

(1) Number of pages _____

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MADRAS RECORD OFFICE.

Government of Madras.

DEPARTMENT

GO. No.	_____	Trans.

Dated	_____	18 _____

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
7th March 1870.*

No. 147. Read the following letter from the Deputy Secretary to the Government of India, Public Works Department, (Account—Railway,) to the Secretary to the Government of Madras in the Public Works Department, Railway Branch, dated Fort William, 23rd February 1870, No. 93-A-R. :—

I AM directed to forward herewith, for information and needful action, copy of a note on certain irregular expenditure on the Guaranteed Railways in Madras received from the Accountant-General, Public Works Department, in reply to a reference made by the Government of India, and to request that the officers concerned may be instructed to have the audit of the Guaranteed Railway Companies, accounts conducted in future in strict conformity to the rules laid down on the subject.

2. I am to take this occasion to remind the Madras Government that the Governor-General in Council attaches the greatest weight to the exercise of a complete control over the financial operations of the Guaranteed Railway Companies, and trusts that he will receive the support of His Excellency the Governor of Madras in Council in giving effect to the rules laid down on the subject. The Government of India is satisfied that it is only by exercising the most careful watch over the tendency to increase indefinitely the capital outlay of these undertakings that railway extension in India can be secured, and accordingly desires to invite the special attention of the Madras Government to the subject as one of great public importance.

Copy of a Note by the Accountant-General, Public Works Department, No. 208, dated
12th February 1870.

Irregular expenditure on the Guaranteed Railways in Madras.

In paragraph 4 of the Madras Railway Budget Orders for 1870-71 I was called upon to report as to circumstances which allowed expenditure to have been incurred on the Madras Railway in the absence of duly sanctioned estimates. On this point I have to state that the Madras Railway Budget Estimate for the next Official year gives me the first intimation I have received that the objectionable and prohibited practice of incurring expenditure without sanction has been allowed to exist apparently unchecked, and without any report of the irregularities being laid before the proper authorities by the Government Examiner. The Budget Estimate shows that expenditure has been incurred, or is intended to be incurred, on the following unsanctioned works during the current year :—

	RS.
Extension of Engine-erecting and Boiler Shop	41,538
Altered and additional works at the New Central Station	7,635
Watering arrangement at Tripatty	3,268
Do. at Reddipully	2,600
Do. at Wontimettah	2,600
Goondacal Station	1,07,318
Nuncheala „	39,494
Auspree „	45,085
Adoni „	50,224
Kosgee „	48,686
District XIX. „	7,04,203
Mutinerri „	23,391
Rolling Stock	83,500

[G. S. L. R.]

*Proceedings of the Madras Government, Public Works Department,
7th March 1870.*

2. I am unable to say precisely whether the undermentioned works have as yet been sanctioned or not, the column headed "Number and date of Sanction" having been left blank in the estimate:—

	RS.
Moodanoor to Tadpatry, maintenance	76,950
Tadpatry to Ghosty, do.	29,720

3. If this expenditure has been incurred, the proceeding appears to have been altogether irregular. The Audit rules provide that all expenditure incurred without sanction should be duly notified in the audit statements prepared by the Examiner on each month's accounts. An examination, however, of these documents shows that no expenditure incurred on the Madras Railways has been reported as irregular since October 1868, when Colonel O'Connell drew the attention of the Consulting Engineer to the necessity of these statements being sent forward to this office. From this I am led to believe that there has been a failure of duty on the part of the Government Examiner, who is supposed to report all expenditure as irregular that is not covered by a definite sanction.

4. The Consulting Engineer has now been addressed on the subject, with a request that the Audit rules may be strictly adhered to in future.

No. 148. ORDER THEREON, 7th March 1870, No. 715.

RAILWAY, No. 7.

COMMUNICATED to the Consulting Engineer for Railways in continuation of G. O., No. 659, dated 28th February

1870. Major Shaw Stewart will furnish the explanation called for in paragraph 3 of those orders with reference to all the works enumerated by the Accountant-General of the Public Works Department as having been irregularly commenced before the estimates for them were sanctioned.

2. The attention of the Examiner of Railway Accounts should be specially drawn to the observations of the Government of India with a view to his exercising such effective control over the financial operations of the Railway Companies as is essential to check expenditure of any kind being incurred except on sanctioned estimates and allotments.

(True Extract.)

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

To the Consulting Engineer for Railways.

Edw. A. S. Rodgers.

*All communications
should be addressed
to the Secretary.*

No. 93 A. O.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

ACCOUNT.

*To the Secretary to the Government of India,
Public Works Department,
Railway Branch,
Fort William 28th February 1870.*

*I am directed to forward herewith
for information and useful action, copy of a
note on certain irregular expenditure on the
Guaranteed Railways in Madras received
from the Accountant General Public Works
Department, in reply to a reference made by
the Government of India, and to request that
the officers concerned may be instructed to
have the audit of the guaranteed Railway
Companies accounts conducted in future in
strict*

2. I am to take this occasion to remind the Madras Government that the Governor General in Council attaches the greatest weight to the exercise of a complete control over the financial operations of the guaranteed Railway Companies, and trusts that he will receive the support of His Excellency the Governor of Madras in Council in giving effect to the rules laid down on the subject. The Government of India is satisfied that it is only by exercising the most careful watch over the tendency to increase indefinitely the Capital outlay of these undertakings, that Railway extension in India can be secured, and accordingly desires to invite the special attention of the Madras Government to the subject as one of great public importance.

Edward & Major R.E.

Copy Library to the Jacobite Period

Irregular expenditure on the Guaranteed Railways
in Madras.

In paragraph 4 of the Madras Railway Budget order for 1870/71, I was called upon to report as to circumstances which allowed expenditure to have been incurred on the Madras Railway in the absence of duly sanctioned estimates. On this point, I have to state that the Madras Railway Budget estimate for the next official year gives me the first intimation I have received that the objectionable and prohibited practice of incurring expenditure without sanction has been allowed to exist apparently unchecked, and without any report of the irregularities being laid before the proper authorities by the Government Examiner.

Examiner. The Budget estimate shows that expenditure has been incurred, or is intended to be incurred, on the following unsanctioned works during the current year-

Extension of Engine erecting and boiler shop	41,538
Altered and additional works at the New Central Station	7,635
Watering arrangement at Tripetty	3268
" " " " Reddipally	2,600
" " " " Wankumallah	2,600
Gondal Station	1,07,518
Munchala " "	39,194
Auspree " "	45,085
Adoni " "	50,224
Koogee " "	12,686
District x 12 " "	7,04,203
Mutimeri " "	23,391
Rolling Stock	23,500
[4, 1, 1, 02]	

I am unable to say precisely whether the under-mentioned works have as yet been sanctioned or not, the column headed "No" and date of sanction" having been left blank in the estimate.

Moodandoor to Tadpatri Maintenance	76,750
Tadpatri to Gooty " "	29,720

If this expenditure has been incurred, the

the proceeding appears to have been altogether irregular. The audit rules provide that all expenditure incurred without sanction should be duly notified in the audit statements prepared by the Examiner on each month's accounts. An examination however of these documents shows that no expenditure incurred on the Madras Railways has been reported as irregular since October 1868, when Colonel O'Connell drew the attention of the Consulting Engineer to the necessity of these statements being sent forward to this office. From this I am led to believe that there has been a failure of duty on the part of the Government Examiner, who is supposed to report all expenditure as irregular that is not covered by a definite sanction.

The Consulting Engineer has now been addressed on the subject, with a request that the audit rules may be strictly

Strictly adhered to in future.

W. 13/2

W. 13/20.

P. 11. M. 10. 11.

Reverend

W. 1070 Dept
Pro of Govt of India

Govt of India.

23rd Feb 1870

14th March

Genl. J. H. D. M.

Forwarding
for attention, copy of
a Note by the Account-
ant General P. W. Dept
on certain irregular
expenditure on the
Guaranteed Railways
in Madras.

No 147

No 715. 7. March 1870

Public Works Department
No 715
Proceedings of the Madras Government
Under date the 7th March 1870
Read the following

From The Gov^t of India. (H. E. No 93. A.R. of 3rd March 1870)

Communicated to
the Engineer in Charge for Railways
in continuation of G. O. No.
659 dated 28th Feb. 1870. Major
Shaw Stewart will furnish
the explanation called for
in Para 3 of these orders with
reference to all the works
enumerated by the Account-
ant General of the P. W. Dept
as having been irregularly
commenced before the esti-
mates for them were sanc-
tioned.

The attention of the
Recommender

Examiner of Railway Ac.
 Committee should be specially
 drawn to the observations
 of the Govt. of India with
 a view to his exercising
 such effective control over
 the financial operations of
 the Railway Companies as
 is essential to check expen-
 diture of any kind being
 incurred except on sanc-
 tioned estimates and al-
 lotments.

[Signature]

Enc 867
 Govt. of India 30 Idias.

PUBLIC WORKS.

The Consulting Engineer
 for Railways

Order

Recd.

Vol. 1

G. O. 7th March 1870 No. 715

Nov. 11/7-11/8

Expenditure [By] Letter from the Govt. of
 India submitting with remarks a
 copy of a note by the Accountants
 General on certain irregular
 expenditure on the guaranteed lines
 in Allahabad - and this office con-
 sidered with instructions.

no. 5000 - 11/11/70
 J. C. - 16/3/70