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MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.

G.O. No. 2709

Press
Mis.

331-533

Dated 14-7-1865.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
14th September 1865.*

Read the following papers:—

No. 331. From Lieutenant-Colonel J. C. ANDERSON, R. E., Consulting Engineer for Railways, to A. J. ARBUTHNOT, Esq., Chief Secretary to Government, Fort Saint George, dated Bangalore, 17th July 1865, No. 336.

SIR,

1. Adverting to Order of the 11th instant, No. 392, referring for any remarks I may desire to offer thereon a copy of the Proceedings of the Government of India, regarding the authority of the Accountant General, and of the Consulting Engineer in the proposed system of the "Appropriation Audit," I have the honor to observe that I consider the views enunciated in paragraphs 4 to 5 of the Resolution to sufficiently define the relative authority of the Officers named, and that they may be adopted on the introduction of the proposed system of audit.

2. I have not yet been favored with replies from the Agents to my letters on G. O. of the 3rd instant, No. 382, but as soon as I am, I shall submit them with my remarks to Government.

No. 332. From F. LUSHINGTON, Esq., Accountant General, to A. J. ARBUTHNOT, Esq., Chief Secretary to Government, Fort Saint George, dated 18th July 1865, No. 66.

SIR,

1. With reference to the Order of Government in the Financial Railway Department, No. 372, dated the 27th ultimo, and to paragraph 31 of the Note by Mr. Kellner, the Assistant Accountant General, Public Works Department, printed in the Proceedings of the Supreme Government No. 479 A, dated 30th May last, under which payments on account of lands taken up for Railways are required to be made on bills audited by the Controller of Public Works Accounts, I have the honor to enquire whether I may issue instructions to Collectors to abstain from making advances on the above account in future.

2. I have deemed a reference on the subject necessary, as the effect of my Circular would be to cancel the instruction issued by Government to Collectors under date the 21st September 1855, No. 236, and in their Orders Nos. 332 and 372 of 1st and 27th ultimo, passed on Proceedings of the Government of India, it does not appear to be definitely laid down whether the practice in this Presidency of Collectors making the advances is to be discontinued or not.

Referred to the Consulting Engineer for Railways for his remarks.

(Signed) A. J. ARBUTHNOT,

1st August 1865.

Chief Secretary

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No. 333. From Lieutenant-Colonel J. C. ANDERSON, R. E., Consulting Engineer for Railways, to A. J. ARBUTHNOT, Esq., Chief Secretary to Government, Fort Saint George, dated Salem, 4th August 1865, No. 379.

SIR,

* Herewith returned.

1. Adverting to docket dated the 1st instant, on a letter* from the Accountant General, enquiring whether instructions may be issued to Collectors to abstain from making advances for land taken up for Railway purposes, I have the honor to remark that if the course laid down in paragraph 31 of Mr Kellner's Note is to be followed, it will be necessary to issue the instructions which the Accountant General wishes. This, however, will involve a complete change in the system in force in this Presidency, and cancel orders issued by the Government of India.

2. The system in force in this Presidency at present, is as follows:—

The Collectors roughly estimate each year the probable amount required for the purchase of land. The amount is included in the Budget Estimate, submitted by the Consulting Engineer, is approved of by Government, and sanctioned by the Government of India. On plans for land being furnished by the Railway authorities, the Revenue Officers proceed to arrange for the transfer of the land, and, as soon as the compensation payable is settled, the money is disbursed.

Monthly Statements, showing the aggregate of such disbursements, are sent by Collectors to the Controller of Public Works Accounts, and to the Consulting Engineer. Quarterly Statements, giving in detail the particulars of compensation paid, &c., &c., are sent to the Board of Revenue, who, after examination, submit them to Government for sanction. The sanctions are communicated to the Controller of Public Works Accounts, to enable him to audit the bills forwarded by the Collectors.

3. The system has its advantages, and, I think, it would be impolitic to dispense with them.

1st.—The inhabitants are paid the compensation due, invariably on a settlement being made with them for the land, &c., appropriated.

2ndly.—The Board of Revenue exercise a supervision, which they alone are competent to exercise efficiently, over the sums paid for different description for land, and over all transfers of other land which it may be proposed to give in lieu of that taken up.

3rdly.—The Government sanction the Statements on the recommendation of the Board of Revenue.

4. If the course proposed by Mr. Kellner be followed, it will be essential, to obviate the delay which must necessarily occur in the payment of compensation, that Collectors should submit bills direct to the Controller of Public Works Accounts for audit, and that the sanctions of Government, which are now essential for the Controller to pass the bills, as well as the supervision of the Board of Revenue, be set aside.

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5. It appears to me, however, that until "Complete Estimates," as required by the Government of India in Circular, No. 73, dated 27th September 1864, can be prepared for land required for Railways, the amount entered in the Budget Estimate should be accepted, and the Collectors permitted to make disbursements within that amount, submitting the monthly Statement of disbursements made to the Controller of Public Works Accounts; and monthly, instead of quarterly, Statements of the details of compensation paid to the Board of Revenue, for the sanction of Government.

6. This arrangement will I conceive sufficiently enable the Controller to exercise a check over expenditure, as compared with the estimate, and admit of adjustments between his books, and those of the Accountant General, being more promptly carried out.

No. 334. From F. LUSHINGTON, Esq., Accountant General, to A. J. ARBUTHNOT, Esq., Chief Secretary to Government, Fort Saint George, dated 10th August 1865, No. 80.

SIR,

1. Referring to the Order of Government, dated 11th ultimo, in the Financial Railway Department, No. 392, I have the honor to observe, that I am not in a position to form an opinion, or to offer any suggestion on the system of Payment and Account sketched out by Mr. Kellner, in the Note drawn up by him, and recorded in the Proceedings of the Governor General in Council, Public Works Department, dated Simla, 30th May 1865, as this Office is not aware of the course of procedure observed in this Presidency, in the Audit, Payment, and Accounting of the Railway charges. The duty of this Office, in connection with the Railway Department, is simply to authorize advances on account of the Capital and Revenue Accounts, as sanctioned in the Orders of Government, No. 551, dated 4th October 1862, on the Agents submitting their applications, through the Consulting Engineer; to furnish the

* Agreeably to the forms furnished by the Secretary of State for India—vide Order of Government, No. 92, dated 21st February 1862.

Home Authorities, through the Local Government, with monthly Statements* of payments from, and receipts into, Government Treasuries, and lastly, to make adjustments in the Books of this Office, on account of the value of Stores and General Superintendence, on the recommendation of the Consulting Engineer, and with the sanction of Government. The Consulting Engineer for Railways, who audits these charges, and exercises a general control over the Railway Department, and who, I find, is likewise called upon for his remarks, and the Controller of Public Works, in whose Books, the charges borne by Government, will be finally recorded under the new system, would seem to be the proper Officers to offer an opinion on the points alluded to in the Order of Government above quoted.

2. There are, however, two or three points in Mr. Kellner's Note, which appear to me to call for some observation.

3. Paragraphs 30 and 32. The reason for the difference observed in the audit and payments of the two classes of charges mentioned in these paragraphs, is not apparent. I would suggest that both should be paid by the nearest Executive Engineer, on the Audit of the Controller.

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4. Paragraph 31. In my letter to Government of the 18th ultimo, No. 66, I had the honor to enquire whether the system of making advances for compensation for lands taken up for Railways, was to be continued or not. If it is not to be continued, the audited bills might then be likewise paid by the Public Works Department. This course of procedure would enable the Controller to effect the necessary adjustments in his Books at once, and would obviate the necessity of his awaiting the receipt of information from this Office, of these debits in the Treasury Accounts, and it would also enable him more readily to collate the payments from Accounts received from Officers of his own Department.

5. Paragraph 53. In the absence of the Forms referred to in this clause, I am unable to report whether the information that may be required in them, can be supplied. I may here mention, that, in Circular No. 82, dated 12th April 1865, from the Auditor General of India, herewith enclosed, I was requested to furnish a monthly Return, in the form therein prescribed, to the Accountant General, Public Works Department, at Calcutta but, as explained in the accompanying copy of my letter to the Accountant General, Public Works Department, No. 1,322, dated 22nd July 1865, the requisition of that Officer can be only partially complied with in this Presidency. The monthly Return prescribed by the Accountant General, India Office, London, and alluded to in paragraph 1 of this letter, contains a complete record of receipts and payments in connection with the Railways of this Presidency, which come under the cognizance of this Department.

6. I have already informed the Accountant General, Public Works Department, that no Annual Account Current has hitherto been rendered, but that should he require one to be submitted, it will be prepared. With reference to copies of Invoices of Railway Stores sent out from England, which are required to be furnished by me, I beg to observe, that these Invoices have never been received in this Office, nor are they required here, as the value of Stores received from England, is not adjusted in the Books of this Government, and I would therefore suggest, that, in the event of their being required, they may be obtained from the Consulting Engineer, without the intervention of this Office.

Circular from R. P. HARRISON, Esq., Auditor General of India, to all Deputy Auditors and Accountants General, dated Fort William, the 12th April 1865, No. 82.

SIR,

1. With reference to a requisition received from the Accountant General, Public Works Department, I have the honor to request that you will be good enough to furnish direct to that Officer, a Monthly Return in the form annexed of Receipts and Payments on account of all Railways within your province, commencing from 1st June 1864, as regards Revenue, and from 1st November 1864, as regards Construction. The Monthly Returns up to March 1865, should be forwarded without delay, and those for subsequent months as soon as possible after the close of the month to which they relate.

2. You are also requested to forward to the Accountant General, a copy of the last Annual Account Current of the Receipts and Payments for each Railway prepared in your Office, together with copies of Invoices of Railway Stores sent out from England in 1864-65.

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RETURN of Receipts and Payments in Civil Treasury at _____ and in the Bank of _____ on account of Railways during the Month of _____ 186

Month of _____ 186 .

RECEIPTS.				PAYMENTS.				
Shares paid in India.	Refunds and Bills cancelled.	Sale proceeds of Stores.	Total.	Lines.	Construction advances in Cash and Bills.	Customs Duty on Imported Stores.	Payments of guaranteed interest.	Total.
				East Indian Railway, Lower Division.				
				" " Upper Division.				
				" " Jubbulpore Line.				
				(or other Railway as the case may be.)				
Gross earnings.				Lines.	Working expenses.	Net Revenue.	Total.	
				East Indian Railway, Lower Division				
				" " Upper Division				
				(or other Railway as the case may be.)				

Deputy Auditor and Accountant General.

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From F. LUSHINGTON, Esq., Accountant General, Fort St. George, to the Accountant General,
Public Works Department, Calcutta, dated 22nd July 1865, No. 1,322.

SIR,

1. With reference to Circular No. 82, dated 12th April 1865, from the Auditor General of India, I have the honor to forward thirteen Returns of receipts into, and payments from, the Government Treasuries of this Presidency, on account of the Revenue and Capital Accounts of the several Railways, viz., South-West Line, North-West Line, and Great Southern of India Railway. The Revenue Returns now sent, date from 1st June 1864, and the Returns on account of Capital, from 1st November 1864, in accordance with the instructions of the Auditor General.

2. The columns "Gross Earnings and Working Expenses," in the Revenue portion of the Returns now furnished, show the gross receipts into, and gross payments from, the Government Treasuries; and the column "Net Revenue," exhibits the difference between the above-mentioned two columns. But as I am not certain whether the Returns required by your Department are of the nature of those now sent, or those prepared by the Railway Company, I herein enclose copies of the Revenue Accounts (exclusive of Home Payments) for the lines and periods noted in the margin, as furnished to this Office by the Consulting Engineer, and request that you will inform me which of the Returns, whether those of the Railway Company are required, they can be furnished only half-yearly, for which period alone they are prepared.

3. The columns "Shares paid in India," "Refunds and Bills cancelled," and "Sale proceeds of Stores," in the Returns now sent, are left blank, as no transactions under these heads have taken place. The column "Construction advances in Cash and Bills," shows only the payments by Government on Capital Account. The Railway Company obtain Bills on the Provincial Treasuries, like private parties, by paying a fee of half per cent. premium. The column "Customs Duty on imported Stores," is left blank, as payments on this account are not made from Government Treasuries, but by the Railway Companies themselves, from advances taken up from the Government Treasuries. I enclose, however, Statements of Customs Duty paid on imported Stores from November 1864. The column "Payment of Guaranteed Interest," is also left blank, as no such interest is paid at this Presidency.

4. Sums adjusted on account of the several Lines under the orders of the Local Government, and the receipt in the month of February 1865, of Interest on Capital Funds, for which no columns are opened in the form of Return, are shown at foot of the Returns now forwarded.

* 93 in No.
† 13 do.

5. I forward, herewith, copies of Invoices of Stores received in this country by the Madras Railway, and Great Southern of India Railway Companies, during the year 1864-65, obtained through the Consulting Engineer. I here beg to be informed, whether the Invoices to be sent, are those for Stores sent out in any year, or those for Stores received; for, in some instances, Stores sent in one year, may not reach until the following year.

6. No Account Current is prepared in this Office annually, on account of Railway transactions, but I shall be prepared to furnish you with one for the year 1864-65, if you desire it.

7. In concluding this letter, I have the honor to inform you, that, as soon as possible after the close of every month, Returns, as per enclosed three sets of blank forms, are furnished to the Officers noted in the margin, which embody the transactions in the Government Treasuries on account of Railways in this Presidency, and is a complete record of what comes under the cognizance of this Office. The form of these Returns was prescribed by the Accountant General of the India Office, London, and was received with the Despatch of the Secretary of State

- 2 Copies to Chief Secretary to Government, for transmission to the Home Authorities.
- 1 Copy to the Financial Secretary to the Government of India, Fort William.
- 1 Do to the Accountant General do do.
- 1 Do to Secretary to Government of India, Public Works Department do.
- 2 Copies to Consulting Engineer for Railways, Madras.

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for India to the Local Government, dated London, 16th January 1862, No. 1, paragraph 8. I request that you will inform me, whether, with reference to the inability of this Office to fill up the various columns in the Return prescribed in the Circular above quoted, it will not be sufficient for this Office to furnish you with copies of the Returns sent to the Officers alluded to in paragraph 7.

(True Copy.)

(Signed) T. MACKEY,
Acting First Assistant Accountant General.

No. 335. From Lieutenant-Colonel C. H. DICKENS, R. A., Secretary to the Government of India, Public Works Department (Account), to the Secretary to the Government of Madras, Public Works Department, dated Simla, 15th August 1865, No. 738 A.

SIR,

With reference to this Office letter No. 490A, dated 30th May 1865, proposing that the Madras Government should avail itself of the services of Mr. Kellner, Assistant Accountant General, Public Works Department, in the preparation of the Books, &c., of the new system of Account, during his proposed deputation to aid in carrying out the establishment of Railway appropriation audit in Madras, I am directed to say that the Governor General in Council has been for some time awaiting an expression of the views of the Government of Madras on this subject, and to request that they may be communicated with as little delay as possible.

No. 336. From Lieutenant-Colonel C. H. DICKENS, R. A., Secretary to the Government of India, Public Works Department (Account), to the Secretary to the Government of Madras, Railway Department, dated Simla, 15th August 1865, No. 739A.

SIR,

With reference to Resolution by the Government of India, Public Works Department, No. 482 A, dated 30th May 1865, regarding the introduction of an appropriation audit of expenditure on all Railways in India, I am directed to say that the Governor General in Council has been for some time awaiting an expression of the views of the Government of Madras on this subject, and to request that they may be communicated with as little delay as possible.

No. 337. From Lieutenant-Colonel J. C. ANDERSON, R. E., Consulting Engineer for Railways, to Colonel C. A. ORR, R. E., Secretary to Government, Public Works Department, dated Bangalore, 5th September 1865, No. 443.

SIR,

1. Referring to Order of the 3rd July last, No. 382, in the Financial (Railway) Department, I have the honor to report that the system of audit in operation in the Railway Offices in this Presidency corresponds with that described by Mr. Kellner, as existing on the East Indian Railway, and which, I believe, was borrowed from this Presidency.

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2. The audit of the Madras Railway accounts is conducted by the Chief Accountant, Mr. Church. The Agent and Manager writes:—

"The plan suggested of having a Government Officer daily engaged at the Office of the Railway to follow the course of the accounts of expenditure through the books, and record the results day by day, is one which recommends itself to me, as the Agent, and will doubtless do so to the Board of Directors, as affording the most satisfactory audit, and acting as a wholesome check upon our accounts. So far, therefore, as the Officers of this Company are concerned, they will hail with approval any such step, and be prepared to render hearty co-operation in giving effect to the proposed new system of audit."

In a further letter he writes:—

"I have the honor to state that, in my opinion, the system of accounts in force in the several Departments of this Railway, sufficiently answers its purpose; but in replying thus I do not mean to say that our system is incapable of improvement, but that our accounts, as they now stand, represent very accurately our operations departmental and otherwise, and the financial relations of the Government and of the Railway Company in India."

"I would remark that the system of payment and account, which has been in force on this Railway for many years, is very similar to that now being introduced on the East Indian Railway; and that the Government control, as to authorization of expenditure, provision of funds, audit and account, differs in no essential from the practice in force in Bengal, as described in Mr. Kellner's Note."

3. On the Great Southern of India Railway, there is no distinct Auditor, nor Cashier, the Railway Company, from motives of economy, not considering either appointment necessary. The Account Department is under the Agent, and the payments for stores are made by him as well as the Chief Engineer. The payments for material and labor for repairs of Permanent Way, and for construction of works, are made through the Engineers and Cash-keepers in each District. The Agent writes as follows:—

"With regard to the system of accounting. I would not advocate any change being made in the plan, organized, I believe, by Colonel Pears, which has now, for some ten years or so, worked so well in this Presidency. I allude to the monthly registration of the expenditure under certain headings in Forms A, B, D, and Q."

"These forms not only supply the requirements of Government, but they also contain sufficient detail upon which to write up the Railway Company's Journals and Ledgers, thereby rendering unnecessary the preparation of duplicate accounts."

"I am happy to say that the state of things which appear to have existed in the Bengal Presidency, relative to unaudited or "inefficient" balances, has not obtained in this Presidency, at any rate, so far as the Great Southern of India Railway Line is concerned. A reference to our Forms P will show that the difference between the sums withdrawn from the Government Treasury, and the expenditure sanctioned by Government, is about Rupees 1,00,000 only, and the larger portion of this amount it is necessary to keep as cash in hand to meet current disbursements."

"As to the audit of this expenditure. So far as the Railway Company is concerned, a complete audit in accordance with the instructions of the Directors

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has been in force since June 1864. The Government audit is conducted at Madras; if one of your Accountants could take up this work at Negapatam, and audit these forms with the vouchers relating to the expenditure therein accounted for, I think the audit would then be a complete one. Upon your Accountant's Certificate of the correctness of the Forms, I could submit them to you for the sanction of Government. This audit, on the part of your Accountant, besides being from an independent source, would render unnecessary the audit now performed by the Railway Company."

"Paragraph 13 of the Resolution of the Government of India refers to an "authorization of expenditure by the Consulting Engineer and the Agent at periodical Meetings." These Meetings would require to be called at least monthly, and if appointed to be held at any place out of this District, I should necessarily be away from my more important duties for nearly a week on each occasion. I am inclined to think, that the plan at present followed for the obtaining of Government sanction to expenditure is the best which can be followed, so long as this Railway remains in an isolated position."

4. I have reason to believe that all the account transactions of the Madras and Great Southern of India Railways are performed in a methodical and altogether trustworthy manner. If irregularities occur, as from time to time they do, they are of a slight character, attributable to oversight, and are rectified as soon as they are pointed out. Pay lists and various accounts of the expenditure on works under construction, and on those maintained at the expense of Revenue, are submitted to and checked in this office; but the audit thus exercised is confined to a comparison between the amounts sanctioned, and bills and vouchers submitted, and does not include an examination of the Account Books of the Railway.

5. The introduction of a complete Government audit, in the manner explained in the Resolution by the Government of India, would do away with numerous accounts that are now rendered to this office, and if the Government decide on appointing a separate Auditor for each of the Head Offices of the Madras and Great Southern of India Railways, a considerable reduction of the account Establishment might be effected; but it will

Paragraph 13 of Resolution of the Governor General of India, No. A, dated 30th May 1865.

be observed, that a system of audit based "on the authorization of expenditure by the Consulting Engineer and the Agent at periodical official Meetings," cannot take place in this Presidency, in regard to both of the Railways, as while one Office is at Madras, the other is at Negapatam.

6. The most feasible course for giving effect to the wishes of the Government of India appears to me to be the appointment of Mr. G. Hamnett, the Uncovenanted Assistant to the Consulting Engineer, to the post of Auditor to the Madras Railway, without disconnecting him from his other duties.

7. I would propose that he should attend the Railway and Consulting Engineer's office on alternate days, believing that if the Chief Accountant of the Railway can now conduct the audit in addition to his other duties, Mr. Hamnett would be able to do the same, especially, after the reduction of account transactions in the Consulting Engineer's Office.

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8. As regards the Great Southern of India Railway Company, I would continue the system now in force, except that I would propose to depute Mr. Hamnett, to make a half-yearly inspection of the office books. This course would be economical, in that it would obviate the necessity of appointing, on behalf of Government, a separate Auditor, but it would involve the falling into arrears of the audit of the Madras Railway books for a time. I do not, however, anticipate that any serious inconvenience would arise in consequence, and at all events, the proposed arrangements might be given a fair trial.

9. The accounts of the Great Southern of India Railway would continue to be submitted to this Office as heretofore, and the Accountant Establishment can only be reduced by the proportion due to the Madras Railway.

10. As the responsibility, as well as the actual work of Mr. Hamnett would be considerably increased if the proposed change be carried out, I would recommend that his salary be increased by 250 Rupees per mensem, with the addition of batta when travelling. Mr. Hamnett's services have been represented in the highest terms to Government by my predecessors, and he has already been recommended for an increase of salary. He is in every respect qualified for the duties of Auditor, and I have every reason to believe that his appointment would be acceptable to the Railway authorities.

11. I would take the opportunity of recommending that Mr. Hamnett's powers as regards my own Office should also be increased. At present myself and my Deputy cannot be absent from Madras at the same time, unless we confine our movements to the open portions of the Railway Lines, as one of us must be near at hand to sign receipts authorizing the disbursements of money required by the Agents of the Railways, to pass receipt for pay bills, and to submit applications for land to Collectors. The Agent's requisitions come in at short intervals, and any delay may be productive of serious inconvenience.

12. It is very desirable, in my opinion, that myself or Deputy should make frequent inspections of the Lines in progress. I should wish that if possible the extension of the North-West Line from Cuddapah towards Ghooty, and of the Great Southern of India Railway from Trichinopoly to Erode, should be visited every three months, but while the Uncovenanted Assistant has not the power of signing receipts and other documents, which may require immediate despatch, our movements are very much hampered.

13. I need hardly add that Mr. Hamnett should also have the privilege of franking letters.

14. On the introduction of the system of authorization of expenditure by the Consulting Engineer and Agent, the applications hitherto submitted to Government for sanction will be discontinued.

Embodied in Proceedings of the Governor General of India in Council, No. 479A, dated 10th May 1865.

15. It is desirable in the meantime that the detailed instructions referred to in paragraph 37 of Mr. Kellner's

Note, and the forms of Statements to be rendered to the Accountant General should be communicated to this Office.

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16. The Accountant Establishment in this Office, is as follows, viz. :—

		Rupees	100
1	Accountant		
1	Do.	60	
1	Do.	50	
1	Do.	50	
1	Do.	40	
1	Do.	30	
1	Do.	25	
1	Clerk	50	

17. The two Accountants on the receipt of Rupees 50 each are employed on work unconnected with the examination of the Railway accounts, and their appointments cannot be abolished, but the three Accountants on Rupees 40, 30, and 25, may be dispensed with, on Mr. Hamnett taking up the duties of Auditor, and the Clerk on Rupees 50 will be recommended for a pension, causing thereby a saving of Rupees 145.

No. 338. ORDER THEREON, 14th September 1865, No. 2,709.

RAILWAY, No. 42.

No. 80, 10th August 1865.

„ 379, 4th „

„ 443, 5th September „

1. Resolved that the letters marginally noted, from the Accountant General and the Consulting Engineer for Railways, be forwarded to the Government of India, with an intimation that this Government approve of the intro-

duction into the Madras Presidency of the complete and thorough audit of the accounts of Railway expenditure, described in the Proceedings of the Right Honorable the Governor General in Council Nos. 479A, and 490A, dated 30th May 1865, and that they will be glad to avail themselves of Mr. Kellner's services to aid in carrying out the establishment of this audit.

2. The Government of India will be requested to furnish this Government with copies of the Forms which are to be adopted in the preparation of the Returns* required by the Accountant General, Public Works Department, from the Accountant General, Madras, and the Consulting Engineer, respectively.

Under the circumstances explained in the concluding paragraph of Mr. Lushington's letter of the 10th ultimo, the duty of furnishing the Accountant General, Public Works Department, with copies of Invoices of Railway Stores sent out from England will devolve upon the Consulting Engineer.

3. The measures advocated in paragraphs 6 to 17 of Colonel Anderson's letter, dated 5th instant, will be taken into consideration on the arrival of Mr. Kellner at Madras.

4. Adverting to the letters from the Accountant General and the Consulting Engineer, dated 18th July and 7th August 1865, respectively, the attention of those Officers will be called to the Orders of Government marginally noted directing that, except in cases of emergency, when land may be made over to the Company in anticipation of sanction the circumstance being immediately reported to Government through the Consulting En-

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gineer, all charges for land shall be disbursed only on bills pre-audited by the Controller of Public Works Accounts. Under these orders, which should be strictly adhered to, no advances for land should be made except in cases of real emergency.

5. The suggestions in paragraphs 3 and 4 of Mr. Lushington's letter of the 10th August 1865 regarding the payment by the nearest Executive Officer of the Public Works Department of "charges for land," and "for pay of Deputy Collectors or other Civil Establishments employed in the settlement of claims for land on account of the Railway," will be referred for the opinion of the Controller of Public Works Accounts.

Ordered that the following letter be sent:—

(Here enter No. 2,710, dated 14th September 1865.)

(True Extract.)

(Signed) J. H. M. SHAW STEWART, Major, R. E.,

Under Secretary to Government.

To the Consulting Engineer for Railways.

.. Accountant General, with P. W. Procs., Nos. 1,895 and 2,201 of 1865, and Financial
.. Controller of Public Works Accounts. Railway Procs., Nos. 420 and 454 of 1865.
.. Board of Revenue.
.. Revenue Department.

Exd. S. T. Augustin.

PUBLIC WORKS DEPARTMENT.
FORT SAINT GEORGE,
14th September 1865.

No. 339.

No. 2,710.

From

MAJOR J. H. M. SHAW STEWART, R. E.,

Under Secretary to the Government of Fort Saint George, P. W. D.,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
PUBLIC WORKS DEPARTMENT.

SIR,

RAILWAY, No. 43.

No. 479A, dated 30th May 1865.

.. 482A, " " "
.. 490A, " " "
.. 739A, " 15th August "

1. I am directed by His Excellency the Governor in Council to acknowledge the receipt of the papers marginally noted, and to state, in reply, that the Madras Government approve of the introduction into this Presidency of the com-

plete and thorough audit of the accounts of Railway expenditure described in the Proceedings of the Right Honorable the Governor General in Council, Nos. 479A, and 490A, dated 30th May 1865, and that they will be glad to avail themselves of Mr. Kellner's services to aid in carrying out the establishment of this audit.

2. It will be observed from the accompanying collection of papers, that the Consulting Engineer and the Agent and Manager of the Madras Railway Company are in favor of the introduction of the proposed Government audit. The Consulting Engineer states that the system of audit in operation in the Railway Offices in this Presidency corresponds with that described by Mr. Kellner as existing in the East Indian Railway, and the Agent and Manager considers that the plan of having a Government Officer engaged in following the course of the Company's accounts of expenditure through the books, and recording the results day by day, will doubtless recommend itself to the Board of Directors, as affording the most satisfactory audit and acting as a wholesome check upon their accounts, and that the Officers of the Company in this country will be prepared to render hearty co-operation in giving effect to the new system.

3. As regards the audit of the accounts of the Great Southern of India Railway, neither the Consulting Engineer nor the Agent advocates a change in the system now in force. The Consulting Engineer recommends, however, a half-yearly inspection of the Company's books by the Officer who may be appointed to conduct the Government audit of expenditure on the Madras Railway. This subject, as well as the arrangements recommended in paragraphs 6 to 17 of the Consulting Engineer's letter of the 5th instant may, in the opinion of His Excellency in Council, be better considered on the arrival of Mr. Kellner at Madras.

4. Adverting to paragraph 53 of Mr. Kellner's Note, recorded in the Proceedings of the Right Honorable the Governor General in Council, No. 479A, dated 30th May 1865, I am to request that this Government may be furnished with copies of the forms to be adopted by the Accountant General and the Consulting Engineer in the preparation of the several Returns which will have to be rendered to the

Accountant General, Public Works Department. While on this subject I am to request the particular attention of the Government of India to the remarks of the Accountant General in paragraphs 5 and 6 of his letter, dated 10th August 1865.

5. I am to add, with reference to your letter No. 733 A, dated 15th August 1865, that if any difficulty be felt in dealing with the new Forms of Public Works Accounts kept from the 1st May last, the Madras Government will be happy to avail themselves of Mr. Kellner's services on his arrival at Madras.

I have the honor to be,

Sir,

Your most obedient servant,

(Signed) J. H. M. SHAW STEWART, Major, R. E.,
Under Secretary to Government.

Exd. S. T. Augustin.

Letter from Lieutenant-Colonel J. C. ANDERSON, R. E., Consulting Engineer for Railways, to A. J. ARBUTHNOT, Esq., Chief Secretary to Government, Fort Saint George, dated Bangalore, 17th July 1865, No. 336.

Sir,

1. Adverting to Order of the 11th instant, No. 392, referring for any remarks I may desire to offer thereon a copy of the Proceedings of the Government of India, regarding the authority of the Accountant General, and of the Consulting Engineer in the proposed system of the "Appropriation Audit," I have the honor to observe that I consider the views enunciated in paragraphs 4 to 5 of the Resolution to sufficiently define the relative authority of the Officers named, and that they may be adopted on the introduction of the proposed system of audit.

2. I have not yet been favored with replies from the Agents to my letters on G. O. of the 3rd instant, No. 382, but as soon as I am, I shall submit them with my remarks to Government.

From Lieutenant-Colonel J. C. ANDERSON, R. E., Consulting Engineer for Railways, to Colonel C. A. ORR, R. E., Secretary to Government, Public Works Department, dated Bangalore, 5th September 1865, No. 443.

Sir,

1. Referring to Order of the 3rd July last, No. 382, in the Financial (Railway) Department, I have the honor to report that the system of audit in operation in the Railway Offices in this Presidency corresponds with that described by Mr. Kellner, as existing on the East Indian Railway, and which, I believe, was borrowed from this Presidency.

2. The audit of the Madras Railway accounts is conducted by the Chief Accountant, Mr. Church. The Agent and Manager writes:—

"The plan suggested of having a Government Officer daily engaged at the Office of the Railway to follow the course of the accounts of expenditure through the books, and record the results day by day, is one which recommends itself to me, as the Agent, and will doubtless do so to the Board of Directors, as affording the most satisfactory audit, and acting as a wholesome check upon our accounts. So far, therefore, as the Officers of this Company are concerned, they will hail with approval any such step, and be prepared to render hearty co-operation in giving effect to the proposed new system of audit."

In a further letter he writes:—

"I have the honor to state that, in my opinion, the system of accounts in force in the several Departments of this Railway, sufficiently answers its purpose; but in replying thus I do not mean to say that our system is incapable of improvement, but that our accounts, as they now stand, represent very accurately our operations departmental and otherwise, and the financial relations of the Government and of the Railway Company in India.

"I would remark that the system of payment and account, which has been in force on this Railway for many years, is very similar to that now being introduced on the East Indian Railway; and that the Government control, as to authorization of expenditure, provision of funds, audit and account, differs in no essential from the practice in force in Bengal, as described in Mr. Kellner's Note."

3. On the Great Southern of India Railway, there is no distinct Auditor, nor Cashier, the Railway Company, from motives of economy, not considering either appointment necessary. The Account Department is under the Agent, and the payments for stores are made by him as well as the Chief Engineer. The payments for material and labor for repairs of Permanent Way, and for construction of works, are made through the Engineers and Cash-keepers in each District. The Agent writes as follows:—

“With regard to the system of accounting. I would not advocate any change being made in the plan, organized, I believe, by Colonel Pears, which has now, for some ten years or so, worked so well in this Presidency. I allude to the monthly registration of the expenditure under certain headings in Forms A, B, D, and Q.”

“These forms not only supply the requirements of Government, but they also contain sufficient detail upon which to write up the Railway Company's Journals and Ledgers, thereby rendering unnecessary the preparation of duplicate accounts.”

“I am happy to say that the state of things which appear to have existed in the Bengal Presidency, relative to unaudited or “inefficient” balances, has not obtained in this Presidency, at any rate, so far as the Great Southern of India Railway Line is concerned. A reference to our Forms P will show that the difference between the sums withdrawn from the Government Treasury, and the expenditure sanctioned by Government, is about Rupees 1,00,000 only, and the larger portion of this amount it is necessary to keep as cash in hand to meet current disbursements.”

“As to the *audit* of this expenditure. So far as the Railway Company is concerned, a complete audit in accordance with the instructions of the Directors has been in force since June 1864. The Government audit is conducted at Madras; if one of your Accountants could take up this work at Negapatam, and audit these forms with the vouchers relating to the expenditure therein accounted for, I think the audit would then be a complete one. Upon your Accountant's Certificate of the correctness of the Forms, I could submit them to you for the sanction of Government. This audit, on the part of your Accountant, besides being from an independent source, would render unnecessary the audit now performed by the Railway Company.”

“Paragraph 13 of the Resolution of the Government of India refers to an authorization of expenditure by the Consulting Engineer and the Agent at periodical Meetings.” These Meetings would require to be called *at least* monthly, and if appointed to be held at any place out of this District, I should necessarily be away from my more important duties for nearly a week on each occasion. I am inclined to think, that the plan at present followed for the obtaining of Government sanction to expenditure is the best which can be followed, so long as this Railway remains in an isolated position.”

4. I have reason to believe that all the account transactions of the Madras and Great Southern of India Railways are performed in a methodical and altogether trustworthy manner. If irregularities occur, as from time to time they do, they are of a slight character, attributable to oversight, and are rectified as soon as they are pointed out. Pay lists and various accounts of the expenditure on works under construction, and on those maintained at the expense of Revenue, are submitted to and checked in this office; but the audit thus exercised is confined to a comparison

between the amounts sanctioned, and bills and vouchers submitted, and does not include an examination of the Account Books of the Railway.

5. The introduction of a complete Government audit, in the manner explained in the Resolution by the Government of India, would do away with numerous accounts that are now rendered to this office, and if the Government decide on appointing a separate Auditor for each of the Head Offices of the Madras and Great Southern of India Railways, a considerable reduction of the account Establishment might be effected; but it will

Paragraph 13 of Resolution of the Governor General of India, No. A, dated 30th May 1865.

be observed, that a system of audit based “on the authorization of expenditure by the Consulting Engineer and the Agent at periodical official Meetings,” cannot take place in this Presidency, in regard to both of the Railways, as while one Office is at Madras, the other is at Negapatam.

6. The most feasible course for giving effect to the wishes of the Government of India appears to me to be the appointment of Mr. G. Hamnett, the Uncovenanted Assistant to the Consulting Engineer, to the post of Auditor to the Madras Railway, without disconnecting him from his other duties.

7. I would propose that he should attend the Railway and Consulting Engineer's office on alternate days, believing that if the Chief Accountant of the Railway can now conduct the audit in addition to his other duties, Mr. Hamnett would be able to do the same, especially, after the reduction of account transactions in the Consulting Engineer's Office.

8. As regards the Great Southern of India Railway Company, I would continue the system now in force, except that I would propose to depute Mr. Hamnett, to make a half-yearly inspection of the office books. This course would be economical, in that it would obviate the necessity of appointing, on behalf of Government, a separate Auditor, but it would involve the falling into arrears of the audit of the Madras Railway books for a time. I do not, however, anticipate that any serious inconvenience would arise in consequence, and at all events, the proposed arrangements might be given a fair trial.

9. The accounts of the Great Southern of India Railway would continue to be submitted to this Office as heretofore, and the Accountant Establishment can only be reduced by the proportion due to the Madras Railway.

10. As the responsibility, as well as the actual work of Mr. Hamnett would be considerably increased if the proposed change be carried out, I would recommend that his salary be increased by 250 Rupees per mensem, with the addition of *batta* when travelling. Mr. Hamnett's services have been represented in the highest terms to Government by my predecessors, and he has already been recommended for an increase of salary. He is in every respect qualified for the duties of Auditor, and I have every reason to believe that his appointment would be acceptable to the Railway authorities.

11. I would take the opportunity of recommending that Mr. Hamnett's powers as regards my own Office should also be increased. At present myself and my Deputy cannot be absent from Madras at the same time, unless we confine our movements to the open portions of the Railway Lines, as one of us must be near at hand to sign receipts authorizing the disbursements of money required by the Agents of the Railways, to pass receipt for pay bills, and to submit applications for land to Collectors. The Agent's requisitions come in at short intervals, and any delay may be productive of serious inconvenience.

12. It is very desirable, in my opinion, that myself or Deputy should make frequent inspections of the Lines in progress. I should wish that if possible the extension of the North-West Line from Cuddapah towards Ghooty, and of the Great Southern of India Railway from Trichinopoly to Erode, should be visited every three months, but while the Uncovenanted Assistant has not the power of signing receipts and other documents, which may require immediate despatch, our movements are very much hampered.

13. I need hardly add that Mr. Hamnett should also have the privilege of franking letters.

14. On the introduction of the system of authorization of expenditure by the Consulting Engineer and Agent, the applications hitherto submitted to Government for sanction will be discontinued.

Embodied in Proceedings of the Governor General of India in Council, No. 479 A, dated 30th May 1865.

15. It is desirable in the meantime that the detailed instructions referred to in paragraph 37 of Mr. Kellner's Note, and the forms of Statements to be rendered to the Accountant General should be communicated to this Office.

16. The Accountant Establishment in this Office, is as follows, viz. :—

	Rupees	
1 Accountant	100	
1 Do.	60	
1 Do.	50	
1 Do.	50	
1 Do.	40	
1 Do.	30	
1 Clerk	25	
	50	

17. The two Accountants on the receipt of Rupees 50 each are employed on work unconnected with the examination of the Railway accounts, and their appointments cannot be abolished, but the three Accountants on Rupees 40, 30, and 25, may be dispensed with, on Mr. Hamnett taking up the duties of Auditor, and the Clerk on Rupees 50 will be recommended for a pension, causing thereby a saving of Rupees 145.

From F. LUSHINGTON, Esq., Accountant General, to A. J. ARBUTHNOT, Esq.,
Chief Secretary to Government, Fort Saint George, dated 10th August
1865, No. 80.

5. Paragraph 53. In the absence of the Forms referred to in this clause, I am unable to report whether the information that may be required in them, can be supplied. I may here mention, that, in Circular No. 82, dated 12th April 1865, from the Auditor General of India, herewith enclosed, I was requested to furnish a monthly Return, in the form therein prescribed, to the Accountant General, Public Works Department, at Calcutta but, as explained in the accompanying copy of my letter to the Accountant General, Public Works Department, No. 1,322, dated 22nd July 1865, the requisition of that Officer can be only partially complied with in this Presidency. The monthly Return prescribed by the Accountant General, India Office, London, and alluded to in paragraph 1 of this letter, contains a complete record of receipts and payments in connection with the Railways of this Presidency, which come under the cognizance of this Department.

6. I have already informed the Accountant General, Public Works Department, that no Annual Account Current has hitherto been rendered, but that should we require one to be submitted, it will be prepared. With reference to copies of Invoices of Railway Stores sent out from England, which are required to be furnished by me, I beg to observe, that these Invoices have never been received in this Office, nor are they required here, as the value of Stores received from England, is not adjusted in the Books of this Government, and I would therefore suggest, that, in the event of their being required, they may be obtained from the Consulting Engineer, without the intervention of this Office.

Circular from R. P. HARRISON, Esq., Auditor General of India, to all Deputy Auditors and Accountants General, dated Fort William, the 12th April 1865, No. 82.

SIR,

1. With reference to a requisition received from the Accountant General, Public Works Department, I have the honor to request that you will be good enough to furnish direct to that Officer, a Monthly Return in the form annexed of Receipts and Payments on account of all Railways within your province, commencing from 1st June 1864, as regards Revenue, and from 1st November 1864, as regards Construction. The Monthly Returns up to March 1865, should be forwarded without delay, and those for subsequent months as soon as possible after the close of the month to which they relate.

2. You are also requested to forward to the Accountant General, a copy of the last Annual Account Current of the Receipts and Payments for each Railway prepared in your Office, together with copies of Invoices of Railway Stores sent out from England in 1864-65.

for India to the Local Government, dated London, 16th January 1862, No. 1, paragraph 8. I request that you will inform me, whether, with reference to the inability of this Office to fill up the various columns in the Return prescribed in the Circular above quoted, it will not be sufficient for this Office to furnish you with copies of the Returns sent to the Officers alluded to in paragraph 7.

(True Copy.)

(Signed) T. MACKEY,

Acting First Assistant Accountant General.

Copy in a letter to England
of 21st March at 16 of 1866.

27th 1865
To the Hon^{ble} Secy to Govt^{ty}
From No 3398
The Consulting Engineer
to the Govt^{ty} for Railways.

To the Secretary to Govt^{ty}
P. W. Dept^{ty}
Hon^{ble} Mr George

Dated 5th } Septth 65.
Rec^d 7

No 443.

Reporting on the
proposed system of
Government Audit of
Expenditure on Guaranteed
Railways.

321 (2)

No. 337

c. 9th Sept 65 O. 11th

ms 2709. 42710-145 Sept 65

Recd
N^o 739A. 22.5
From The Secretary to the Government of India,
Public Works Department.
To, The Secretary to the Gov^t of Madras,
Railway Department.

Public Works Department
Simla 15th August 1865.

nt) Sir,

With reference to Resolution by the Gov^t of India, P.W. Department, N^o 182A dated 30th May 1865, regarding the introduction of an appropriation audit of expenditure on all Railways in India, I am directed to say that the Governor General in Council has been for some time awaiting an expression of the views of the Gov^t of Madras on this subject, and to request that they may be communicated with as little delay as possible. —

I have the honour to be,
Sir,
Your most obedient servant,

W. H. L. Lieut. Col. R. A.
Secretary to the Gov^t of India, P.W.D.

From The Secretary to the Govt of India,
Public Works Department.
To, The Secretary to the Govt of Madras,
Public Works Department.

Public Works Department.
Simla, 15th August 1865

Account.

Sir,

With reference to this Office letter No 490A dated 30th May 1865, proposing that the Madras Government should avail itself of the services of Mr Kellner, Assistant Accountant General, Public Works Department, in the preparation of the Books &c of the new system of account, during his proposed deputation to aid in carrying out the Establishment of Railway appropriation audit in Madras, I am directed to say that

Copy in letter to Mr. Kellner dated March 21st 1865. - J. W. J. 1865.

With reference to the letter of the Secretary to the Govt of Madras dated 15th August 1865.

Received 15th August 1865.

Secretary to the Govt of Madras

Dated 15th August 1865.

No 739

Respectfully

Very truly,
Yours,
J. W. J.

2. 9. 8. 1865. 12. 11. 1865.

2. 9. 8. 1865. 12. 11. 1865.

that the Governor General in Council has been
for some time awaiting an expression of the
views of the Government of Madras on this
subject, and to request that they may be
communicated with as little delay as possible.

I have the honour to be,
Sir,
Your most obedient servant;

W. Wilson. Lieut. Col. R. A.
Secretary to the Govt. of India
C. R. A.

Book and Adjust. Dept.



N: 80

Fort Saint George,
Account. Genl. Office,
10th August 1865.

From
J. Lushington Esquire,
Accountant General
To The Chief Secretary
to Government.

Sir,
Referring to the order of Govern-
ment, dated 11th ultimo, in the Financial Rail-
way Department, N: 392, I have the honor to
observe, that I am not in a position to form an
opinion or to offer any suggestion in the system
of Payment and Account sketched out by Mr.
Hollner, in the Note drawn up by him, and
recorded in the Proceedings of the Governor Genl.
in Council, Public Works Department, dated
Simla, 30th May 1865, as this Office is not aware
of the course of procedure observed in this Pro-
-sidency in the Audit, Payment, and accounting
of the Railway charges. The duty of this Office
in connection with the Railway Department, is
simply to authorize advances on account of the
Capital and Revenue Accounts, as sanctioned
in the orders of Government, N: 551, dated 4th
October 1862, on the Agents submitting their
applications through the consulting Engineer,
to furnish the Home Authorities, through
the Local Government, with monthly statements

Agreeably to the
forms furnished
by the Secretary
of State for India,
in the Order of Govt.
N: 92 dated 21st
February 1862.

Copy in a letter to England
of 30th March 1866.

26th Nov 1865 J. L.
J. Lushington Esq.

460290

Dear

The Secretary to the

Chief of Justice

Delhi 15th August
1865

26th Nov 1865
J. L.

Obtaining a return

from the various the survey

of the various and from the

being arranged by the various

with its opinion on the

just by the Government of

24084156/650 112

24084156/650 112

24084156/650 112

of Payments from, and Receipts into, Government Treasuries, and lastly, to make adjustments in the Books of this Office, on account of the value of Stores and General Superintendence, on the recommendation of the Consulting Engineer, and with the sanction of Government. The Consulting Engineer for Railways, who audits their charges, and exercises a general control over the Railway Department, and who, I find, is likewise called upon for his remarks, and the Controller of Public Works, in whose Books, the charges borne by Government, will be finally recorded under the new system, would seem to be the proper Officers to offer an opinion on the points advanced in the Order of Government above quoted.

2. There are, however, two or three points in Mr. Kellner's Note, which appear to me to call for some observation.

3. Paras 30 and 32. The reason for the difference observed in the audit and payments of the two classes of charges mentioned in these paras, is not apparent. I would suggest that both should be paid by the nearest Executive Engineer, and the audit of the Controller.

4. Para 31. In my letter to Government of the 18th ultimo, I left the honor to engineer whether the system of making advances for compensation for Lands taken up for Railways, was to be continued or not. If it is not to be continued, the audited Bills might then be likewise paid by

by the Public Works Department. This course of procedure would enable the Controller to effect the necessary adjustments in his Books at once, and would obviate the necessity of his awaiting the receipt of information from this Office, of these debits in the Treasury Accounts, and it would also enable him more readily to collate the payments from Accounts received from Officers of his own Department.

5. Para 53. In the absence of the Forms referred to in that clause, I am unable to report whether the information that may be required in them, can be supplied. I may here mention, that, in Circular, N^o 82, dated 12th April 1865, from the Auditor General of India, herewith enclosed, I was requested to furnish a monthly return, in the form therein prescribed, to the Accountant General, Public Works Department, at Calcutta. But, as explained in the accompanying copy of my letter to the Accountant General, Public Works Department, N^o 1322, dated 22^d July 1865, the requisition of that Officer, and he only partially complied with in this Presidency. The monthly return prescribed by the Accountant General, India Office, London, and alluded to in para 1 of this letter, contains a completed record of receipts and payments in connection with the Railways of this Presidency, which came under the cognizance of this Department.

35
I have already informed the Accountant General, Public Works Department, that no Annual Account Current has hitherto been rendered, but that should be required and to be submitted, it will be prepared. With reference to copies of Invoices of Railway Stores sent out from England, which are required to be furnished by me, I beg to observe, that these Invoices have never been received in this Office, nor are they required here, as the value of stores received from England, is not adjusted in the Books of this Government, and I would therefore suggest, that, in the event of their being required, they may be obtained from the Consulting Engineer, without the intervention of this Office.

I have the honor to be,

Sir,

Your most obedient servant,

F. Hutchinson
Accountant General

Compd. M.

Wm. A. C. Hutchinson

Fort William;
OFFICE OF AUDITOR GENERAL OF INDIA,
The 12th April 1865.

CIRCULAR—No. 82.

FROM
THE AUDITOR GENERAL OF INDIA.
TO
ALL DEPY. AUDITORS AND ACCOUNTANTS GENERAL.

SIR,
With reference to a requisition received from the Accountant General, Public Works Department, I have the honor to request, that you will be good enough to furnish direct to that Officer, a Monthly Return in the form annexed of Receipts and Payments on account of all Railways within your Province, commencing from 1st June 1864, as regards Revenue, and from 1st November 1864, as regards Construction. The Monthly Returns up to March 1865, should be forwarded without delay, and those for subsequent months as soon as possible after the close of the month to which they relate.

2. You are also requested to forward to the Accountant General, a copy of the last Annual Account Current of the Receipts and Payments for each Railway prepared in your office, together with copies of Invoices of Railway Stores sent out from England in 1864-65.

I have the honor to be,
SIR,
Your most obedient Servant,
R. P. HARRISON,
Auditor General of India.

Accountant General's Press.

Copy received by the Auditor
of the Province of 12th of 1865

1865 of 12th of 1865
1865 of 12th of 1865

The Accountant General,
The Chief Secretary,
to Government

1865 of 12th of 1865

2 Enclaves
1865 of 12th of 1865

Submitting this
document in the system
of audit and accounts
concerning with the Railway
Department

1865 of 12th of 1865

1865 of 12th of 1865

RETURN of Receipts and Payments in Civil Treasury at

and in the Bank of _____ on account of Railways during the month of _____ 190 .

RECEIPTS.			LINES.	PAYMENTS.		
Shares paid in India.	Refunds and Bills Cancelled.	Sale proceeds of Stores.		Construction advances in Cash and Bills.	Customs Duty on Imported Stores.	Payments of guaranteed interest.
			East Indian Railway, Lower Division ...			
			" " " Upper Division ...			
			" " " Jubbulpore Line...			
			(or other Railway as the case may be.)			

Gross earnings.	LINES.			Working expenses.	Net Revenue.	TOTAL.
	East Indian Railway, Lower Division	" " " Upper Division	(or other Railway as the case may be.)			
	...	...	...	...	...	...
	...	...	...	...	...	...

Deputy Auditor and Accountant General.

Public Works (Department)

Fort Saint George
Accountant General's Office
18 July 1865

N^o 66

From
J. Lushington Esquire
Accountant General
To
The Chief Secretary
to Government

Sir,
With reference to the order of
Government in the Financial Railway
Department N^o 372 dated the 27th ultimo.
and to para 31 of the note by Mr. Hellner
the Assistant Accountant General Public
Works Department printed in the Proceedings
of the Supreme Government N^o 479 A dated
30th May last, under which payments on
account of lands taken up for Railways are
required to be made on Bills Audited
by the Controller of Public Works Accounts,
I have the honor to enquire whether I may
issue instructions to Collectors to abstain
from making advances on the above account
in future.

2 I have deemed a reference on
the subject necessary as the effect of my
Circular would be to cancel the instruction
issued by Government to Collectors under
date

Yours faithfully
Anthonby

Copy in a letter to England
of 24th June 1865

17773419/65
Bureau: Sept 2 1865

Recd by Mr. Bell
17773419/65

Railway Department Consulting Engineer's Office
 No 336

From Sir J. B. Anderson RE
 Consulting Engineer for Railways
 To A. J. Arthurton Esq
 Chief Secretary to Government
 Port of George

Adverting to order of the 11th
 instant, No 392, referring for any remarks
 I may desire to offer thereon a copy of
 the Proceedings of the Government of
 India, regarding the authority of
 the Accountant General, and of the
 Consulting Engineer in the proposed
 system of the "Appropriation Audit",
 I have the honor to observe that
 I consider the views enunciated in
 paragraphs 4 to 5 of the Resolution
 to sufficiently define the relative
 authority

Received 13th 1866
 1st June 1866
 27th June 1866
 1st July 1866
 Copy in a letter to England
 29th 24th March 1866

Received 13th 1866
 1st June 1866
 27th June 1866
 1st July 1866
 Copy in a letter to England
 29th 24th March 1866

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 1st July 1866
 Copy in a letter to England
 29th 24th March 1866

Received 13th 1866
 1st June 1866
 27th June 1866
 1st July 1866
 Copy in a letter to England
 29th 24th March 1866

47
authority of the officers named, and
that they may be adopted on the
inroduction of the proposed system
of work.

2. I have not yet been
favored with replies from the Agents
to my letters on G.O. of the 3rd instant,
No 382, but as soon as I am, I
shall submit them in the my
Memoranda to Government.

I have the honor to be,

Bengal
17th July/65

Yr
Your most obedt Servant.

W. A. D. M. S. J. R. C.
(as Engineer for R. G.)

No 2709.
 Proceedings of the Madras Government
 Under date the 14th September 1865.
 Read the following

showing that he considers the views
enunciated in para 45 of the Resolution of
the Govt of India on appropriation and disburse-
ment sufficiently define the relative authority of
the Officers named, that they may be settled on the in-
struction of the proposed system of audit.

From the Accountant-General
inquired whether instructions may
be issued to Collectors to abstain from (Here enters 18 July 1865 No 66)
making advances on account of lands
taken for railways.

From the Consulting Eng^r for Railways
 1. Remarking that if the course laid down in
 para 31 of Mr. McNair's note is to be followed it
 will be necessary to give the necessary instructions
 which the Accountant General wishes.

From the Accountant General
Submitting his observations on the system of audit & accounts in connection with the
Railway Department

Railway Department
 From the Secretary to the Govt. of P. W. D.
 India
 Answering to their letter regarding
 the services of Mr. Kellner, Assistant
 Accountant General P. W. D. being availed
 of by the Madras Government to be per-
 mitted with its opinion on the subject
 of the establishment of Railway Office pri-
 vation audit in Madras.
 Do Do Do
 10/11/81

From *Do* *Do* *Do* *Do*

Requesting the speedy submission of the opinion called for of the Madras Government regarding the introduction of an appropriation bill of expenditure on all Railways in India.

P. C. M. S. Engineer for Railways.

From the Consulting Engineer for Railways.
 Reporting on the proposed
 system of Government Audit of
 Expenditure on Government Railways.

Received 1865 of Cash
 the sum of £200 0/0
 The Contracting Engineer
 for Railways
 to
 the Chief Secretary
 to Government
 Wm. Wm. George

Date of 17th } July/65
Dec^r 2 }
" 19 }
" 18 }
" 18 }
" 18 }

19532 411336-
~~19502709-42710-1458065/65~~
Pleaving New.

He considers the various
elements in force 1845
the Federal Union of the States
of the Republic to be
entirely define the relative
authority of the Officers
named, & that they may
be adapted on the introduction
of the proposed system
of audit.

We. Sept 7 65 Da. 11m

100

Resolved that
the letters marginally noted
from the Accountant Ge-
neral and the Consulting
Engineer for Railways
be forwarded to the Go-
vernment of India, with
an intimation that the
Government approve of the
introduction into the Madras
Presidency of the com-
plete and thorough audit
of the accounts of the
Railway expenditure de-
scribed in the Proceed-
ings of the Right Honorable
the Governor General in
Council No 479 A, and
No 480 A, dated 30th May 1865
and that they will be glad
to avail themselves of

No 80. 10th Aug/65-
" 379. 1st " -
" 443. 5th Sept -

* Vide para 53 of Mr
Hillner's note.

51
Mr Hillner's services to
aid in carrying out the
establishment of this audit
2. The Government of
India will be requested to
furnish this Government
with copies of the forms
which are to be adopted
in the preparation of the
Returns required by the
Accountant General Pub-
lic Works Department
from the Accountant Ge-
neral and the Consult-
ing Engineer respectively.
Under the circumstances
explained in the concluding
para of Mr. Sawhington's
letter of the 10th ultimo, the
duty of furnishing the
Accountant General Pub-
lic Works Department with
copies of Invoices of

Railway Stores sent
out from England will
devolve upon the Consulting
Engineer.

The measures advocated
in paras 6 to 17 of Colonel
Ankleson's letter dated 5th
Instant will be taken into
consideration on the arrival
of Mr. Kellner at Madras.

Adverting to the
letters from the Accountant
General and the Consulting
Engineer dated 18th July and
17th August 1865 respectively, the
attention of these Officers
will be called to the orders
of Government marginally
noted directing that, except
in cases of emergency,
when land may be made

Pr No 1895-6 July 1865
" " 2201-1 Aug 65

over

53
over to the Company in
anticipation of sanction
the circumstances being
immediately reported to
Government thro' the Con-
sulting Engineer, all charges
~~for land~~
~~of that description~~ shall
be disbursed only on bills
presented by the Con-
troller of P. & A. Accounts.

Under these orders, which
should be strictly ad-
hered to, no advances
for land should be made
except in cases of real
emergency.

5. The suggestions in
paras 3 and 4 of Mr.
Quelington's letter of the
10th August 1865 regarding
the payment by the
secret

nearest Executive Officer
of the "Public Works Dept"
of "Charge for Land" and
"for pay of Deputy Collec-
tors or other Civil Es-
tablishments employed in
the settlement of claims
for land on account of the
Railway will be referred
for the opinion of the
Controller of P.W. accounts.

To The Comr. In Charge for Railways
Recd. Encl. with P.W. No.
No. 1895 & 2201 of '65
and Encl. Railway-
No. 2201 & 452 of '65
Order that
the following letter be
sent.

4 Encl. of P.W. Accts.
3 of Rev.
3 of Rev. Accts.

40

Sept 15th September

To no 2710/0
The Secretary to the Govt.
of India P.W.D.

Sir. I am directed by His
Excellency the Governor in
Council to acknowledge the
receipt of the papers men-
tioned in the list, and to state
in reply, that the Indian
Government approve of the
introduction into the Pro-
ceedings of the complete and
thorough audit of the ac-
counts of Railway expenses
described in the
Proceedings of the Right
Honorable the Governor
General in Council
Nos 479 A, and 490 A, of
30th May 1865, and that they
will be glad to avail

No 179. A. of 30th May 1865.
" 482. A. of — do —
" 490. A. of — do —
" 739. A. of 15th Aug/65.

themselves of Mr. Kellner's
services to aid in carry-
ing out the establishment
of this audit.

It will be observed
from the accompanying col-
lection of papers that the
Consulting Engineer and
the Agent and ~~the~~ Manager
of the Great Indian Railway
Company are in favor
of the introduction of the
proposed Government audit.
The Consulting Engineer
states that the system of
audit in operation in the
Railway Office in this
Presidency corresponds
with that described by
Mr. Kellner as existing
in the East India Railway
and the Agent and Manager
considers that the plan

of having a Government
Officer engaged in fol-
lowing the course of the
Company's accounts of
expenditure through the books
and recording the results
day by day, will doubt-
less recommend itself
to the Board of Directors
as affording the most
satisfactory audit and
acting as a wholesome
check upon their ac-
counts, and that the
Officers of the Com-
pany in this Country
will be prepared to render
hearty co-operation in
giving effect to the new
system.

As regards the audit
of the accounts of the
Great

Great Southern of India Railway,

neither the Consulting Engineer nor the Agent advocates a change in the system now in force. The

Consulting Engineer recommends,

however, a half yearly inspection of the Company's

Books by the Officer who may be appointed to

conduct the Govt audit of expenditure on the Madras

Railway. This subject, as well as the arrangements

recommended in paras 6 to 17 of the Consulting

Engineer's letter of the 5th instant may, in the

opinion of His Excellency in Council, be better con-

sidered on the arrival

of Mr. Kellner at Madras.

Adverting to para 5 of Mr. Kellner's note recorded in the Proceedings of the Right Honorable the Governor General in Council No 479 of, dated 30th May 1865, I am to request that the Government may be furnished with copies of the forms to be adopted by the Accountant General and the Consulting Engineer in the preparation of the several Returns which will have to be rendered to the Accountant General, Public Works Department.

While

While on this subject,
I am to request the par-
ticular attention of the
Government of India
to the remittance of the
Accountant General in
para 5 and 6 of his letter
dated 10th August 1865 -

I am to add,
with reference to your letter
No 738 A, dated 15th August/65,
that if any difficulty
be felt in dealing with
the new forms of Deb.
the North Accounts kept
from the 1st May last,
the Madras Govern-
ment will be happy to
avail themselves of
- W

Mr. Mellner's services
on his arrival at Madras.

A.B.

Forth St George
14th Sept/65 }

Sept 16th September with
Papers below mentioned
14
2

Cons^d Eng^d letter 2433 b dated 17th July 1865.
" " 443 " 5th Sept^r 1865.
Para 5 & 6 of Accountant Gen^l letter 2433 dated 10th August/65
with 2 enclosures in full.

It seems to me that the Gov^{ts}
 of India in its anxiety to
 secure ~~the~~ a speedy and
 accurate audit of the accounts
 of Revenue & Expenditure
 under different heads has
 altogether overlooked the
 cost of the machinery re-
 quired. I have not time
 to enquire into the actual
 cost of accounting & auditing
 in the various Departments
 but in the Public works
 department I am assured
 by Col Br that the cost
 under these two heads
 amounts to ten per cent
 upon the Expenditure.
 If this be the case, and I
 have no reason to doubt
 it, there must be some
 serious mistake in the
 system. I think that
 it would be desirable
 to ascertain the actual
 cost in each of the different
 Departments, of keeping
 and auditing the accounts
 and we may then be able
 to trace the cause of such
 an unnecessary outlay

The Secretary to the Govt of India
 has been informed of the above
 and has directed that a committee
 be appointed to enquire into the
 matter.

No. 331 @ 338

Copy in a letter to England
in March 1866 of 1866.

W 1855 D^g 100
no. of Govt. 100

No 2709

no. of the M^g 100

D 140 1/10 1/10

Correspondence re.

relative to the introduction

of the new system of Audit

of expenditures on the

London Railway, with over-

view.

1866

N^o 331 1-338.339