certification to the Mayor by the City Auditor as to the condition of all City accounts as of the close of each calendar year.
MANY ACCOUNTS OF CITY INCOME ARE UNAUDITED

Situation Is Revealed In Report To Mayor By Howard C. Beck, Jr.

PARK TAX INCLUDED IN LIST SUBMITTED

Estimates Board To Be Asked To Increase Force Of New Bureau.

Many of the city's income accounts are not audited, it was revealed yesterday in a report submitted to Mayor Jackson by Howard C. Beck, Jr., head of the new Bureau of Audits.

Mr. Beck mentioned specifically the park tax paid by the United Railways Company, receipts from the Broadway-Locust Point Ferry, docks and wharves, minor privileges, traffic court and police magistrates' fines, rentals of space in the electrical conduit system and sundry other accounts.

Explaining his report, he said he did not know that these accounts had ever been audited except perhaps in a perfunctory way "now and then, as the occasion might demand."

Advise Regular Auditing.

Mr. Beck declared these and all other revenue accounts of the city should be audited regularly, "in order that the city might know it was receiving all the income to which it was entitled, and that it spent nothing it ought not to spend."

The Mayor and Mr. Beck said a general audit of the city's books and accounts was not contemplated in the contract which expired with the institution of the new bureau. The contract was with Howard C. Beck, Sr., father of the City Auditor, and cost the city $16,000 a year.