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MADRAS RECORD OFFICE.

Government of Madras.

Public works DEPARTMENT.

G.O. No.	1442	Press
557-558		Mis.
Dated	29-5	1865.

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12

*Proceedings of the Madras Government, Public Works Department,
29th May 1865.*

No. 557. Read the following letter from Captain J. MULLINS, R. E., Consulting Engineer for Irrigation and Canal Company, to Colonel C. A. ORR, R. E., Secretary to Government, Department Public Works, dated Madras, 6th May 1865, No. 1:—

SIR,

1 Store Account Current

1. I have the honor to submit, for the sanction of Government, the accompanying Account Current of the Com-

pany's stores for the nine months ending 30th April 1864.

2. This Account Current, and the detailed Statements M, and N, were received from the Agent on the 30th January 1865, and were sent to him for revision, with my observations thereon, in letters dated 7th and 22nd February following. After some subsequent correspondence on the subject, the revised Account Current, with the detailed statements, was received from the Agent on the 22nd ultimo.

3. During the nine months for which the Account Current is rendered, the value of stores received from England and brought to account was Rupees 49,250-3-2, the cost of those purchased in India was Rupees 1,00,471-5-3, and the value of articles manufactured in the Company's workshops was Rupees 39,641-11-1. These three sums amount in the aggregate to Rupees 1,89,363-3-6, which, added to the balance of stock on the 1st August 1863, makes the total value of the stores Rupees 5,77,607-3-2. The issues during the nine months were to the value of Rupees 1,22,493-9-4, leaving the stock on hand on the 30th April 1864 Rupees 4,55,321-7-11, which is inclusive of the difference of Rupees 207-14-1, between the amounts, Rupees 334-1-1 and 126-3-1 shown under transfer entries on the Debtor and Creditor sides of the Account Current respectively, in adjustment of errors in the previous accounts.

4. The supplies from England were tools, raw iron, miscellaneous articles and telegraph stores, the first three were valued at Rupees 8,495-15-5, and were procured partly on Indents passed by this Office, and partly on those sanctioned by Government in previous periods. The telegraph stores, which amount to Rupees 40,754-3-9, the Agent states, were obtained on Lists sanctioned in Government Order No. 2,639, of the 11th November 1859, but this order does not appear to have been communicated to this Office, but I have obtained a copy from the Office of the Superintending Engineer, 4th Division. The Lists referred to, however, are not among the Superintending Engineer's records, and I should be glad of a copy of them if they can be found.

5. Of the outlay on purchases made in India, Rupees 53,172-0-8 were for articles included in sanctioned indents, and Rupees 47,299-4-7 for purchases for which no indents had been sanctioned. Out of the latter sum Rupees 2,215-8-6 were spent at Madras, and Rupees 45,083-12-1 in the Divisions; as to the first the Agent states he is unable to furnish any satisfactory explanation, as the officer who made the purchases has left the Company's service. The second item, however, consists of many charges for articles purchased for immediate use on works, and for office contingencies, and which were erroneously brought on the Store accounts, instead of being charged off at once to the works, and in the monthly contingent bills. I endeavoured to get the items so brought into the Store accounts transferred, but as not only these accounts but those for a subsequent period had already been prepared, the Agent stated that the alterations could not be conveniently made. It is of course far from satisfactory that mistakes of this kind should have been continued over so long a period, but as they are not at the present time of much practical importance, as probably ere this most of the stores referred to have been transferred to works, I would recommend that the apparently unauthorized expenditure be passed on the understanding, however, that from whatever cause such erroneous entries may be found in accounts subsequent to the 31st January 1865, they must be corrected, even should the trouble be great. Attention has been so repeatedly

*Current is rendered, the value of Stores received
from*

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called to this subject, and the correct method of dealing with stores has been so often pointed out, that no indulgence beyond the period named should, I think, be granted, and that only because to require otherwise might delay the bringing up of the arrears of accounts.

MADRAS				
	No	RS	A	P
Clynometers, box-wood,	1	6	8	0
Levelling staves, 14', circular	2	52	8	0
Do do 14', ordinary	2	52	8	0
Levels, Gravatt's, 10'	1	170	0	0
Clynometers, Amster's	1	31	8	0
Rain gauges, 5"	2	21	0	0
Do graduated glass	1	1	0	0
Scales, box-wood, plotting	3	19	8	0
Do money, complete pair	1	10	4	0
Scoop, money, copper	1	2	4	0
		367	0	0

BELLARY DIVISION				
	No	RS	A	P
Levels, Y, 14"	3	614	7	0
Staves, levelling, 14', English	6	185	13	8
Chains, measuring 100 feet				
with arrows	3	40	7	4
Compass beam with fitting	1	17	10	2
Aneroids	3	158	12	4
Current Meter	1	14	6	10
Sextant, pocket	1	50	12	3
Set square or angle	10	8	7	0
Squares, optical	3	35	9	3
Levels, mirror	1	12	5	5
Cases, packing	2	8	7	0
Cases, leather	2	16	14	4
		1,164	0	7
		367	0	0
		1,531	0	7

strict conformity of the rules on the subject. I will not, however, press this point at present, because some of the transactions included in these accounts occurred at a time when the Agent had not had an opportunity of ascertaining under what system the Divisional and other accounts were kept, or of rectifying the mistakes which, though often noticed, had never been properly attended to.

8. The detailed Accounts L and M have been duly audited in this Office, and an abstract of these accounts, showing the value of the several articles received and issued under each main head, is given below :—

6. The articles noted in the margin, valued at Rupees 1,531-0-7, and which are included in the unauthorized outlay noticed above, are stated to have been purchased under instructions from the Board. The Board's sanction should have been communicated to this Office, when the requisite registration would have been made. This has been intimated to the Agent. In other respects these charges are unobjectionable.

7. The stores manufactured were made without sanction, and they consist partly of working tools, &c, made for laying in stock to meet future demands, and partly of articles made for particular sanctioned works. Indents for the former should have been submitted for the sanction of this Office, and the latter should not have been brought on the Store accounts, but charged off at once to the respective works in the manufactures Account Current R. In January 1863 clear and specific instructions on this subject were, as stated in paragraph 4 of my letter No 96 of the 14th November 1864, furnished to the Agent, which do not appear to have been as yet enforced, though in paragraph 2 of Government Order No. 3,480, of the 5th December 1864, the particular attention of the Agent was requested to the

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Articles.	Remaining on the 31st July 1863	Received from England from 1st Aug 1863 to 30th April 1864	Purchased in India from 1st August 1863 to 30th April 1864	Manufactured in India from August 1863 to 30th April 1864	Total.	Issued from 1st August 1863 to 30th April 1864	Balance on the 30th April 1864.
Mathematical instruments	RS. A. P. 24,066 4 9	RS. A. P. 750 8 0	RS. A. P. 6,411 0 7	RS. A. P. 4 3 10	RS. A. P. 30,481 9 2	RS. A. P. 8,095 9 3	RS. A. P. 22,385 15 11
Drawing do. and materials	9,735 3 2	...	2,701 0 9	8 11 8	12,444 15 7	2,978 6 0	9,466 9 7
Tools	1,10,838 15 11	...	18,270 12 4	8,610 10 10	1,38,470 15 1	47,156 9 11	91,314 5 2
Machinery	39,415 5 11	...	4,000 0 0	...	43,415 5 11	3,902 9 5	39,512 12 6
Boats	2,543 12 3	...	...	...	2,543 12 3	...	2,543 12 3
Miscellaneous	2,00,276 2 6	7,745 7 5	68,670 10 7	31,018 0 9	3,07,710 5 3	59,724 12 4	2,48,193 7 0
Transfer entries	...	...	...	...	334 1 1	126 3 0	...
Medical and surgical instruments and appurtenances	1,368 3 2	40,754 3 9	417 13 0	...	1,786 0 2	635 10 5	1,150 5 9
Telegraph stores	...	...	...	...	40,754 3 9	...	40,754 3 9
Total	3,88,243 15 8	49,250 3 2	1,00,471 5 3	39,641 11 1	5,77,941 4 3	1,22,619 12 4	4,55,321 7 11

Current is rendered, the value of Stores received from

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9. The value of Stores issued, Rupees 1,22,493-9-4, is debited to the following heads :—

	RS.	A.	P.
General Management	2,278	2	8
Construction	16,863	4	0
Manufacture of Stores	23,426	13	4
General Plant in use on works	78,942	8	4
Store charges	161	10	2
Stores sold recoverable in cash	814	8	4
Stores lost	6	10	6

10. When the Store Accounts for the quarter ending 31st July 1863 were passed in Proceedings Madras Government No. 3,480, of the 5th December 1864, the Statement of Balance Form N had not been* received, and the abstract given in paragraph 6 of Form 14

* As stated in paragraph 14 of letter No. 143, dated 14th November 1864

* As stated in paragraph 14 of letter No. 143, dated 14th November 1864

11. As suggested in paragraph 8 of my letter No. 125, of the 18th October 1864, an adjustment of the Store charges has been, for the first time, carried out in the accounts now submitted. These charges from the commencement up to 30th April 1864, amounted to Rupees 1,52,341-7-10, of which Rupees 83,434-14-8 have been adjusted to the debit of the following heads, and which sum is 21.037 per cent. on the amount of the value of stores issued under these heads :—

General Management.

<i>General Management.</i>			
Agent's Department	865	0	0
Chief Engineer's do	1,728	4	5
		2,593	4 5
<i>Construction.</i>			
Executive Establishment	2,177	9	10
Main supply	22,402	9	7
Buildings	1,171	11	3
		25,751	14 8
Manufacture of Stores		15,079	11 5
General plant in use on works		40,010	0 2

12. The remainder of the Store charges, viz., Rupees 68,906-9-2, which come to about 15 per cent. on the value of the stock of Stores on hand on the 30th April 1864, will be adjusted in the subsequent accounts.

* No 143, 14th November 1864, paragraph 15
Proceeding Madras Government, No 3,480,
5th December

private parties from the commencement up

	RS	A.	P.
Total value of Stores sold and manufactured for private parties, &c., up to 31st July 1863	7,374	3	10
Do during the nine months ending 30th April 1864	3,460	5	4
	10,834	9	2
Deduct the amount recovered from the above up to 30th April 1864	7,881	5	6
	2,953	3	8

Deduct the amount recovered from
the above up to 30th April 1864

should be added, and the Agent has been requested to see to this.

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14. With regard to the boat with two anchors, referred to in paragraph 11 of my letter No. 143, dated the 14th November 1864, the Chief Engineer states that "It was made for the conveyance of materials in the construction of the Kurnool "anicut, and that he was under the impression that the sanction of an estimate "conveyed full sanction for all facilities of construction." The Chief Engineer's remark is perfectly correct; the error was that the boat was not charged to the work, but to something else, and it should hardly require explanation to make it clear that the sanction of an estimate conveys authority to spend the amount sanctioned, but not any other money which has not been sanctioned. As the matter stands the boat and anchors should be transferred from Stores to General Plant.

15. In paragraph 5 of their Order No. 3,480, of the 5th December last, the Government directed that, in submitting the next Account Current, a report was to be made as to whether the required adjustments under the head "Stores in transit," and of depreciation of General Plant, had been made. With regard to the former the Agent, under date the 8th March last, writes as follows:—

Paragraph 12. "With reference to the head of "Stores in transit" prior to April 1864, I can only state that the Stores placed under that head were many of them really *en route* to the Divisions, but that unquestionably no small proportion of them were long since irrecoverably lost to the Company. The plan of keeping the whole of such Stores in suspense without any attempt at adjustment was adopted under the late management of the account branch of our business, and the matter, owing to the time which has been allowed to elapse, is in a state of sad involvement, but early steps will be taken with a view to the adjustment of the accounts." This reply leaves it doubtful as to when it is likely that the Agent will be able to show what the description and value of the lost Stores is, and under what circumstances they were lost. The Agent in

* Paragraph 4

* Paragraph 4

the same letter,* as that from which the above extract has been made, says that "the depreciation of the Plant has not been adjusted yet, the returns from the Divisions not having come in, save that from Hindry, which also it has been found necessary to return to the Engineer in charge for amendment. No time, however, shall be lost in arranging this account," and again in a letter of the 20th ultimo he writes that "the Plant depreciation return has not been lost sight of; I am now pressing the Divisions for the necessary details, and as soon as these come to hand the preparation of the account to April 30th 1864, shall be proceeded with."

16. Medical Stores to the value of Rupees 417-13-0 have been brought into the Store Accounts for the period under review, instead of being dealt with as prescribed in paragraph 4 of Government Order No. 823 of the 1st April 1863.

17. In paragraph 3 of the Order of Government No. 3,480, of the 5th December last, it was directed that the Manager's reply to the reference made from this Office on the subject of Stores returned should be submitted when received. That reference led to a protracted correspondence, which is not yet fully completed, and perhaps Government would not wish for copies of all the letters at present, and it may suffice to state here what the result of the discussion up to the present time amounts to. It is still very doubtful whether any Stores whatever were really returned, *i. e.*, after issue and removal from the Store Stock Accounts, formally sent back and regularly brought on to those accounts. A portion of the sum seems to have been entered as a refund or return, because certain articles were found surplus, and it was supposed either that the written issues were in excess of the actual, or the written receipts below what was correct. The main item of refund was, however, under the head of General Plant, and so far as I can judge the error has arisen from the omission to keep the stock account of General Plant distinct from that of Stores. I have therefore in my last letter* to the

* 2nd instant, No 2

have therefore in my last letter* to the Agent pointed out that, as the receipts and issues to General Plant are traceable

throughout, it should be practicable to ascertain exactly what articles have erroneously been included in the Stock Lists, instead of being kept under the head of

Current is rendered, the value of Stock received
from

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General Plant, and while it may be admitted that the mistake is not, in that case, of any great moment, I have thought it right to notice that it is very necessary that the power to trace each and every article of General Plant should be maintained, otherwise the Company's property may be lost or misappropriated without any one knowing any thing about the matter. On this, a very practical ground, I have urged the further examination of the accounts, and at the same time I have pointed out the course which should be adopted in connection with the stock taking now in progress, with a view to the early adjustment of this question. In the meantime I do not propose that any alteration of the entries already shewn *in the accounts should be made, as any correction that may be necessary can be left until the orders of Government have been finally passed.

* In the Accounts for the quarter ending 31st July 1863.

No. 558.

ORDER THEREON, 29th May 1865, No. 1,442.

ACCOUNTS, No. 85.

1. The Government pass the Account Current of the Irrigation and Canal Company's Stores for the nine months ended 30th April 1864.
2. The Lists of Stores referred to in paragraph 4 of the Consulting Engineer's letter appear to have been returned to the late Central Office of Public Works, the records of which it is believed are with the Superintending Engineer, 4th Division.
3. The Government agree with the Consulting Engineer that entries, such as those alluded to in paragraph 5, should not be allowed to pass uncorrected in accounts subsequent to the 31st January 1865. The Agent's particular attention will be drawn to the subject.
4. The orders of Government on the subject of Medical stores should be strictly adhered to.
5. The Government approve of the Consulting Engineer's proceedings reported in paragraph 17.
6. The Agent is requested to expedite the submission of the Store Accounts still over-due.

(True Extract.)

(Signed) CHARLES A. ORR, Colonel, R. E.,
Secretary to Government.

To the Consulting Engineer for Irrigation and Canal Company, with one Enclosure.
,, Manager for do do.

Exd. S. T. Augustin.

*Consulting Engineer's Office,
Irrigation and Canal Company,
Madras 6 May 1865.*

1 Store of

From

*Captain J. Mullins & Co.
General & Canal Company*

*The Secretary to Government
Department of Pub Works -*

Sir,

1. I have the honor to submit for the sanction of Government the accompanying Account Current of the Company's Stores for the 9 months ending 30th April 1864 -

2. This Account Current, and the detailed Statements L. M. and N., were received from the Agent on the 30th January 1865 and were returned to him for revision, with my observations thereon, in letters dated 7th and 22nd February following. After some subsequent correspondence on the subject the revised Account Current, with the detailed Statements was received from the Agent on the 22nd ultimo -

3. During the 9 months for which the Account Current is rendered, the value of Stores received from

from England and brought to account was Rupees 49,250-3-2, the cost of those purchases in India was Rupees 100,471-5-3, and the value of articles manufactured in the Company's workshops was Rupees 39,641-11-1. These three sums amount in the aggregate to Rupees 1,89,363-3-6, which, added to the balance of ~~Stock~~ on the 1st August 1863, makes the total value of the stores Rupees 577,607-3-2. The issues during the 9 months were to the value of Rupees 122,493-9-4, leaving the stock on hand on the 30th April 1864 Rupees 4,55,321-7-11, which is inclusive of the difference of Rupees 207-14-1 between the amounts, 334-1-1, and 126-3-1, shown under Transfer entries on the Debtor and Creditor sides of the Account Current respectively in adjustment of errors in the previous accounts.

4. The supplies from England were Tools, Raw iron, Miscellaneous articles and Telegraph stores, the first three were valued at Rupees 84,95-15-5, and were procured partly on Indents passed by this office, and partly on those sanctioned by Government in previous periods. The Telegraph stores, which amount to Rupees 40,754-3-9, the Agent states were obtained on Lists sanctioned in Government Order N^o 2639 of the 11th November 1859, but this order does not appear to have been communicated to this office, but I have obtained

obtained a copy from the office of the Superintending Engineer 4th Division. The Lists referred to however are not among the Superintending Engineer's records and I should be glad of a copy of them if they can be found.

5. Of the outlay on purchases made in India, Rupees 53,172-4-8 were for articles included in sanctioned Indents, and Rupees 47,299-4-7 for purchases for which no indents had been sanctioned. Out of the latter sum Rupees 2,215-8-6 were spent at Madras, and Rupees 45,083-12-1 in the Divisions; as to the first the Agent states he is unable to furnish any satisfactory explanation, as the officer who made the purchases has left the Company's service. The second item however consists of many charges for articles purchased for immediate use on works, and for office contingencies, and which were erroneously brought on the Store accounts, instead of ~~being~~ being charged off at once to the works, and in the monthly contingent bills. I endeavoured to get the items so brought into the Store accounts transferred, but as not only these accounts but those for a subsequent period had already been prepared, the Agent states that the alterations could not be conveniently made. This of course far from satisfactory that mistakes of this kind should have been

been continued over so long a period, but as they are not at the present time of much practical importance, as probably are the most of the stores referred to have been transferred to works, I would recommend that the apparently unauthorized expenditure be passed on the understanding however that from whatever cause such erroneous entries may be found in accounts subsequent to the 31st January 1865, they must be corrected, even should the trouble be great. Attention has been so repeatedly called to this subject, and the correct method of dealing with stores has been so often pointed out, that no indulgence beyond the period named should, I think, be granted and that only because to require otherwise might delay the bringing up of the arrears of accounts.

6. The articles noted in the margin valued at Rupees 1531-4-7, and which are included in the unauthorized outlay noticed above, are stated to have been purchased under instructions from the Board. The Board's sanction should have been communicated to this office, when the requisite registration would have been made. This has been intimated to the Agent. In other respects these charges are unobjectionable.

7. The stores manufactured were made without sanction and they consist partly of working tools for made

Madras.		
Dynameters baswood N. 1	6	8
Leveling staves 1 1/2 circular a 2	52	8
do do 1 1/2 ordinary a 2	52	8
Levels brass 10	170	4
Dynameters Ainsters	31	8
Rain gauge 5	21	4
do graduated glass	1	4
Seales boxwood plotting	3	19
do money complete pair	10	4
Seep money copper	2	4
	367	4
Bellar's Division		
Levels 1 1/2 N. 1	614	7
Staves leveling 1 1/2 English N. 6	105	13
Chains measuring 100 ft with arrows	46	7
Compasses beam with filling	1	17
Aneroids	3	15
Current meter	1	14
Seep meter	1	50
Set square orange	10	8
Squares optical	3	35
Levels mirror	1	12
Cases speaking	2	8
Cases leather	2	16
	1154	4
	1531	4

made for laying in stock to meet future demands, and partly of articles made for particular sanctioned works. Indents for the former should have been submitted for the sanction of this office, and the latter should not have been brought on the Store accounts, but charged off at once to the respective works in the manufacture. Account Current R. In January 1863 clear and specific instructions on this subject were, as stated in para. 4 of my letter N. 96 of the 14 November 1864, furnished to the Agent, which do not appear to have been as yet enforced, though in para. 2 of Government Order N. 3480 of the 5 November 1864 the particular attention of the Agent was requested to the strict conformity of the rules on the subject. I will not however press this point at present because some of the transactions included in these accounts occurred at a time when the Agent had not had an opportunity of ascertaining under what system the divisional and other accounts were kept, or of rectifying the mistakes which, though often noticed, had never been properly attended to.

8. The detailed accounts L. and M. have been duly audited in this office, and an abstract of these accounts shewing the value of the several articles received and issued under each main head is given below.

Articles

Articles.	Remaining on the 31 July 1863.	Received from England from 1 Aug. 1863 to 30 April 1864.	Purchases in Europe from 1 Aug 1863 to 30 April 1864.	Manufactured in England from 1 Aug 1863 to 30 April 1864.	Total.	Issued from 1 Aug 1863 to 30 April 1864.	Balance on the 30 April 1864.
Mathematical instruments.	24066 4 9	---	6411 - 7	4 3 10 30481 9 2	8095 9 3	20385 15 11	
Drawing do and materials	9735 3 2	---	2701 - 9	8 11 8 12444 15 7	2978 6 -	9466 9 7	
Tools	10038 15 11	750 8 -	18270 12 4	8610 10 10 138170 15 1	47156 9 11	91314 5 2	
Machinery	39415 5 11	---	4000 -	---	43415 5 11	3902 9 5	39512 12 6
Boats.	2543 12 3	---	---	---	2543 12 3	---	2543 12 3
Miscellaneous	20026 2 6	7745 7 5	68670 10 7	31018 - 9	307710 5 3	59724 12 4	240193 7 -
Transfer Entries	" " "	---	---	---	334 1 1	126 3 -	
Medical and surgical instru- ments and appurtenances	1368 3 2	---	417 13 -	---	1786 - 2	635 10 5	1150 5 9
Telegraph stores.	" " "	40754 3 9	---	---	40754 3 9	---	40754 3 9
Total	300243 15 8	49250 3 2	100471 5 3	39641 11 1	577941 4 3	122619 12 4	455321 7 11

9. The value of stores issued Paper 122493-9-4 is debited to the following heads:-

General Management	2278-2-8
Construction	16863-4--
Manufacture of stores	23426-13-4
General Plant in use on works	78942-8-4
Store charges	161-10-2
Stores sold recoverable in cash	814-8-4
Stores lost	6-10-6

10. When the store accounts for the quarter ending 31 July 1863 were passed in Proceedings Madras Government No. 3480 of the 5th December 1864, the statement of balance then ~~it~~ had not been received, and the abstract given in para. 6 of my letter was prepared from the statements L. and M., but this abstract did not agree with the sums entered

entered under the several main heads in the Statement A, which was afterwards received from the Agent. However the balance shown in both these accounts was the same, as the errors were simply in the classification of the entries in the Returns L. M. and A, which have been adjusted by transfer entries in the accounts now submitted. The balance shown in the last column of the abstract in para. 8 of this letter is in accordance with the Statement A for the quarter ending 30 April 1864.

11. As suggested in para. 8 of my letter No. 125 of the 18 October 1864, an adjustment of the store charges has been, for the first time, carried out in the accounts now submitted. These charges from the commencement to 30 April 1864, amounted to Rupees 152,341-7-10, of which Rupees 83,434-14-8 have been adjusted to the debit of the following heads, which sum to 31.037 per cent on the amount of the value of stores issued under these heads:-

General Management.	
Agent's Department	865--
Chief Engineer's do	1728-4-5 2593-4-5
Construction.	
Expense Establishment	2177-9-10
Main Supply	22402-9-7
Buildings	1171-11-3 25751-14-8
Manufacture of Stores	15079-11-5
General Plant in use on works	40,010--2

12. The remainder of the store charges viz Rupees 68906-9-2, which came to about 15 per cent on the value

value of the stock of stores on hand on the 30 April 1864, will be adjusted in the subsequent accounts -

13 It may be noticed here, as was done in the letter as per margin, that the stores sold to and articles manufactured for the Company's employees and private parties from the commencement up to 30 April 1864, amounted to Rs 10,834-9-2, and to this sum no proportion of the store charges was added owing to the omission of the adjustment of the charge in the accounts, consequently there was a loss of Rs 2167-11-0 to the Company on this account the balance to be recovered under the head stores sold off on the 30 April 1864 was Rs 2953-3-8, but probably this balance has been further most fairly adjusted - It might not be the case however a similar percentage to that charged to other heads should be added, and the Agent has been requested to see to this -

** N. 143-144 para 15
P. 144 N. 3480-5th Dec 64*

*Total value of stores
sold & manufactured for
private parties & other
to 31st July 1863 - 7374-3-10
do for the 9
months ending 30th April 1864 - 10834-9-2
Deduct the amount
recovered from the above
to 30th April 1864 - 7881-5-6
2953-3-8*

14 With regard to the Boat with 2 anchors referred to in para 11 of my letter N. 143 dated the 14 November 1864, the Chief Engineer states that it was made for the conveyance of materials in the construction of the Hurnool Strait and that he was under the impression that the sanction of an estimate conveyed full sanction for all facilities of construction. - The Chief Engineer's remark is perfectly correct: the error was that the boat was not charged to the work, but to something else, and it should hardly require explanation to make it clear that the sanction of an estimate conveys authority to expend the amount sanctioned, but not any other money which has not been sanctioned. As the matter stands the boat and anchors should be transferred from

from Stores to General Plant. - 151

15 In para 5 of their order N. 3480 of the 5th December last, the Government directed that in submitting the next Account Current a report was to be made as to whether the required adjustments under the head "Stores in Transit" and of depreciation of General Plant, had been made. - With regard to the former the Agent under date the 8th March last writes as follows. -

Para 12. "With reference to the head of Stores in Transit" "prior to April 1864, I can only state that the stores" "placed under that head were many of them really en- route to the Divisions, but that unquestionably no small" "proportion of them were long since irrecoverably lost" "to the Company. The plan of keeping the whole of such" "stores in suspense without any attempt at adjust- ment" "was adopted under the late management of the" "account branch of our business, and the matter, owing" "to the time which has been allowed to elapse, is in" "a state of great involvement, but early steps will be" "taken with a view to the adjustment of the account."

This reply leaves it doubtful as to where it is likely that the Agent will be able to show what the description and value of the lost stores is, and under what circumstances they were lost. - The Agent in the same letter, as that from which the above extract has been made, says that "the depreciation of the Plant has not been adjusted yet, the returns from the Divisions not having come in, save that from Hindry which also" "it has been found necessary to return to the Engineer in

* para 14

17. In para. 3 of the Order of Government N^o 3480 of the 5th December last, it was directed that the Manager's reply to the reference made from this office on the subject of Stores returned should be submitted when received - That reference to how protracted correspondence which is not yet fully completed and perhaps Government would not wish for copies of all the letters, ^{at present,} and it may suffice to state here what the result of the discussion up to the present time amounts to - It is still very doubtful whether any stores whatever were really returned i.e. after issue and removal from the Store Stock Accounts, formally sent back and regularly brought on to those accounts. A portion of the sum seems to have been entered as a refund or return, because certain articles were found surplus, and it was supposed either that the written issues were in excess of the actual, or the written receipts below

below what was correct. The main item of refund
was however under the head of General Plant, and so
far as I can judge the error has arisen from the
omission to keep the Stock account of General Plant
distinct from that of Stores - I have therefore in my
last letter to the Agent pointed out that, as the re-
ceipts and issues to General Plant are traceable -
throughout it should be practicable to ascertain exact-
ly what articles have erroneously been included in
the Stock List instead of being kept under the head
of General Plant, and while it may be admitted, that
the mistake is not, in that case, of any great moment,
I have thought it right to notice that it is very neces-
sary that the power to trace each and every article
of General Plant should be maintained, otherwise the
Company's property may be lost or misappropriated in the
hands of any one knowing anything about the matter. On
this, a very practical ground, I have urged the further
examination of the accounts, and at the same time
I have pointed out the course which should be adopt-
ed in connection with the Stock-taking now pro-
gressing, with a view to the early adjustment of this ques-
tion - In the meantime I do not propose that any
alteration of the entries already shown in the accounts
should be made, as any recollection even that may be ne-
cessary can be kept, until the orders of Government have
been finally passed. -

In the Accounts
for the Quarter
ending 31st July 63.

I have the honor to be,
Sir,
Your most obedt. servant
John M. Collins Captain, R.
Consul for S. E. Company.

1442 190

Proceedings of the Madras Government

Under date the 29th May 1865

Read the following

From the Congress Acco.

Submits for sanction the
Store Accounts for the
nine months ending 30th
April 1864

N. 8. 6th May 1865 No. 1

The Government
pass the Account-Current
of the Irrigation and
Canal Company's Stores
for the nine months end-
ed 30th April 1864.

The lists of Stores
referred to in para 4 of
the Consulting Engineer's
letter appear to have been
returned to the late Cen-
tral Office of P.W., the
records of which it is

Account

Copy in a. N. 1442
of 30th June 1865

1865
of 10th June 1865
of 10th June 1865
of 10th June 1865

the Secretary to the

1865
of 10th June 1865

Enc. 1

Submitted for sanction the
Store Accounts for the 9 months
ending 30th April 1864

1865

17th May 1865. O. 1442

1442-29th May 1865

is believed with the Super
Engineer 4th Div.

3 The Government
agree with the Consulting
Engineer that entries, such
as those alluded to in
para 5, should not be
allowed to pass incor-
-rected in accounts sub-
-sequent to the 31st Jan'y
1865 - The Agents par-
-ticular attention will be
drawn to the subject.

4 The orders of Govt
on the subject of Medical
Stores should be strictly
adhered to

5 The Government approve
of the Consulting Engineer's
proceedings reported in para

17 - 718

6. The Agent is re-
-quested to expedite the
submission of the Store
Accounts still overdue -

W.B.
in -

To
The Engineer & Co with one enclosure
Manager. &c. ✓

Sept 30th May

Copy in a Letter to England
of 30th June at 41 of 1865.

No. 11. 1865 Dept
Pro: of Govt for May

No. 442
Pro: of the Madras Govt.
Of 29th May 1865

The Account Current
of the J. & C. Co. for
the nine months ended 30th
April 1864. paged 25

No. 557. 558.