

(1) Number of pages _____

(2) Date of repair _____

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.

G.O. No. 2746	Press
623-674	Mis
Dated 30.8.1866.	

Not to be folded or roughly handled

Proceedings of the Madras Government, Public Works Department
30th August 1866.

No. 673. Read the following letter from the Consulting Engineer for Irrigation and Canal Company, to the Secretary to Government, Department Public Works, dated Madras, 9th August 1866, No. 49.

Two Agent's letters in original, General Nos. 194 and 260.
Two copies of letters to the Agent.
* Proceedings Madras Government, 7th September, No. 2,611.

1. In paragraph 13 of my letter of the 22nd August last, No. 74*, it was noticed that a large sum, which had really been expended on buildings, was shown as value of incomplete articles in the Manufacture Account Current, and permission was asked, and given, for the transfer of a large part of the sum to buildings. In investigating, however, the remaining items it was found that a part of the amount† spent on buildings was in suspense under the item, Balance, of the Account Current, and after a lengthened correspondence, the latter part of which is enclosed, it has been ascertained that out of a sum of Rupees 13,759-13-2

† Rupees 15,713-7-10.

To Agent, No. 359, 1st February 1866.
From „ „ 121, 20th July „
To „ „ 87, 25th „ „
From „ „ 161, 7th instant.

shown in the Account Current for the quarter ending 30th April last, as the value of incomplete articles, Rupees 11,756-11-3 had no claim to that description. Attached to the Agent's letter No. 121 is a list of the items composing that sum, and since its receipt the items, referred to in paragraph 5 of my letter No. 87, and amounting to Rupees 207-10-7, have been adjusted, leaving a balance, Rupees 11,549-0-8, which can only be disposed of by an arbitrary debit to Profit and Loss, or to works in proportion to the expenditure shown against the several sanctions in the Progress Report, and I have the honor accordingly to recommend that permission be given to do this.

2. The following is a classified abstract of the sums to be adjusted:—

			Rs.	A.	P.
1.	Expended without information being obtainable, except the date, viz., between January 1860 and September 1861 ...	...	3,824	12	11
2.	Expenditure on Sawyers' Sheds ...	...	976	13	4
3.	Do. on Smiths' do. ...	...	978	4	2
4.	Do. on Carpenters' do. ...	...	421	0	10
5.	Do. on Sheds for general purposes ...	...	1,626	13	4
6.	Do. on Railway, accommodation for Engine, &c....	...	1,147	12	2
7.	Do. Miscellaneous ...	...	165	14	10
8.	Do. on charcoal burning and wood ...	...	1,795	13	11
9.	Do. on additional room to Central Office ...	...	611	11	2

The first of the above items should be charged to Profit and Loss, the second to the eighth inclusive to works, and the ninth and last to General Management, Contingencies.

3. It will be seen from the correspondence that there is no chance now of explanations being obtained of those items about which information is deficient, and similarly the debit to work done in the shops of the amount spent on charcoal and on wood for the Engine in past years is no longer practicable. I have in my

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last letter to the Agent pointed out in some detail what arrangements should be made to ensure for the future the correct debit to work done of all expenditure properly so chargeable, and, if carried out, the arrangements suggested ought to have the effect of preventing the recurrence of accumulations of unadjusted expenditure, but I must add that no instructions will be of much use, unless annually, as well as at every change of charge, it be ascertained that they have been attended to, and unless every Officer be held responsible that the entries in his accounts are what they appear to be and not something entirely different.

4. The Agent, in paragraph 10 and the following paragraphs, brings forward, for arbitrary adjustment, the balances shown in his Account Current, or rather sums which, in two cases only, differ very slightly from these balances. Mr. Henslowe explains what he supposes to be the circumstances under which these

Total of Account Current for April 1866	Rs. 22,293 3 3.
Agent's letter	22,083 2 0.

paper balances came into existence, and apparently it may be said that whenever it was inconvenient to debit to any sanction expenditure incurred on labour and materials, or when, perhaps, there was no sanction to which to debit, the simple arrangement of charging it to manufacture of Stores was adopted, and considering that the cash accounts contain a recognized head, viz., Inefficient Balance, for the temporary debit of proper, but at the time unadjustable, charges, it is, to say the very least, extremely unsatisfactory that such irregularities as those now reported should have existed.

5. Properly speaking there should be no balance in the Manufacture Account Current, except for the value of Stores issued for work and not charged thereto, or perhaps slightly in excess of what was wanted. However, as this balance had reached a considerable amount, the Agent was requested* to furnish annually a Memorandum showing the particulars of what had been done with the expenditure accounted for as balance.

6. I believe that most of this irregular expenditure was incurred some years back and, while recommending therefore its arbitrary adjustment, I think it should be clearly understood that for the future no such arrangement will be allowed, when the entries in the accounts have been such as to mislead and prevent inquiry at a time when it might have been of some use, and that, if such practices are permitted, all such expenditure will be retrenched. As in cases where particulars can be given the debit of expenditure to works is objectionable, and again to the Officers conducting the works, I think it will be advisable that this deficiency, Rupees 22,083-2-0, should be debited to Profit and Loss.

From the Consulting Engineer, Irrigation and Canal Company, to the Agent and Manager Irrigation and Canal Company, dated Madras, 1st February 1866, No. 359.

1. I have the honor, in acknowledging the receipt of your letter No. 546 of the 2nd ultimo, to point out that the information you have given shows what the buildings are which debited with the amount Rupees 16,091-6-3, of which the amounts below the first total on the

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Cr. side of the Account Current R have been relieved, but it is still necessary to know what are the buildings the cost of which remains included in the item "Incomplete Articles."

2. In their Order of the 7th September last, No. 2,611, the Government sanctioned the transfer, from the debit of "Incomplete Articles" to that of buildings, of a sum of Rs. 10,886-8-4 out of Rupees 15,713-7-10 which had been expended upon Workshop and other buildings; but it now appears that no part of that sum stood at the time to the debit of the former head, but that the larger amount, Rupees 9,127-5-1, formed an item of suspense in balance of the Account Current, and that the remainder, Rupees 1,759-3-3, was debited to Store charges. The remarks made in paragraph 13 of my letter, communicated in the Proceedings, Madras Government, above referred to, were based upon the information given in the Statement which accompanied the Chief Engineer's letter with your Endorsement No. 89 of the 10th June last, and which formed part of the correspondence on the subject of the disposal of expenditure on buildings which had been debited to Incomplete Articles; it should have been noticed, however, in this office that, while the cost of the buildings, as shown in the Statement just referred to, was Rupees 15,713-7-10, the total debit to Incomplete Articles on account of buildings was only Rupees 11,353-5-9—(Vide List of Incomplete Articles for quarter ended 30th April 1865, dated 22nd July 1865)—and that therefore a part of the expenditure must have been differently debited.

* Rupees 11,353 5 9 up to April 1865.
" 250 13 8 from May to October 1865.
Rupees 11,604 3 5

3. The question therefore now is, what are the buildings the cost of which forms the item, Rupees 11,604-3-5,* to the debit of Incomplete Articles.

The Statement of buildings gives Rupees	15,713 7 10
as the cost of all therein mentioned, and of these,	
the Foundry	9,127 5 1
and the Store-room	1,759 3 3
have been adjusted	10,886 8 4
	4,826 15 6
Add difference between Rupees 1,759-3-3 and Rupees 1,759-3-0 in the Statement	0 0 3
	4,826 15 9

leaving this last sum, Rupees 4,826-15-9, as that to be adjusted by debit to works generally. Did this amount correspond with the Rupees 11,353-5-9 of the list of Incomplete Articles there would be no difficulty, but the difference, Rupees 6,777-3-8,† must be on account of other buildings not shown in the Statement,‡ and I shall feel obliged if you will inform me what these buildings are, and what has been the cost of each.

† Rupees 11,604 3 5
" 4,826 15 9
Rupees 6,777 3 8

‡ Received with letter No. 89, dated 10th June 1865.

(True Copy.)

(Signed) J. MULLINS, Captain, R. E.,
Consgr. Engr. for I. and C. Company.

From the Agent and Manager Madras Irrigation and Canal Company, to the Consulting Engineer Irrigation and Canal Company, dated Madras, 20th July 1866, No. 121.

1. With reference to your letter No. 359 of the 1st February, I have the honor to hand you copy of a letter received from the Officer in charge (No. 440 of April 21st, 1866), and to inform you that in the Statement, herewith sent, of Inefficient Balance, included in the item of "Incomplete Articles" in the Workshop account, I have marked with asterisk the several items

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the cost of which was entered in the Statement rendered with my Endorsement No. 89 of 10th June 1865, and also that I have marked with obelisk the items (as per margin) composing the sum of Rupees 925-10-10 entered by the Chief Engineer as cost of repairs and extensions. You will observe that Rupees 33-8-10 of the latter amount cannot be traced in the account, and the Officer in charge declares he cannot now explain how it was arrived at.

Rs.	A.	P.
17	7	9
183	7	11
44	1	10
13	7	0
31	5	0
602	4	6
892	2	0
Dif.	33	8 10
925	10	10

2. The Chief Engineer states in his letter No. 17 of 19th May 1865, that this sum, Rupees 925-10-10, has been apportioned over the buildings, as there was no means of ascertaining the particular buildings to which the several items were chargeable.

3. Some items in the Statement require special remark :—

Pendal for Sawyers.—The Chief Engineer enters this at Rupees 64-10-3. It should be Rupees 67-10-3.

Pendal for Carpenters, Rupees 182-15-9, and pendal for bullocks, Rupees 238-1-1, are entered in the Workshop Statement under one Order, No. 908, as "Shed with pendal in Carpenter's yard," Rupees 421-0-10. The Officer in charge states that he can find no record to show why the order was divided, and two items made of it.

Sun-shade for No. 2 Engine Driver, Rupees 10-2-9, has been debited to the Engine account.

4. As the Statement sent herewith exhibits other unappropriated items of expenditure upon Workshop buildings and in repairs, &c., both in the Divisions and in Kurnool, and these require to be adjusted, I shall be glad if you will favor me with instructions on the subject.

5. With reference to the balance (Rupees 3,122-9-0) against the iron and brass Foundry at Kurnool of which you received a Statement with my No. 699 of 26th April last, I am in correspondence with the Chief Engineer, and as soon as I receive a reply from him I will communicate with you.

From the Executive Engineer in charge Central Works, to the Agent and Manager, Madras, dated Kurnool, 21st April 1866, No. 440.

1. With reference to your No. 1,214 of 22nd instant, I have the honor to refer you to the orders required :—

Order No. 908, finished June, 1863, Rupees 421-0-10.

This is the sum of the two items you mention, viz., ...

Rs.	A.	P.
182	15	9
238	1	1
421	0	10

Order No. 201, finished October 1863, Rupees 10-2-9.

2. Why the Order No. 908 was separated into the two items, I can find no records to prove.

3. With regard to the Rupees 33-8-10 it appears to be the sum total of some expenditure in two or three months ending 30th April 1865, but how it is arrived at I cannot ascertain; it does not seem, however, to be of much consequence, as the total of the expenditure given in the list which accompanied my letter No. 17 of 19th May last, namely, Rupees 15,713-7-10 agrees exactly with the total contained in the body of the letter and which embodies the Rupees 33-8-10.

(True Copy.)

(Signed) F. H. HENSLOWE,
Agent and Manager.

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Madras Irrigation and Canal Company.

Statement of Inefficient Balance included in the item of Incomplete Articles.

Items.	Amount.
	RS. A. P.
Expenses incurred on account of Workshop buildings in the Cash Account ...	3,824 12 11
* Pendal for six sets of Smiths ...	59 4 8
* Constructing Railway ...	143 4 11
* Do. do. into the shop ...	171 15 9
* Pendal for Sawyers ...	67 10 3
† Sundry Bricklayers' works ...	17 7 9
† Repairs to roof ...	183 7 11
† Do. to temporary do ...	44 1 10
† Cutting drain, &c. ...	13 7 0
* Additional room for Central Office building ...	611 11 2
* Repairing ground and shed for Engine ...	769 8 11
† Do. Workshop building ...	31 5 0
Overseer's quarters in Central Works ...	259 5 0
* Shed with pendal in Carpenters' yard ...	421 0 10
† Three ventilators, pendal, &c., do. repairs to old pendal and erection of eight new hearths ...	602 4 6
* Shed for Sawyers ...	274 7 11
Repairs to roof over Workshop building ...	255 5 10
Do. to Overseer's quarters ...	78 12 7
* Small room for Central Works Office ...	452 12 7
200 lbs. of $\frac{1}{4}$ square iron for Bowanassy new Workshop roof ...	29 14 6
Fitting iron work for new Bowanassy Workshop ...	74 15 11
Do. Workshop roof ...	2 10 3
* Buttresses to old Workshop building walls ...	62 15 0
Repair to Shutter's shed ...	1 6 2
Burning charcoal at jungle ...	659 10 8
Repairs to Time and Pay Office ...	7 11 4
Locks to four Writers' drawers ...	10 12 8
Repairs to machine shed ...	61 0 6
* A shed for six forges ...	298 14 7
Wall to Mr. Putman's house ...	18 0 6
Repairs to doors of Workshop office ...	1 7 3
To make a set of bamboo roof mats ...	161 6 8
* Temporary shed for Sawyers ...	407 15 9
Repairs to machine shed ...	1 14 1
Burning charcoal at jungle ...	1,085 6 7
Repairs to shed ...	24 11 9
Do. to Foreman's house ...	26 8 2
Collecting and transmitting firewood from jungle ...	50 12 8
Nellur Division, temporary Workshop shed ...	26 13 5
Nagatur Division, repairing the Workshop ...	18 2 10
Bowanassy Division, do. Carpenter's shed ...	8 15 9
Do. do. powder godown ...	2 7 10
Repairs to Bowanassy old Workshop ...	26 7 7
Do. to shed over Central Works saw mill ...	226 11 5
White-washing Central Works Office ...	6 5 10
Repairs to wall and door of charcoal godown ...	3 9 0
Do. to Smith's shed ...	14 3 5
	11,604 3 5
	152 7 10
* Making a channel for canal water ...	11,756 11 3
Total on the 30th April 1863 ...	

19th July 1866.

Chief Accountant and General Storekeeper.

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From the Consulting Engineer for Irrigation and Canal Company, to the Agent and Manager, Irrigation and Canal Company, dated Madras, 25th July 1866, No. 87.

1. In reply to your letter No. 121 of the 20th instant, I have the honor to inform you that I will request the sanction of Government to the arbitrary adjustment of those items of the Statement attached to your letter which cannot be otherwise adjusted, on the receipt of explanations from you with regard to the following entries in the Statement.

2. I gather from the Chief Engineer's letter No. 17 of the 19th May 1865, to your address, that the first item, Rupees 3,824-12-11, cannot now be explained; if so, prior to what date was the expenditure incurred.

3. In the letter just referred to, and in paragraph 2 of your letter under reply, it is mentioned that the Rupees 925-10-10 or, as the items in the Statement make it, Rupees 892-2-0, has been apportioned over the buildings. When and how was this adjustment effected, and, if it has been carried out, how is it that the Statement of Incomplete Articles up to the 30th April 1866 shows that the Manufacture of Stores Accounts still bear the debit.

Paragraph 3 of your letter.

4. Similarly, what is the effect of debiting Rupees 10-2-9 to the Engine account, if it be still left in the list of Incomplete Articles.

5. What did prevent, and what does now prevent the items,

Burning charcoal	...	...	...	...	Rs.	A.	P.
Do. do.	...	...	...	...	...	659	10 8
Collecting and transmitting firewood	...	...	...	...	...	1,085	6 7
	...	...	...	...	...	50	12 8

1,795 13 11

forming a component part of the cost of articles manufactured in the Workshops.

6. The following items can be at once adjusted, by debit to,

Bowanassy Workshop estimate	...	...	...	Rs.	A.	P.
	...	...	...	29	14	6
	...	...	...	74	15	11
	...	...	...	2	10	3

107 8 8

Bowanassy Division works	...	...	...	8	15	9	Carpenter's shed.
	...	...	...	2	7	10	Powder godown.
	...	...	...	26	7	7	Old Workshop.

37 15 2

Central Office contingencies	...	...	...	10	12	8	Locks to drawers.
Do.	...	...	...	6	5	10	White-washing.

17 2 6

Nagatore Division works, repairing Workshop	...	...	...	18	2	10
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Somaiswaram Anicut, Nellore, temporary shed	...	...	...	26	13	5
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7. A very considerable portion of the unadjusted expenditure is for Workshop accommodation of a temporary character, which ought to have been, and for the future must be, adjusted by a charge to work done in the shops. When incurred, the entry of the expenditure in the Manufacture Account Current should be to the debit of "Sheds." Carpenters, Smiths or otherwise, as the case may be, and one or two Annas in the Rupee, or whatever may be necessary, should be charged on all work done in the shops to cover the cost of temporary accommodation. Quarterly an Appendix to the Account Current should show the amount spent and recovered, and the state of the shed account. I should add that every expenditure incurred should be upon established rules, and that the Officer in charge of the Workshops should not be allowed to incur expense beyond a certain amount without the pre-sanction of the Chief Engineer.

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30th August 1866*

8. It should be remembered that permanent accommodation for the average number of artificers is a more economical arrangement than the provision and maintenance of temporary accommodation.

9. Sheds erected for a specific purpose, and not required for a succession of works, should be charged to the particular works for which they are needed, and should, in the first instance, (i. e., amounts as spent) be debited thereto, and not to sheds generally.

10. It may be useful at the same time to suggest that all items of charge, which cannot be directly debited to the work turned out, should be similarly dealt with. These items, or at least the principal ones, are:—

Establishment,

Materials, such as charcoal, a separate account of which cannot be kept for each work,

Depreciation of Tools,

Depreciation of General Plant in use in the shops;

and to enable the debit and adjustment of these to be satisfactorily exhibited in the accounts, a modification of the Account Current, as shown in the enclosed form, would be necessary. It should of course be understood that the per-centage items should be charged to work done only as it is completed. What the particular per-centages under the several heads may be I cannot say, but they can be easily determined. One quarterly Appendix would show the expenditure and adjustments under all heads. The value of machinery used in the shops should remain under General Plant as at present, and the amount charged annually in the Form S. Statement for depreciation will alone be debitable to the Workshops and be recoverable by a charge to work done. Whether depreciation prior to that which will be included in the S. account for 30th April 1866 can be so adjusted, I will leave to you; but at any rate the amount of depreciation belonging to the machinery of the Workshops in that Return should be entered on the Dr. side of the Account Current, and gradually recovered by a per-centage on work done.

11. It is hoped that the great waste of money and the improvident arrangements at the Kurnool Workshops will convince the Chief Engineer of the necessity of requiring all expenditure to be incurred in a regular and authorized manner, and with a due regard of means to the end in view. Out of nearly 20,000 Rupees spent on buildings, the value of the Company's property is probably much under 5,000 Rupees, and instead of the Workshop arrangements conducing, as they might have done, to efficiency, there have been complaints at the shops of want of accommodation, and complaints in the Divisions of the excessive cost of Workshop manufactures. I propose to obtain sanction for the adjustment of all past expenditure, and I hope the control over the shops for the future will be more stringent, and that the rules in force will be such as to bring to notice all mismanagement immediately on its occurrence.

(True Copy.)

(Signed) J. MULLINS, Captain, R. E.,
Consg. Engr. for I. and C. Company.

From the Agent and Manager Madras Irrigation and Canal Company, to the Consulting Engineer Irrigation and Canal Company, dated Madras, 7th August 1866, No. 161.

1. I have the honor to acknowledge your letter No. 87 of the 25th ultimo.

2. Paragraph 2. The expenditure of the Rupees 3,824-12-11 was incurred in the period from January 1860 to September 1861, and the remoteness of this date will sufficiently explain the absence of any information with regard to the expenditure.

3. Paragraph 3. The Rupees 892-2-0, which is the amount made up by the items, was apportioned by the Chief Engineer; but as sanction had not been accorded for the items over which the amount was distributed, the arrangement was not carried out.

4. Paragraph 4. The item of Rupees 10-2-9 is not in the account of Incomplete Articles.

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5. Paragraph 5. The amount, Rupees 1,795-13-11, for collecting wood, burning charcoal, &c., was dealt with by the Chief Engineer as distinct expenditure, and not charged against the articles in the manufacture of which it was used. This being so, I fear it is now too late to adjust the amount by debit in this way, and I would suggest that some arbitrary mode of adjustment be resorted to.

6. Paragraph 6. The adjustments herein referred to have been made.

7. The special attention of the Chief Engineer shall be called to the succeeding paragraphs of your letter, and the arrangement therein suggested shall be carried out.

8. In the case of private orders, however, I would propose that in lieu of the proportion of "General Charges," a fixed per-centage continue to be charged. The Company having suffered no little loss by the parties for whom private orders have been undertaken proving defaulters, I arranged some time ago that all articles so manufactured should be paid for on or before delivery, but this course would not have been practicable had we waited to ascertain the actual proportion of superintendence, &c., due upon such orders. I therefore, I believe with your concurrence, put on a fixed twenty per cent. to cover the local charges of management, &c., and after that the Madras Store charge of twenty-five per cent.

9. Under the arrangement proposed in your letter, twenty per cent. will not be sufficient to cover the additional charges, and I therefore propose that this per-centage be increased to twenty-five or thirty or such other per-centage as you may consider adequate, and after that twenty-five per cent., as at present, for Madras charges.

10. The present time, owing to Workshop operations being suspended, is a favorable one for adjusting outstandings, and I therefore beg to draw your attention to the following old balances which stand against manufacture of stores:—

Kurnool Cash ...	...	11,733	0	1			
Store ...	...	1,925	1	11			
					RS.	A.	P.
Hindry Cash					13,663	2	0
Bowanassy do.	...	...	...	...	3,735	15	6
Soonkasala do.	...	...	...	...	138	7	1
Koondaur do.	...	...	...	...	29	5	3
Nellore do.	...	...	...	...	865	11	0
Bellary do.	...	...	...	...	822	2	0
Somaiswaram Stores	...	...	...	...	900	2	1
					1,928	5	1

11. These balances are mostly of old date, and I find it difficult to obtain any particulars of some of them; but with reference to Hindry, it appears that a former Agent, finding it difficult to dispose of the wages paid to the Carpenters, Smiths, &c., employed in 1860 upon the Kurnool anicut, ordered the amount to be debited to the manufacture account, and similarly in the cases of Bellary and Nellore; hence these balances. The Somaiswaram amount should have been charged to the anicut. The Kurnool, Soonkasala, Bowanassy, and Koondaur balances are unexplained; but in Kurnool there is very little doubt that, as in Hindry, Bellary, and Nellore, in order to tide over some temporary difficulty, items have been placed to manufacture of stores which had nothing whatever to do with this account, Rupees 9,200 having been debited prior to September 1861.

12. As in several of these cases there will be no chance of effecting an adjustment by debit to future manufactures, and in all there will be a difficulty, it appears to me that an arbitrary adjustment by debit to works will be the most desirable course, and we shall then be able to make a fair and unembarrassed start on the resumption of operations.

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30th August 1866.*

No. 674. ORDER THEREON, 30th August 1866, No. 2,746.

ACCOUNT, No. 63.

1. In this letter the Consulting Engineer reports on two sums of Rs. 11,549-0-8 and Rupees 22,083-2-0 which stand in the Accounts of the Madras Irrigation and Canal Company, the former as the value of incomplete articles, and the latter as expenditure in the manufacture of stores.

2. These sums appear to have been entered under heads of Account to which they do not appertain, and no information is now forthcoming to admit of their being correctly adjusted. The practice appears to have been to debit the head of Stores with all outlay on labor or materials that could not without inconvenience be charged to the work for which expenditure was sanctioned, and to defer the adjustment of such outlay to a period when it is impossible to effect it.

3. The Government consider the state of things, which the papers now before them disclose, to be very unsatisfactory, and they hope that the arrangements which have been suggested by the Consulting Engineer will be the means of preventing a recurrence of similar irregularities. They are of opinion that, unless measures be adopted for ascertaining whether the rules laid down for guidance are strictly conformed to or not, and unless Officers are held personally responsible for a neglect of their duties, the lax system which has been so frequently animadverted upon will be perpetuated.

4. With these remarks the Government grant authority for the two sums of Rupees 11,549-0-8 and Rupees 22,083-2-0 being adjusted in the manner indicated in paragraphs 2 and 6 of Captain Mullins' letter; but they will be obliged to withhold sanction in future to similar arbitrary adjustments of charges unless the most satisfactory explanations of them be given.

(True Extract.)

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

To the Consulting Engineer for Madras Irrigation and Canal Company.
do.
.. Manager for

Exd. T. O'Connor.

Consulting Engineers' Office,
Irrigation Canal Company,
Madras, 9th August 1886.

To,
N^o 119.

Captain, J. C. Mallins, R.E.
Cons Eng for S.W. Co.

The Secretary to Government W.P. Works.

Enclosures
2 Agents letter,
in original
Sent N^o 1948260.
2 Copies of letter
to the Secretary

Sir,

P.M.B. 7th Sept 1886.

In para: 13 of my letter of the 22nd August last N^o 74, it was noticed that a large sum, which had really been expended on buildings, was shown as value of incomplete articles in the Manufacture Account Current, and permission was acted, and given, for the transfer of a large part of the sum to buildings - In investigating however the remaining items it was found that a part of the amount spent on buildings was in suspense under the item, balance, of the Account Current, and after a lengthened correspondence, the latter part of which is enclosed, it has been ascer-

* R. 15713-7-10

Col Agent N^o 359-121-26 July
From - 121-26 July
To - 87-25
From - 161-7 inst.

taind that out of a sum of Rupees 13759-13-2 shown in

in the Account Current for the quarter ending 30th April last, as the value of incomplete articles, Rupees 11,756-11-3 had no claim to that description - Attached to the Agent's letter N^o 121 is a list of the items composing that sum, and since its receipt the items, referred to in para: 5 of my letter N^o 87, and amounting to Rupees 207-10-7, have been adjusted, leaving a balance, Rupees 11,549-11-8, which can only be disposed of by an arbitrary debit ^{to Profit & Loss, or} to works in proportion to the expenditure shown against the several sections in the Progress Report, and I have the honor accordingly to recommend that permission be given to do this -

2. The following is a classified abstract of the sums to be adjusted -

1. Expended without information being obtainable, except the date viz: between January 1860 and September 1861 -	3824-12-11
2. Expenditure on Sawyer's sheds -	976-13-4
3. " " " Smiths -	978-4-2
4. " " " Carpenters -	421-1-10
5. " " " Sheds for general purposes -	1626-13-4
6. " " " on railway accommodation for Engines &c -	1147-12-2
7. " " " Miscellaneous -	165-14-10
8. " " " on charcoal burning and wood -	1795-13-11
9. " " " on additional room to Central Office -	611-11-2

The

The first of the above items should be charged to Profit and Loss, the 2nd to the 8th inclusive to works, and the 9th and last to General Management Contingencies -

3. It will be seen from the correspondence that there is no chance now of explanations being obtained of those items about which information is deficient, and similarly the debit to works done in the shops of the amount spent on charcoal and on wood for the engine in past years is no longer practicable - I have in my last letter to the Agent pointed out in some detail what arrangements should be made to ensure for the future the correct debit to be made of all expenditure properly so chargeable, and, if carried out, the arrangements suggested ought to have the effect of preventing the recurrence of accumulations of unadjusted expenditure, but I must add that no instructions will be of much use, unless annually, as well as at every change of charge, it be ascertained that they have been attended to, and unless every officer be held responsible that the entries in his accounts are what they appear to be, and not something entirely different -

4. The Agent in para: 10 and the following paras, brings forward for arbitrary adjustment the Balances shown in his Account Current, or rather sums which

which, in two cases only, differ very slightly from these balances. - Mr. Stenslow explains what he supposes to be the circumstances under which these paper balances came into existence, and apparently it may be said that whenever it was inconvenient to debit to any sanction expenditure incurred on labor and materials, or when, perhaps, there was no sanction to which to debit, the simple arrangement of charging it to Manufacture of Stores was adopted, and considering that the Cash accounts contain a recognized head in: inefficient Balance for the temporary debit of proper, but at the time unadjustable, charges, it is, to say the very least, extremely unsatisfactory that such irregularities as those now reported should have existed. -

5. Properly speaking there should be no Balance in the Manufacture Account Current, except for the value of Stores issued for works and not charged there to, or perhaps slightly in excess of what was wanted. - However as this balance has reached a considerable amount the Agent was requested to furnish annually a memorandum showing

Total of A/C for April/66
22,293-3-3
Agent's letter - 22,083-2-0

7. 162 dated 15 August 1865

showing the particulars of balance, and this has never been done, though reminders have been frequently sent, for the simple reason that there was no balance, and no particulars of what had been done with the expenditure accounted for as balanced. -

6. I believe that most of this irregular expenditure was incurred some years back and, while recommending therefore its arbitrary adjustment, I think it should be clearly understood that for the future no such arrangement will be allowed, where the entries in the accounts have been such as to mislead and prevent enquiry at a time when it might have been of some use, and that, if such practices are again permitted, all such expenditure will be retrenched. -

As in cases where no particulars can be given the debit of expenditure to works is objectionable, and unfair to the officers conducting the works, I think it will be advisable that this deficiency Report 22,083-2-0 should be debited to Profit and Loss. -

I have the honor to be,
Sir,
Your most obedient servant,
Whitcomb's Captain, R.E.
Cone Ingo for S.C. Company.

Public Works Department.

No. 2746

PROCEEDINGS of the MADRAS GOVERNMENT
Under date the 20th Aug 1866
Read the following

from
The Consulting Engineer
J. G. Compy

(Here enter No. 49, dated 9 Aug 1866)

In this letter the Consulting Engineer reports on two sums of Rs 11,519-8 and Rs 22,083-2 - which stand in the Accounts of the Madras Irrigation and Canal Company, the former as the value of incomplete articles, and the latter as expenditure in the drainage of shores.

These sums appear to have been entered under heads of Accounts to which they do not appertain, and no information is now

P. 31/10/66
The Secretary to Govt.
J. G. Compy
20th Aug 1866
Enclosure 1

Towards certain corner
pendance between
himself and the agent
regarding the adjacent
mud of expenditure
in the drainage
Account Current
No 2746 - 30th Aug 1866

Letter: sent they will be
obliged to withhold sanction
in future. No similar ar-
bitrary adjustments of
charges in the most
satisfactory explanations
of them. See. given.

P. W. 1866. Department.

No. of Govt for August
No. 2746.

PROCEEDINGS OF GOVERNMENT. of Madras

Dated 30th August 1866

The adjustment
of certain sums standing as
the value of incomplete works,
etc, in accounts of the Madras
Irrigation and Canal Com-
pany, as proposed by the
Consulting Engineer,
sanctioned with certain
observations

6/12/66

To
4 The Commr Engrs in St C A with six encls:
11 Manager for S&S
17th Aug 1866 P. W. 2125 Recd 31st Aug 66

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