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MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.

G.O. No. 1851

Press
Mis.

36-37

Dated 3-7-1865.

Not to be folded or roughly handled

No. 36. Read the following Extract from the Proceedings of the Governor General of India in Council, Public Works Department, (Account,) dated Simla, 23rd May 1865, No. 463 A :—

Annual Appropriation and Outlay Account of the Madras Presidency for 1863-64.
Read—

Letter No. 3,262, dated 14th November 1864, from Secretary to Government of Madras, submitting the Annual Appropriation and Outlay Account of the Madras Presidency for 1863-64.

Read also the following :—
Report by Major G. CHESNEY, Accountant General, Public Works Department, on the Annual Appropriation and Outlay Account of the Public Works Department, in Madras, 1863-64,—No. 463, dated 12th May 1865.

1. This is the first Annual Appropriation and Outlay Account submitted from Madras, and is a careful and well prepared document. The accompanying letter from the Controller, together with the orders thereon of the Government of Madras, explain the account very completely, and leave little to be said. The following remarks may, however, be useful.

2. The total Imperial Budget grant is represented as amounting to Rupees 64,90,182, an expenditure of Rupees 61,62,125, has been recorded, leaving a difference of Rupees 3,28,057, being about 5 per cent. of the aggregate assignment, a result which shows that the allotment, as a whole, has been worked up to satisfactorily.

3. Turning to the details comprising this saving, the expenditure incurred under heading Original Works has been Rupees 1,94,376 less than the grant. An analysis of this short expenditure gives the following result :—

	RS.
Savings—	
Aggregate of items of specific Budget provision against which no outlay has been recorded ...	18,859
Aggregate of savings effected by expenditure being less than the specific items of Budget-Estimate ...	2,48,688
Savings ...	<u>2,67,547</u>

Excess—	
Aggregate of excesses caused by expenditure being in excess of specific items of Budget-Estimate ...	60,964
Aggregate of items of expenditure incurred without any Budget provision... ..	12,207
Excess ...	<u>73,171</u>

Net savings ... 1,94,376

4. This analysis would go far to prove that the expenditure in Madras is carefully watched and regulated by the appropriations.

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3rd July 1865.*

5. In the details comprising the expenditure for Original Works are the following items which would appear to be properly chargeable to the heading Establishment.

MILITARY.

Extra superintendence for Wellington barracks, appropriation and expenditure Rupees 785.

AGRICULTURAL—IRRIGATION CANALS.

Establishment for conducting the surveying and levelling operations on the Toongabudra Channel. Appropriation Rupees 4,420, expenditure Rupees 2,558.

6. The necessity for a correct classification of the expenditure on Establishments has been more than once placed on record by the Government of India, and the attention of the Government of Madras might, perhaps, be usefully called again to this point.

7. The excess charge of Rupees 20,605, under heading Establishment, and Rupees 52,330 for London stores, has been explained in paragraphs 13 and 14 of the Controller's transmitting letter.

8. The omission in this return of a greater portion of the Local Funds expenditure incurred by officers of the Public Works Department, is explained in paragraph 15 of the Controller's Report. Under the revised system of account lately promulgated (S. O. No. 21 of 1865) the Annual Account henceforward of this expenditure will be quite separate from that of the Imperial expenditure, and will not come up to the Government of India.

9. In Supplement, Part A, of the account, the total grant for Original Works as assigned by the Government of India, is stated to be Rupees 19,87,000, whereas in the account itself it is represented as amounting to Rupees 21,66,503. The cause of the difference, which is attributable to additional grants, should have been explained in a foot note at end of the return.

10. The following is the general result of the Imperial expenditure as compared with the Imperial Budget-grant.

	Final Appropriations.	Expenditure.	DIFFERENCE.	
			Excess.	Saving.
Original Works	RS.	RS.	RS.	RS.
Repairs	28,92,728	26,93,352	.....	1,94,376
Establishment	22,01,764	21,29,278	.....	72,486
Reserve	13,29,420	13,50,025	20,605	.....
London supplies	3,855	.....	.....	3,855
	62,415	1,14,745	52,330	.....
Total	64,90,182	62,92,400	72,935	2,70,717
Deduct— Decrease in outstanding balances	.....	1,30,275	.....	1,30,275
	64,90,182	61,62,125	72,935	4,00,992
Deduct— Excess from saving and expenditure from Budget grant	61,62,125	.....	.....	72,935
Net saving	3,28,057	.....	.....	3,28,057

11. As required by Public Works Department Circular No. 33 G. G. of 1863, an account of the operations of the Dowlaishwaram Factory has been submitted. This account is not very clear, as it does not show the cash receipts and payments, or the balance of cash in hand at the beginning and close of the year, or the outstanding dues for work done; but from it the pecuniary transactions of the shops during the past year would appear to be as follows.

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12. A total expenditure of Rupees 51,505-15-2 has been incurred in purchase of consumable materials, wages of artificers, labourers, establishment, contingent charges, repairs of tools, and the like. The result of this outlay has been as follows :—

1st.—Value of articles made and proceeds of rough stores sold.

	Government.		Private Parties.		Total.	
	RS.	A. P.	RS.	A. P.	RS.	A. P.
A. Article for which payment has been received	6,638	3 7	2,604	4 4	9,242	7 11
B. Ditto ditto not received	42,218	10 1	4,878	7 4	47,097	1 5
Total	48,856	13 8	7,482	11 8	56,339	9 4
2.—Increase to the balance of consumable materials	.....	.....	.....	.....	2,921	8 8
Total	.....	.....	.....	.....	59,261	2 0
Deduct— Decrease in balances of plant and machinery by sales	.....	.....	.....	.....	2,420	3 8
A. Balance of	.....	.....	.....	.....	56,840	14 4

remains, representing the equivalent for the outlay of Rupees 51,505-15-2, and the result is a profit during the year of Rupees 5,331-15-2. But from this sum must be deducted, first, the depreciation of the value of the machinery and buildings, comprising the shop; and secondly, the interest at 4 per cent. on the capital laid out. This reduction made aggregating

	RS.	A.	P.
for the former	.....	.....	.....
and for the latter	.....	.....	.....
	3,043	12 11	.....
	1,101	1 5	.....
	4,144	14 4	.....

the result is a net profit of Rupees 1,190-0-10 or 1.56 per cent. on the capital which apparently amounts to—

For Machinery	.....	.....	.....	58,041	8 10
" Tools	.....	.....	.....	972	10 4
" Buildings	.....	.....	.....	17,664	4 4
Total	.....	.....	.....	76,678	7 6

13. There appears to be a standing balance of from Rupees 57,000 to Rupees 60,000 on account of consumable materials. The interest of the money thus laid out has not been taken into account in the preparation of the return as it apparently should be. This done at 4 per cent. on the opening balances of the year (Rupees 57,600) would give Rupees 2,304, or instead of a profit of Rupees 1,190 as shown, a net loss of Rupees 1,114 on the operations of the shop during the year would be the result. Of course in the case of a Government workshop mainly employed in working for Government Officers, the term profit or loss is used in an exceptional way, and merely means the difference between the cost of goods turned out by the workshop and the rate at which they are charged.

14. In the compilation of the return, the value of the machinery and buildings is shown at its original cost instead of less deterioration by wear and tear. The form in which the return has been prepared does not well provide for giving all needful information in this respect.

15. Further, the account to be complete requires to be supplemented by a cash account current showing on one side, the cash receipts of the shops, and on the other, its cash disbursements. In the absence of this document, it is not clear from what source the shops were placed in funds to meet their disbursements on account

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3rd July 1865.*

of articles valued at Rupees 47,097 for which no payment has been recovered. Explanation would be useful on this point, because, if, as appears probable, the required funds have been drawn from the treasury without any Budget provision, this procedure would call for amendment.

16. Attention might usefully be drawn to the large sum which remains unpaid, amounting to Rupees 47,097-1-5, on the operations of the year. The aggregate sum still due may be much more than this, and it would be worth while to enquire the steps usually taken towards having these claims realized.

ORDER.—Ordered, that a copy of the foregoing Resolution, together with the Report and Annual Appropriation and Outlay Account to which it refers, be forwarded to the Financial Department for information.

Ordered, also, that a copy be forwarded to the Government of Madras for information, with special reference to paragraphs 6 and 7, and 12 to 19 of the Report.

(Signed) A. B. SAMPSON, *Asst. Secy.,
For Secy. to the Govt. of India.*

To the Secretary to Government of Madras, Public Works Department.

No. 37.

ORDER THEREON, 3rd July 1865, No. 1,851.

ACCOUNT, No. 9.

1. Communicated to the Superintending Engineers and the Controller of Public Works Accounts.

2. Separate orders will shortly be passed with reference to paragraphs 12 to 16 of the report by the Accountant General Public Works Department.

(True Extract.)

(Signed) CHARLES A. ORR, Colonel, R. E.,

Secretary to Government.

To the Superintending Engineers.
" Controller of Public Works Accounts.

Erd. S. T. Augustin.

Account

1851

1 Communicated to the Superintending Engineers and the Controller of P.W. Accounts
2 Separate orders will shortly be passed with reference to paras 12 to 19 of the report by the Accountant General Public Works Department

*For St George
3rd July 1865*

To the Superintending Engineers
Controller of
P.W. Accounts
X082 *3rd July 1865*

75/1565
Pro. of Govt. for July
No. 186.

Account.

RESOLUTION.

To

FROM

SECY. TO GOVT. OF INDIA,
IN THE PUBLIC WORKS DEPT.

No. A.

Dated SIMLA, 23rd May, 1865.

Received 19 June

Recd 1570/66

Annual Appropriation and Outlay Account of
the Madras Presidency for 1863-64.

No. 36. 37

22nd June 1865 On 26th

With an order -
21st 1857 - 2nd July 1865