

(1) Number of pages 16(2) Date of repair 15.11.22

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.**Government of Madras.***Public Works* **DEPARTMENT.**

G.O. No. <i>968</i>	Press ~~Mis.~~
<i>564-565-</i>	
Dated <i>26-3</i>	<i>1866.</i>

Not to be folded or roughly handled*8.15.10*

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Proceedings of the Madras Government, Public Works Department.
26th March 1866.

No. 564. Read the following letter from the Consulting Engineer for Irrigation and Canal Company, to the Secretary to Government, Department Public Works, dated Madras, 9th March 1866, No. 160:—

1 Letter in original from Agent.
10 Comparative Statements.

1 General list prepared in Consulting Engineer's Office.

• 1 For Central Stores. 1 For Soonkasala.
1 „ Bowanassy. 1 „ Nellore.
1 „ Koondaur. 1 „ Pennair.
1 „ Hindry. 1 „ Bellary.
1 „ Nagatoor. 1 „ Somaiswaram.

1. I have the honor to submit, for the information and orders of Government, a letter, No. 534 of the 23rd ultimo, from the Agent and Manager Madras Irrigation and Canal Company, together with comparative Statements* showing the quantities and values of stores found surplus or deficient at the stock examination made at the close of 1864-65.

2. The general result is that the value of stores found surplus was Rupees 35,958-0-3, and those deficient Rupees 1,16,746-5-7, net deficit Rupees 80,788-5-4 I subjoin an abstract statement showing the particulars for each store or division. These sums differ by a few Rupees from the amounts due to the stock as taken, owing to some slight adjustments having been subsequently effected.

1	Stock as per Account Current of 30th April 1865.			Found at stock-taking.			Surplus.			Deficiency.			Difference between 4 and 5.		
	Rs. A. P.			Rs. A. P.			Rs. A. P.			Rs. A. P.			Rs. A. P.		
Chief Engineer's Dept. ...	1,68,902	12	1	1,32,899	0	10	13,694	1	11	54,750	10	5	36,056	8	6
Since adjusted ...	52	13	3												
	1,68,955	9	4												
Soonkasala Division ...	8,901	13	6	2,064	6	7	679	15	9	2,417	5	8	1,837	5	11
Hindry do. ...	16,683	5	1	13,057	12	1	1,426	13	11	4,954	6	11	3,525	9	0
Nagatoor do. ...	10,170	8	3	10,164	12	10	1,518	15	7	1,524	11	0	5	11	5
Bowanassy do. ...	55,251	5	10	19,945	1	7	2,812	11	9	37,619	0	0	33,906	4	3
Koondaur do. ...	4,116	8	2	3,916	11	7	620	2	10	819	15	5	199	12	7
Pennair do. ...	5,802	8	11	3,914	12	1	508	14	8	2,366	6	6	1,837	7	10
Somaiswaram do. ...	23,764	3	9	21,067	13	11	7,921	4	1	9,707	9	11	1,786	5	10
Nellore do. ...	24,864	15	2	24,366	8	7	2,053	5	0	2,551	0	7	498	1	7
	3,13,400	3	0	2,32,327	0	1	85,638	5	6	1,16,711	8	5	81,078	2	11
Bellary do. ...	746	10	10	1,031	8	5	319	10	9	34	13	2	254	13	7
Total ...	3,14,146	13	10	2,33,353	8	6	85,958	0	3	1,16,746	5	7	80,788	5	4

3. The Agent recommends that the net deficiency should be written off to profit and loss; but, after making a careful examination of the lists, I think that such a course is unnecessary, and would be objectionable, for there are many items and some of them large ones, the proper adjustment of which is apparent from the information given, and there are many others which it should be by no means impossible to trace. I have no-doubt whatever that a large portion of the defi-

Proceedings of the Madras Government, Public Works Department.
26th March 1866.

ciency is due to the non-debit to General Plant or works of the issues made from time to time; and where the articles, such as costly instruments, machinery, &c., cannot well be lost sight of so entirely, without culpable negligence, as not to be traceable, the requisite enquiries should be made. On the other hand, wherever the articles are of a description which would render identification difficult, or in cases where there are many descriptions of small stores, as in stationery, metals, &c., the accurate accounting for which is difficult, I would suggest the immediate arbitrary adjustment of discrepancies by a debit of surplus to stores and credit to profit and loss and of deficiency to profit and loss, with a corresponding credit to stores.

* Accompanying.

4. I have, therefore, prepared a statement* showing the manner in which I propose that the several differences in each division and class of stores shall be immediately dealt with, and I think in most cases the adjustments can be made as indicated. The sums representing the value of articles regarding which further explanation is required, can be dealt with in two ways. If the Agent can show that any of them can fairly be set off against surplus articles now to be debited to stores, it will be proper to allow such to be written off to profit and loss; also any which have been issued to General Plant, but not debited thereto, can be adjusted as soon as proper information is furnished. In all cases, however, in which articles deficient and left unadjusted for explanation cannot be traced, or satisfactorily accounted for, it will be necessary that their adjustment be effected under special sanction.

5. The statement will thus form a basis of adjustment, and if the Government approve of this arrangement, I will return the lists, with the requisite detailed information, to the Agent, and if he finds the entries proposed for arbitrary or special adjustment to be correct, all these items will be at once got rid of, and carefully enquired into.

6. It is very possible and perhaps probable that many small items, which I have included in the sums to be written off to profit and loss, have really been issued to General Plant, and that, when the returns of this latter come to be examined, corresponding surplus will be found. If so, the amount so found surplus will be credited to profit and loss, and the ultimate result will be the same as if every mistake were traced and rectified, while the saving of time and trouble will be great.

7. In the correspondence which was submitted to Government with the estimates for new offices and stores at Kurnool, it was stated* that heavy losses had been sustained by robberies from the premises hitherto occupied at that station, but although the deficiencies shown in the list of the central stores are valued at Rupees 54,750-10-5, not a word has been said as to the value of stores actually stolen, and this omission should be supplied.

8. Until the result of the examination of the stock of general plant has been reported upon by the Agent, and it is seen how far the deficiencies in stores are,

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26th March 1866

as regards the larger items at any rate, accounted for by corresponding surplus in General Plant, it will be better to defer expressing an opinion on the results of the stock-taking now reported on. These are the first divisional lists that have been submitted to Government, and they exhibit therefore all the discrepancies and mistakes from the commencement, and should it be found that the principal errors are due to inefficient accounting rather than to want of care of the articles themselves, and that by an arbitrary adjustment, therefore, of a moderate per-centage on the total value of stores, a fresh start can be made with good prospects of future accuracy, the experience gained of the vast amount of trouble, which the absence of good arrangements occasions, will perhaps not have been too dearly purchased. In August 1865 the Agent stated that it was his intention to make immediate arrangements for the stock-taking of general

Paragraph 10 of letter No. 74, 22nd August.
Proceedings Madras Government, 7th September 1865, No. 2,611.

plant by the Company's Officers, and I expect, therefore, that it will not be long before he is able to report on the result.

No. 565. ORDER THEREON, 26th March 1866, No. 968.

ACCOUNT, No. 68.

1. In the foregoing letter the Consulting Engineer for the Madras Irrigation and Canal Company reports

the result of the stock-taking of the Company's stores in the several Divisions for the year 1864-65.

Value of stock as entered in Ledgers...	RS.	A.	P.	RS.	A.	P.	2. It appears that the value of the actual stock found in hand is Rs. 2,33,358-8-6, or Rupees 80,788-5-4 less than the amount at which it is entered in the Ledgers, and that the chief cause of this difference is owing to the omission to debit from time to time to the proper heads the issues to Plant and Works.
Do. found in hand...	3,14,146	13	10	2,33,358	8	6	
				Difference...	80,788	5	4
Value of deficient stores ...	1,16,746	5	7				
Do. surplus do. ...	35,958	0	3				
				Net deficiency...	80,788	5	4

3. The Government approve of the course which the Consulting Engineer suggests for the adjustment of the deficiency, and the Manager will be requested to furnish, as early as possible, the additional information which Captain Mullins shows to be necessary for this purpose.

4. The Manager will expedite his report of the value of the articles stolen from the Company's Stores at Kurnool.

(True Extract.)

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

To the Consulting Engineer for the Irrigation and Canal Company.
" Manager for do.
Exd. S. T. Augustin.

Consulting Engineer's Office
 Irrigation & Canal Company
 Madras, 9th March 1866.
 N^o 160.

Enclosed
 letter in reply
 from
 Mr. J. M. Mulliney, R.E.
 to the Secretary to Government

Captain, J. Mulliney, R.E.
 Consulting Engineer for L.M.C. Co.
 To: The Secretary to Government
 Department of Pub Works.

I have the honor to submit
 for the information of Government, a letter,
 N^o 584 of the 23rd ultimo, from the Agent
 and Manager Madras Irrigation and Canal
 Company, together with comparative
 statements shewing the quantities and
 values of stores found surplus or de-
 ficient at the stock examination
 made at the close of 1864/65.

- *for Central Stores
- 1- Bomangoy
- 1- Pondicherry
- 1- H. indry
- 1- Nagaloor
- 1- Tenkavala
- 1- Tellore
- 1- Rannair
- 1- Bellary
- 1- Somaiywarani

The general result is that the
 value of stores found surplus was Ru-
 pees 35950-3, and those deficient Rupees
 116746-5-7 net deficit Rupees 80700-5-4. I
 subjoin an abstract statement shewing
 the

the particulars for each store or Division.
These sums differ by a few Rupees from
the amounts due to the stores as taken,
owing to some slight adjustments having
been subsequently effected.

	Stock as found 7 th April at 30 th April taking 1865.	Surplus	Deficiency	Difference between columns	Remarks
Chief Eng ^{rs} Depart ^t	168902 12 1232899	10	18694 1 11 54750 10	5 3806 8 6	
Southern Division	168902 12 1232899	10	18694 1 11 54750 10	5 3806 8 6	
Hindry D ⁿ	3901 12 6	2064 6 7	579 13 9	2417 5 8	1837 5 11
Nagahow D ⁿ	16383 5 1	13057 12 1	1428 13 11	4954 6 11	3525 9
Bomanary D ⁿ	10170 8 3	10164 12 10	1518 15 7	1524 11	5 11 5
Kundian D ⁿ	55251 5 10	19945 1 7	2312 11 9	37619	35306 4 3
Pennar D ⁿ	4116 8 2	3916 11 7	620 2 10	319 15 5	199 12 7
Somavaram D ⁿ	5802 3 11	3944 12 1	508 11 8	2366 6 6	1057 7 10
Nellore D ⁿ	23754 3 9	31967 13 11	7921 4 1	9707 9 11	1786 5 10
Bellary D ⁿ	21864 10 2	24366 8 7	2053 5	2551 6 7	198 1 7
	313400 3	23279 1	36388 5 6	11670 8	5 1073 2 11
	746 10 10	1031 8 5	319 10 9	34 13 2	204 13 7
Total	314146 13 10	233358 8 6	36958	316746 5 7	80788 5 4

The Agent recommends that the
net deficiency should be written off to
Profit and Loss, but, after making a care-
ful examination of the Lists, it thinks that
such a course is unnecessary, and would
be objectionable, for there are many items
and

and some of them large ones, the proper
adjustment of which is apparent from
the information given, and there are many
others which it should be by no means
impossible to trace - I have no doubt
whatever that a large portion of the de-
ficiency is due to the non debit to General
Plant or works of the issues made from
time to time; and where the articles, such
as exactly instruments, machinery &c.,
cannot well be lost sight of, or entirely
without culpable negligence, as not to be
traceable, the requisite inquiries should
be made. On the other hand wherever
the articles are of a description which
would render identification difficult,
or in cases where there are many descrip-
tions of small stores, as in Stationery
metals &c., the accurate accounting for
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crepancies by a debit of surplus to Stores
and credit to Profit and Loss, and of deficiency to Profit and Loss, with

corresponding credit to Stores.

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can be made as indicated. The sums representing the value of articles regarding which further explanation is required can be dealt with in two ways. If the Agent can show that any of them can fairly be set off against surplus articles now to be debited to Stores, it will be proper to allow such to be written off to Profit and Loss; also any which have been issued to General Plant, but not debited thereto, can be adjusted as soon as proper information is furnished. In all cases however in which articles deficient and left unadjusted for explanation cannot be traced, or satisfactorily accounted for, it will be necessary that their adjustment be effected under special sanction

sanction.

5. The statement will thus form a basis of adjustment, and if the Government approve of this arrangement, I will return the Lists, with the requisite detailed information, to the Agent, and if he finds the entries proposed for arbitrary or special adjustment to be correct, all these items will be at once got rid of, and attention can then be given exclusively to the items which require to be more carefully enquired into.

6. It is very possible and perhaps probable that many small items which I have included in the sums to be written off to Profit and Loss have really been issued to General Plant and that, when the returns of this latter come to be examined, corresponding surplus will be found. If so, the amount so found surplus will be credited to Profit and Loss and the ultimate result will be the same as if every mistake were traced and rectified, while the saving of time

P.W.D. 130

1868

Proceedings of the Madras Government.

Under date the 26th March/66

Read the follow-

ing
From the foregoing &c co. 8th 9th March 1866 No. 160.

In the foregoing letter the Consulting Engineer for the Madras Irrigation Canal Company reports the result of the Stock taking of the Company's stores in the several Divisions for the year 1864/65. It appears that the value of the actual stock found in hand is Rupees 2,33,358-8-6 or Rupees 80,788-5-4 less than the amount at which it is entered in the Ledgers, and that the chief cause of this difference is

Value of Stock as entered in Ledgers Rs 3,14,166-13-10
 — do — found in hand Rs 2,33,358-8-6
 Difference Rs 80,788-5-4

Value of definite Stores — Rs 1,16,766-5-7
 — do — Surplus — Rs 35,958-0-3
 Net Deficiency Rs 80,788-5-4

No. 1059
 Copy in as Letter to Eng. Comd
 6723: Opine 6723 of 1866

26th 1866 & 2nd March
 Copy of the 1059
 The Consulting Engineer
 To the Secretary to Govt.
 C. P. W.

Dated 9th March 1866
 No. 14
 Enc. 12

Subscribed for the information and orders of Govt. & left 18581 of the 23rd 11th 1866. The Agent together with the comparative statement showing the quantities and values of stores found, deficiency of the stock as found at the close of 1864/65.

173 March 1866, 23-2-66

1865/66

1864/65

18 Rev.

Don't forget

is owing to the omission to
debit from time to time
to the proper heads the repairs
to Plant & Works -

The Government approve
of the course which the
Consulting Engineer suggests
for the adjustment of
the deficiency and the
Manager will be requested
to furnish as early as
possible the additional in-
formation which Captain
Mullins shows to be
necessary for this purpose.

The Manager will
expedite his report of the
value of the articles stolen
from the Company's stores
at Turmool.

[Signature]

4 The Consulting Engineer for the
- Manager - to -
Sept. 27th March

18

39

Copy in a letter to England
of 23rd April A. 23 1866

J W 1866 Dep^t
Pro: of Govt for Marsh

A. 968.
Pro: of the Marine Govt
Of 24th March/66

Paying orders on letters
from the Comg: Engrs. res.
porting the results of
Stock-taking of the Madras
Irrigation and Canal Co.
Stores for 1864/65.

A. 564. 565