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G.O. No. 3529

Press
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577-578

Dated 22. 11. 1865.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
22nd November 1865.*

No. 517. Read the following letter from the Consulting Engineer for Irrigation and Canal Company, to the Secretary to Government, Department Public Works, dated Madras, 8th November 1865, No. 111 :—

1 Account Current.
1 Appendix to C.
1 Statement P.
1 Form Q.

1. I have the honor to submit, for the sanction of Government, the accompanying Account Current of cash receipts and disbursements for the quarter ending 30th April 1865.

2. On the 31st January 1865 the cash in hand was Rupees 3,29,610-7-8, during the subsequent quarter Rupees 7,61,652-15-11 were drawn from Government, and Rupees 21,834-5-11 were received as refunds from the past expenditure, and Rupees 25,379-0-10 under deposits, amounting in all to Rupees 11,38,476-14-4. Deducting from this sum the expenditure in cash during the quarter, viz., Rupees 7,03,866-15-8, the balance of cash on hand on the last day of the quarter, viz., 30th April 1865, was Rupees 4,34,609-14-8.

3. Out of the sum of Rupees 3,210-7-9, appearing under transfer entries in the Debtor and Creditor side of the Account Current, Rupees 329-9-10 were for value of stores purchased during, but not paid for till the end of, the quarter, and the remainder, Rupees 2,880-13-11, consists of items adjusted in rectification of errors in the previous accounts. The nature of these discrepancies is explained by the entries in the Account Current.

4. The total expenditure by cash, viz., Rupees 7,03,866-15-8, and that by adjustment Rupees 13,145-11-11, are debited to the following heads :—

	Cash			Adjustment.			Total.		
	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
General Management	28,255	1	4	2,195	9	1	30,450	10	5
Construction	5,86,693	7	2	4,860	14	10	5,91,553	6	0
Stores	6,765	2	6	3,132	0	8	9,897	3	2
Manufacture of stores... ..	14,592	2	4	360	10	5	14,952	12	9
Store charges	8,745	12	10	2,591	2	6	11,336	15	4
Inefficient balance	50,601	1	11	...	...	...	50,601	1	11
Deposits	7,640	7	8	...	...	...	7,640	7	8
Revenue account	571	11	11	...	...	...	571	11	11
Profit and loss	...	...	...	5	6	5	5	6	5
Total	7,03,866	15	8	13,145	11	11	7,17,012	11	7

5. The detailed Statements, showing the particulars of the sums under these heads, have been duly audited and examined in this Office, and the points requiring notice are as follows.

6. The adjustment of the sums Rupees 12, Rupees 6, and Rupees 50, referred to in paragraphs 7, 8, and 10 of my letter G. O. No. 1,693, dated 19th June 1865. No. 14, dated 29th May 1865, the Agent states was inadvertently omitted to be made in the accounts now submitted, but it has been done in the accounts for the subsequent quarter ending 31st July 1865, under examination in this Office.

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22nd November 1865

7. The survey of the Parangully tank was discontinued on the 1st January last, and Mr. Smart, the Engineer in charge of that Survey, was transferred on that date to the Ponnasey Division. A portion of his establishment was retained till the end of February following, as it was required for completing the plans and opening up the accounts, which the Executive Engineer states were not finally closed till the 16th March, and I have in consequence passed the cost of this establishment at expenditure of February last, to the bill of Parangully tank survey.

8. On an application from the Agent, this Office sanctioned the employment of two extra Clerks, on Rupees 20 each, in the Chief Engineer's Office for one month; both of them were retained till the 31st May 1865, or about nine months in excess of sanction. The Chief Engineer states that as there was always a balance left undrawn out of the total amount sanctioned for his establishment, it was not deemed necessary to obtain sanction for the extension of the services of this extra establishment; but in stating so he seems to have lost sight of the Government Order No. 2,257, dated the 11th August 1862, wherein it is ruled that temporary establishments should be applied for in the usual manner, and the decision of Government awaited. As, however, he states that it was found absolutely necessary for the conduct of business in the Central Office to maintain the extra Clerks beyond the period originally applied for, I have passed their salaries under the general authority given in Rule LXIV.

9. Under the existing rules the servants of the Company are entitled to only one month's privilege leave, but Moore, sawney, an Overseer in the Ponnasey Division, was allowed two months' leave with full pay, and this was approved of by the Board. But they ruled that the sanction in this case is not to be considered as a precedent, but as a special and exceptional case, and I have therefore admitted in the Account Current, now submitted, the charge of the Overseer's salary for the two months he was on leave.

10. The balance outstanding under the head "Inefficient Balance" up to 31st January 1865 was Rupees 1,45,183-5-0, the advances made during the subsequent quarter amounted to Rupees 51,160-5-4, and the sums adjusted during the period amount only to Rupees 33,918-0-9 (of which Rupees 20,772-4-10 were received in cash) leaving the balance on the 30th April 1865 Rupees 1,62,425-9-7, which is in excess of that in the last accounts by Rupees 17,242-4-7. The amount adjusted viz., Rupees 51,160-5-4, consists partly of items which ought not to have been debited to "Inefficient Balance," but carried to the Agent's No. II. Account Current, and partly of advances made to Contractors for earthwork. The Agent has

By cash	50,901-1-11
By adjustment	559-3-5
Total Rupees...	51,160-5-4

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promised to carry out a final adjustment of the former in the subsequent accounts, and with regard to the latter I have suggested that all payments on account of works should at once be debited thereto, and the Agent is of the same opinion, and he will arrange for carrying out this arrangement in the next accounts. As regards the old items included in the balance to be yet accounted for, he states as follows:—"The work of examination and adjustment is steadily proceeding, and I confidently hope in the current and ensuing quarters to be able to clear up the whole of the long standing balance, and remove the items composing it altogether from this account. Thenceforth only payments in the nature of advances to Contractors will be placed under this head, the system of accounts now in operation rendering a general 'Suspense Account' unnecessary."

11. The Contingent Bills of the Agent's Office for February and April contained charges Rupees 85 and 421-11-0 respectively, for irrigation views, being photographs of some of the principal works taken for the information of the Board of Directors. These charges were passed by this Office, with an intimation, however, that in future should an expenditure of more than trifling amount and of such a kind be in contemplation, it would be better to give the Government an opportunity of expressing an opinion as to the desirability of such expenditure, as it could not be deemed absolutely necessary to the efficient carrying out of the works. The Agent in reply mentioned that having the sanction of the Board for these views, he did not think that any other authority would be deemed necessary, but that he would in any similar case in future apply for Government sanction.

12. In paragraphs 10 and 11 of my letter of the 3rd July last, No. 46, the state of the Deposit Account was noticed, and it was mentioned that the difference between the expenditure, as shown in the Cash Accounts and Progress Reports respectively, had not made any progress towards adjustment. The Agent, in his letter of the 28th July 1865, No. 202, forwarding the cash accounts now submitted, states that his efforts to adjust the Contractor's deposits have been retarded by the inaccuracy of the records kept in the Divisions of the deposit transactions, and that although he was unable to effect the transfer of these deposits then, he anticipated that the entry would not appear in the accounts for the ensuing quarter.

13. The difference between the expenditure as shown in the Progress Reports and Cash Accounts respectively has not as yet been adjusted, and the Agent explains that this difference is occasioned mainly by the items "Contractor's deposits" and "Inefficient Balance," and therefore until these have been adjusted, and eliminated from the accounts, the differences cannot be set right.

14. The Statement P, required by Rule 54, is submitted herewith, from which it will be observed that—

	RS.	A.	P.
The total amount drawn from Government from the commencement up to 30th April 1865 was	76,14,212	14	0
The value of stores supplied by the Board of Directors, and brought on the Indian Accounts up to the same date was	3,58,179	13	9
The amount remaining to the credit of the head "Deposits" on account of undischarged securities, cheques, on the Agent, &c., was	55,417	4	4

Total ... 79,27,810 0 1

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22nd November 1865.

This sum was disposed of or accounted for by the Agent as follows:—

	Rs.	A.	P.
Total Indian expenditure up to 30th April 1865	69,65,760	1	7
Value of stores not issued, or stock on hand on the 30th April 1865	5,27,433	15	10
Cash in hand with the Engineers in the Divisions and the Agent at Madras on the same date	4,34,609	14	8
Total	79,27,810	0	1

15. The return Q, showing the progress made in each sanctioned section of the Company's project, is forwarded for the information of Government, as required by Rule LVI.
16. The accounts for the quarter ending 31st July last are now under examination in this Office, and will shortly be submitted.

ORDER THEREON, 22nd November 1865, No. 3,529.

ACCOUNT, No. 55.

- The Government pass the accounts of the Madras Irrigation and Canal Company for the quarter ended 30th April 1865.
- The outlay during the quarter is reported to have been Rupees 7,03,866-15-8 by cash, and Rupees 13,145-11-11 by adjustment, making together Rs. 7,17,012-11-7.
- The Consulting Engineer's proceedings, reported in paragraphs 7, 8, 9, and 11, are approved.
- The Manager will be requested to give his early attention to the subject noticed in paragraphs 10, 12, and 13 of the Consulting Engineer's letter.

(True Extract.)

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

To the Consulting Engineer for Irrigation and Canal Company, with four Enclosures.
do. do.

Edw. S. T. Augustin.

No. III

Consulting Engineers Office,
Irrigation and Canal Co.
Madras 8th November 1865

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From
Captain John Mullins R.E.
Consulting Engineer for I. & C. Co.
The Secretary to Government
Department of Public Works.

I have the honor to submit for the sanction of Government the accompanying Account Current of Cash receipts and disbursements, for the quarter ending 30th April 1865.

2. On the 31st January 1865 the Cash in hand was Rupees 3,29,610-7-8, during the subsequent quarter Rupees 7,61,652-15-11 were drawn from Government, and Rupees 21,834-5-11 were received as refunds from the past expenditure and Rupees 25,379-4-10 under deposits, amounting in all to Rupees 11,38,476-14-4. Deducting from this sum the expenditure in Cash during the quarter, vizt. Rupees 7,03,866-15-8, the balance of Cash on hand on the last day of the quarter vizt. 30th April 1865 was Rupees 4,34,609-14-8.

3. Out of the sum of Rupees 3,210-7-9, appearing under transfer entries in the Debtor and Creditor side of the Account Current, Rupees 329-9-10 were for value of stores purchased during, but not paid for till the end of the quarter, and the remainder, Rupees 2,880-13-11 consists of items adjusted in rectification of errors in the previous accounts. The nature of these discrepancies is explained by the entries in the Account Current.

4. The total expenditure by Cash, vizt. Rupees 7,03,866-15-8 and

and that by adjustment the sum 13145-11-11 was debited to the following heads:-

	Cash.	Adjustment.	Total.
General Management	29255 1 4	2175 9	31430 10
Construction	56657 2	496 4	57153 6
Stores	6765 2	6 2102	7437 4
Manufacture of Stores	14592 2	16 360	14608 8
Store Charges	8748 12	10 2591	8907 12
Inefficient Balances	50601 1	11	50612 11
Expenses	76407 8		76407 8
Revenue Account	571 11	11	571 22
Profit and Loss			5 6 5

Total 703866 15 8 13145 11 11 717012 11

5. The detailed Statements showing the particulars of the sums under these heads have been duly audited and examined in this Office, and the points requiring notice are as follows:-

6. The adjustment of the sums of Rs. 12, 11, 10, and Rs. 50, referred to in para 7, 8 and 10 of my letter No. 14 dated 29th May 1865, the Agent states was inadvertently omitted to be made in the accounts now submitted, but it has been done in the accounts for the subsequent quarter ending 31st July 1865 under examination in this Office.

7. The Survey of the Parnapally Tank was discontinued on the 19th January last, and Mr. Smart, the Engineer in charge of that Survey, was transferred on that date to the Bawanssy Division, but a vide of the draftman up to 19th Jan 1865.

portion of his Establishment was retained till the end of February following, and was required for completing the plans and squaring up the accounts, which the Executive Engineer states were not finally closed till the 10th March, and I have in consequence passed the cost of this Establishment up to the end of February last to the debit of Parnapally Tank survey.

8. On an application from the Agent this Office sanctioned the employment of 2 extra clerks on Rs. 20 each in the Chief Engineer's Office for one month; of these one was entertained on the 14th and the other on the 21st July 1864, but both of them were retained till the 31st May 1865, or about 9 months in excess of sanction. The Chief Engineer states that as there was always a balance left undrawn out of the total amount sanctioned for his Establishment, it was not deemed necessary to obtain sanction for the extension of the services of this extra Establishment, but in stating so he seems to have lost sight of the Government order No. 2257 dated the 11th August 1863, wherein it is ruled that temporary Establishments should be applied for in the usual manner and the decision of Government awaited. As however he states that it was found absolutely necessary for the conduct of business in the central Office to maintain the extra clerks beyond the period originally applied for, I have passed

passed their salaries under the General authority given in Rule LXIV.

9. Under the existing rules the servants of the Company are entitled only one month's privilege leave, but Mr. Messing was allowed 2 months leave with full pay, and this was approved of by the Board. But they ruled that the sanctioning in this case is not to be considered as a precedent, but as a special and exceptional case, & have therefore admitted in the Account Current, now submitted the charge of the Overseer's salary for the 2 months he was on leave.

10. The balance of outstanding under the head "Inefficient Balance" up to 31st January 1865 was Rs 145,183-5-4, the advances made during the subsequent quarter amounted to Rs 51,160-5-4, and the sums adjusted during the period amount only to Rs 33,918-11-9 (of which Rs 20,772-4-10 were received in cash) leaving the balance on the 30th April 1865 Rs 162,425-9-7, which is in excess of that in the last Accounts by Rs 17,242-1-7. The amount adjusted is comparatively small, and a great portion of the expenditure during the quarter of Rs 51,160-5-4 consists partly of items which ought not to have been debited to "Inefficient Balance" but carried to the Agent's H. II. Account Current, and partly of advances made to Contractors

for earth work. The Agent has promised to carry out a final adjustment of the former in the subsequent accounts, and with regard to the latter I have suggested that all payments on account of works should at once be debited thereto, and the Agent ~~is of the same~~ is of the same opinion, and ~~that~~ he will arrange for carrying out this arrangement in the next accounts. As regards the old items included in the balance to be got accounted for he states as follows:

The work of examination and adjustment is steadily proceeding, and I confidently hope in the current and ensuing quarters to be able to clear up the whole of the long standing balance and remove the items composing it altogether from this account. Thereafter only payments in the nature of advances to contractors will be placed under this head. The system of accounts now in operation rendering a general suspense Accounts unnecessary.

11. The Contingent bills of the Agent's Office for February and April contained charges Rs 85, and 421-11-4, respectively for irrigation views, being photographs of some of the principal works taken for the information of the Board of Directors. These charges were passed by this Office with an intimation however that in future should an expenditure of more than trifling amount and of such a kind

kind be in contemplation, it would be better to give the Government an opportunity of expressing an opinion as to the desirability of such expenditure, as it could not be deemed absolutely necessary to the efficient carrying out of the works. The Agent in reply mentioned that having the sanction of the Board for these views, he did not think that any other authority would be deemed necessary, but that he would in any similar case in future apply for Government sanction.

12 In paras 10 and 11 of my letter of the 3rd July P.M. 17th July 1865 last No. 46, the state of the deposit account was noticed, and it was intimated that the difference between the expenditure, as shown in the Cash Accounts and Progress Reports respectively, had not made any progress towards adjustment. The Agent, in his letter of the 28th July 1865 No. 202 forwarding the Cash Accounts now submitted, states that his efforts to adjust the Contractors' Deposits have been retarded by the inaccuracy of the records kept in the Divisions of the deposit transactions, and that although he was unable to effect the transfer of these deposits then, he anticipated that the entry would not appear in the accounts for the ensuing quarter.

13. The difference between the expenditures as shown in the Progress Reports and Cash Accounts respectively has not as yet been adjusted, and the Agent explains that this difference is

11
accounted mainly by the items "Contractors' deposits" and "Insufficient balance" and therefore until the accounts have been adjusted, and eliminated from the accounts, the differences cannot be set right. 14. The Statement P required by Rule 54 is submitted herewith from which it will be observed that the total amount drawn from Government from the commencement up to 30th April 1865 was Rs. 75,14,212-14-0.

The value of Stores supplied by the Board of Directors and brought on the Indian Accounts up to the same date was - 35,81,79-13-9. The amount remaining to the credit of the head deposits on account of undischarged securities, cheques, on the Agent's account was - 55,417-4-4. Total 79,27,810-4-1.

This sum was disposed of or accounted for by the Agent as follows:
Total Indian expenditure up to 30th April 1865 Rs. 69,65,760-1-7
Value of Stores not issued on stock on hand on the 30th April 1865 - 52,74,39-15-10
Cash in hand with the Engineers in the Divisions and the Agent at Madras on the same date. 43,46,09-14-8
Total 79,27,810-4-1

15. The Return Q showing the progress made in each sanctioned section of the Company's project is forwarded for the information of Government, as required by Rule LVI.

The insulting English proceedings reported in paras 7. 8-9 & 11 are approved.

The Manager
 will be requested to
 give his early atten-
 tion to the subjects
 noticed in paras
 10-12 & 13 of the
 Genl Engr's letter.

W.B.

4 to Genl Engr with Encl
 4 to Manager
 15
 28th November

Genl Engr's letter 185
 2881/10/11/185

2. 17. 1864 1865-70 1870

2. 10. 3529. 22nd Nov 1865

Copy in a Letter to England
of 22. December No. 74 of 1865.

907 1865 Depto
Pro: of You: for Nov:

No. 3529
Pro: of the Alport
D/22 Nov 7/65

Accounts of the Madras Pri
& Co for the quarter ended
30th April 65. Passing orders on
letter from the Consulting Eng:
Submitting.

No. 577, 578

c. 15th Nov 1865 - 1866