

*Proceedings of the Madras Government, Public Works Department,
4th November 1875.*

No 86 Read the following letter from Lieutenant-Colonel J H M SHAW-STEWART, R E, Consulting Engineer for Railways, to Major-General G W WALKER, R F, Secretary to Government, Public Works Department, dated Madras, 22nd October 1875, No 573 —

From Agent, Madras Railway, No 483, dated 10th May 1875 with one enclosure
From Examiner of Railway Accounts, No 378, dated 14th May 1875
From Agent, Madras Railway, No 1,022, dated 30th September 1875, with two enclosures
From Examiner of Railway Accounts, No 1,027, dated 9th October 1875

REFERRING to the Proceedings of Government, under date 29th April 1875, No 1,177, I have the honor to forward, for the consideration of the Government of India, the enclosed papers showing the results of the investigation into the stores of the Locomotive Department of the Madras Railway as they stood on the 30th June 1873

2 It will be observed that the actual stock, as taken by the Auditor, was valued at Rupees 21,95,872 as against Rupees 21 64,952 shown in the Stock Ledgers, and Rupees 18,90,049 in the General Books. The Acting Locomotive Superintendent accepts the figures of the Audit Department for several of the classes of stores aggregating in value Rupees 14,23,404, but for the remainder which are chiefly made up of small stores he does not recommend that any adjustment be made in the books. This would involve a good deal of labor, and although the figures may have been correct when stock was taken (for some items as far back as 1873), it is probable that they do not correctly represent the position of matters at the present time. It will be seen that the Examiner is of opinion that the Locomotive Superintendent has acted as far in the matter as is desirable.

3 Arrangements have been made for continuous stock-taking at Perambore in future, and I have requested a commencement with those classes which have not yet been adjusted.

4 The large difference between the Locomotive Superintendent's Account Current and his Stock-ledgers has not yet been cleared up, but attention will be given to this as future stock-taking, item by item progresses.

From R B LLWIN, Esq, Agent and Manager of the Madras Railway Company, to Lieutenant-Colonel J H M SHAW-STEWART, R E, Consulting Engineer for Railways, dated Madras, 10th May 1875, No 483

ANSWERING to previous correspondence upon the subject of the stock-taking in the Locomotive Department, I have the honor to send you, herewith, a comparative statement of stores in that department, as at the 1st of July 1873

2 In forwarding the statement the Store Auditor observes "that the surplus in actual stock over Perambore stock-ledger balances on 1st July 1870 was . . . Rs 98,865 4 5, and the surplus in the same on 1st July 1873 . . . Rs 30,919 14 9,

the difference arises principally from fuel, which on 1st July 1870 showed a surplus of . . . Rs 58,849 7 5, and on 1st July 1873 of only . . . Rs 7,605 5 7"

MADRAS RAILWAY COMPANY

AUDIT DEPARTMENT

Comparative Statement of Stock of Stores in Locomotive Department as at 1. July 1873.

Class	Description	Actual Stock, 1st July 1873		Stock-keeper's Balance, 1st July 1873		Date	Actual Stock		Locomotive Stores and Workshop Account	
		Rs	A P	Rs	A P		Rs	A P	Rs	A P
A	Turbine	2,67,001	8 0 0	2,67,001	8 0 0	1st July 1873	21,95,871	12 9	18,90,049	10 3
B	Fuel	3,72,247	2 9 2	3,72,247	2 9 2	Surplus			5,05,823	2 1
C	Engine men's engines	1,85,111	12 7 7	2,99,193	4 6					
D	Carriage men's works	1,31,225	14 2 2	85,331	10 11				21,95,871	12 9
E	Wheels and axles, axle-boxes, springs, bearing and buffer and wheel-lugs	3,27,120	6 3 3	4,18,942	8 6	1st July 1870			22,22,250	0 3
F	Oil, lamp, machine and dry salutes	2,07,411	3 2 2	20,696	9 6	Surplus			1,25,367	11 8
G	Brass castings	49,754	3 7 4	50,884	1 0					
H	Iron castings	28,067	3 4 0	81,289	12 7					
I	Brass in tubes and sockets	51,823	1 5 5	93,506	3 11					
J	Copper in tubes, sheets and rods	10,410	4 9 3	2,80,203	15 6					
K	Iron	2,69,961	9 3 3	46,196	13 5					
L	Steel	45,282	2 11	39,739	5 1					
M	Tools	30,161	1 2 7	1,62,041	2 11					
N	Miscellaneous stores	2,51,422	11 7 7							
O	Total	21,95,871	12 9	21,61,951	14 0					
	Surplus, 1st July 1873	21,95,871	12 9	30,919	14 9	Total	21,95,871	12 9	23,47,887	12 4

25th April 1875

(Signed) F CHURCH,
Chief Auditor

23rd April 1875

(Signed) J M THOMPSON,
Stores Auditor

(Signed) R B ELWIN,
Agent and Manager

Proceedings of the Madras Government, Public Works Department, 4th November 1875.

From R G MACDONALD, Esq., Examiner of Railway Accounts, to Lieutenant-Colonel J H M SHAW-STEWART, R E., Consulting Engineer for Railways, dated Madras, 14th May 1875, No 378

I HAVE the honor, in returning the letter with enclosure from the Agent and Manager, Madras Railway, received under your memorandum, No 702, dated 11th instant, to make the following observations —

2 The value of the stores in possession of the Locomotive Department on 1st July 1873 borne upon the books of the head office was Rupees 18,90,049, the value of the actual stock in hand according to the enclosure of the Agent's letter was, on the same date, Rupees 21,95,872, or Rupees 3,05,823 more

3 The concurrence of the Locomotive Superintendent in the figures advanced by the Audit Office has not been signified, and without it these results cannot, I venture to think, be accepted as conclusive

4 I have not yet had an opportunity of examining the statements upon which the figures now referred to are based; and I would suggest that the Company be asked to report upon what principle the "actual stock" has been priced, and whether it includes any surplus or damaged stores, and if so, how they have been priced

5 The comparison made between the actual stock and the store ledgers of the Locomotive Superintendent indicates that the store ledgers of that officer differed from his account current on the 1st July 1873 by Rupees 2,74,003. Thus I can hardly think can have been the case, and explanation seems necessary on the point

6 The results are stated very meagrely, and I think a comprehensive report exhibiting the more important excesses and deficiencies in the principal articles might be called for. The first object of stock-taking is to see that there is a value in hand to represent the book balance standing against stores. If the Locomotive Superintendent accepts the figures of the Audit Department, this condition is in the present case fulfilled. It is also an object to inquire into losses and excesses on individual items, to see that the Company's interests are protected, and to decide whether the persons in whose custody the stores are shall be required to make good deficiencies, or in what manner they shall be written off. Losses and depreciation of items of stores would apparently under G O, No 554, dated 17th February 1870, have to be earned to the Revenue Account

7 No proposal is made for the adjustment of the excess value of stock, or for the adjustment of discrepancies relating to quantities in the ledgers. The rates at which issues have been made in the past have been too high. It is possibly hazardous now to reduce rates upon results dating nearly two years back, but the Company might be invited to say what they propose

8 In conclusion, I would beg leave to observe that I doubt if a satisfactory result is ever likely to be attained by an attempt to state the stock on any one date as in this case. The figures become to a great extent the results of additions and subtractions in offices instead of the record of actual stock-taking. The Madras Railway authorities appear to be in favor of continuous

* Agent's letter, No 94, dated 20th October 1874 stock-taking, and by it one article can be taken and finished out of hand, the books being corrected, and when necessary a reference made to the Agent and the Government for authority to write off losses and deterioration

From R B ELWIN, Esq., Agent and Manager of the Madras Railway Company, to Lieutenant-Colonel J H M SHAW-STEWART, R E., Consulting Engineer for Railways, dated Madras, 30th September 1875, No 1,022

With reference to your letter of the 19th of May last, No 563, and its enclosure, I have the honor to enclose you copies of two letters addressed to the Chief Auditor by the Acting

* No 2,907 of 6th September 1875

† Dated 9th September 1875

Locomotive Superintendent* and the Store Auditor† respectively, upon the subject of the stores of the Locomotive Department of this Railway

*Proceedings of the Madras Government, Public Works Department,
4th November 1875.*

2 A copy of the Chief Auditor's letter, No 513, dated the 2nd of April 1875 was sent to you on the 5th idem with my endorsement No 319

From E C BOODLE, Esq., Acting Locomotive Superintendent, to F CHURCH Esq., Chief Auditor of the Madras Railway, dated Madras, 6th September 1875, No 2,907

In reply to your letter, No 1,257 of the 27th ultimo, I beg to inform you that I am prepared to accept the revised list of stock of spring and flat steel as returned by you in your letter of the 13th ultimo, this stock having been tested departmentally, and having been correctly ascertained, as suggested in my letter to the Agent and Manager, No 270, of the 29th June last

2 With regard to the stock-lists generally of this department submitted by your office, as no arrangements were made for a departmental check at the time the stock of the various stores was being taken, it is obviously impossible for me to furnish any guarantee of the accuracy of the figures advanced, but as I presume that every care has been taken, by those deputed by you for this work, to submit the stock statements with every regard to accuracy, it will, I think, be desirable to accept your returns of stock, and to make the necessary adjustments accordingly in the case of such valuable stores as carriage iron work, duplicate parts of engines, iron, steel, copper and brass

3 With regard to fuel also, I shall be prepared to adjust the stock-ledgers to your lists in the case of the coke, coal and patent fuel. The adjustment of deficiencies and excesses in wood fuel has hitherto been made departmentally at intervals, as such excesses or deficiencies have been found to exist, on the completion of the issues from the large stacks stored at the various depots. No adjustment of the firewood accounts will, therefore, now be requisite

4 In the case of miscellaneous and other stores not already referred to which represent in the aggregate a very large sum, and which are composed of a vast number of small stores of comparatively small value separately, the adjustments of the stock-ledgers to your lists would involve considerable labor. Having regard to the fact that the stores, as represented in your lists, have reference to a date so far back as the 30th June 1873, I much doubt whether the advantage in point of accuracy to be derived by these adjustments would be such as to justify the extra labor which would have to be undertaken, more especially as the adjustments would probably considerably impede the current work. I would also mention that, in a large proportion of the miscellaneous stores it is very possible that the stock as rendered by you, though probably accurate when taken in 1873, may be far from so when considered as affording a correct estimate of the stock as it stands actually at this date. Under these circumstances, I would not recommend an adjustment of the stock-ledgers, excepting in the case of those stores which I have specially indicated, and which from their bulk are not liable to such variation in successive stock-takings as those stores of a less bulky nature

5 I observe that the Examiner of Railway Accounts in his letter, No 378, of the 14th May 1875, to the address of the Consulting Engineer, in reviewing the report furnished by you on the stock of this department as at 1st July 1873, writes "I doubt if a satisfactory result is very likely to be attained by an attempt to state the stock on any one date as in this case. The figures become to a great extent the results of additions and subtractions in offices instead of the record of actual stock-taking." I quite share the doubt expressed by Mr Macdonald as to a satisfactory result being attained by an attempt to state the stock on any one date; and I would take this opportunity of very strongly advocating a system of continuous stock-taking, particularly as regards a stock of stores so large in extent as that of this department

From J M THOMPSON, Esq., Stores Auditor, to F CHURCH, Esq., Chief Auditor of the Madras Railway Company, dated Madras, 9th September 1875.

In reply to your letter, No 806, of 21st May last, giving cover to copy of Consulting Engineer's letter No 565, and Examiner of Railway Accounts No 378 of 19th and 11th idem,

*Proceedings of the Madras Government, Public Works Department,
4th November 1875*

respectively, I beg to state, with reference to paragraph 1 of the Consulting Engineer's letter, that the Acting Locomotive Superintendent in a letter to your address, No 2,907, of 6th instant, has intimated his acceptance of my stock-taking of the following classes —

	Actual Stock, 1st July 1873			Stock-ledger Balance, 1st July 1873		
	RS	A	P	RS	A	P
B Fuel	3,72,247	2	9	3,64,641	13	2
C Duplicate parts of engines	1,85,131	12	7	2,29,193	4	6
D Carriage iron works	1,31,225	14	2	85,331	10	11
H Brass in tubes and sheets	54,632	4	3	81,289	12	7
K Copper in tubes, sheets, and rods	1,06,310	4	9	93,596	3	11
L Iron	2,69,033	9	3	2,80,298	15	6
M Steel, 1st July 1875	37,761	4	4	39,100	1	7
<i>The Stock of—</i>						
A—Timber was adjusted to the stock-taking though not referred to by the Acting Locomotive Superintendent in the above-quoted letter	2,67,001	8	0	2,67,001	8	0
Difference	17,099	10	1	...		
	14,40,503	6	2	14,40,503	6	2

In paragraph 4 of the Acting Locomotive Superintendent's letter his reasons are furnished for not adjusting the stock-ledgers to my returns of the following classes —

	Actual Stock, 1st July 1873			Stock ledger Balance, 1st July 1873		
	RS	A	P	RS	A	P
E Wheels and axles, axle-boxes, springs, bearing and buffer and wheel-tires	3,87,320	6	3	4,13,942	8	6
F Oils, paints, and varnish	22,781	5	2	20,696	9	6
G 1 Brass castings	49,354	8	7	59,384	4	0
G 2 Iron castings	23,907	3	4	30,047	14	0
N Tools	30,161	1	2	39,739	5	6
O Miscellaneous stores	2,51,422	11	7	1,62,041	2	11
Difference	7,64,947	2	1	7,17,351	12	5
				47,595	5	8
	7,64,947	2	1	7,64,947	2	1

2 The rates at which the value of the actual stock was computed were obtained from the balances brought to account in stock-ledgers on 1st July 1873. The surplus stock is included and priced in the same manner as the other stores. Damaged stores are not included in stock

3 The Locomotive Superintendent's stock-ledger balance on 1st July 1873 is according to a return furnished by him, dated 10th March 1875

	RS	A	P
The balance, as taken by myself from the Locomotive Stock-ledgers, is	21,64,851	11	5
Valuation per stock-taking	21,64,951	14	9
Account Current	21,95,871	12	9
General Books	19,12,684	8	9
	18,90,048	10	5

The difference between the two last is reconciled every half-year

*Proceedings of the Madras Government, Public Works Department,
4th November 1875.*

4 & 5 During the progress of stock-taking, inquiry was frequently made regarding discrepancies, the causes were ascertained and the ledgers adjusted accordingly

The best manner in which the total of deficiencies can be dealt with is to place them against the total of excesses which more than covers the former. It is proposed to effect adjustments in accordance with paragraph 9 of Proceedings of Government, dated 16th May 1873, marginally noted. A deficiency in teak-wood was adjusted by the transfer of a surplus in firewood.

I have agreed with the Chief Auditor for the re-valuation of all stores of all departments should be made in the first half of 1875, all surplus stock being applied to meet losses on damaged and useless stores when sold, and any available balance being utilized in the reduction of prices, an increase in price being made where a deficiency is discovered.

With reference to paragraph 8 of the Examiner of Railway Account's letter, I beg leave to refer to Chief Auditor's letter to the address of the Agent and Manager, No 513, dated 2nd April 1875

No 1,027.
MEMORANDUM

THE undersigned has the honor to return the enclosures of Consulting Engineer's memorandum, No 1,370, dated 5th instant, on the subject of the stock-taking of the stores of the Locomotive Department of the Madras Railway, with the following observations which are made in continuation of letter, No 378, dated 14th May 1875

2 The points noticed in this office letter just referred to have had attention from the Railway Officers, and the action taken appears to have been as complete as was possible under the circumstances. The large difference between the Locomotive Superintendent's Account Current and his Ledgers of stores has not been cleared up. This will no doubt be a work of time, and it will probably be accomplished best item by item as future stock-taking progresses.

3 The Locomotive Superintendent's assent to the Audit Office figures representing stock in hand is qualified, and it is thought he proposes to go as far as is desirable in the adjustment of his stock-ledgers to accord with the stock-takers' returns.

4 No comprehensive report of the result of the stock-taking operations has been submitted. The amount of money involved was apparently worthy of this attention. Nothing is said of the quantity of surplus materials in stock.

5 The undersigned is of opinion that it will be well to approve of the proceedings of the Company, and to request that the system of continuous stock-taking now in force at the General Stores at Royapooram be introduced at Perambore without delay. All parties seem to be agreed that this system is the most efficient.

MADRAS,
9th October 1875

(Signed) R G MACDONALD,
Examiner, Railway Accounts

No 87 ORDER THEREON, 4th November 1875, No 3,131.

RAILWAY, No 15

ORDERED that these papers be submitted for the consideration of the Government of India

(Here enter No 3,132, dated 4th November 1875)

(True Extract)

(Signed) G W WALKER, Major-General, R E,
Secretary to Government

To the Consulting Engineer for Railways

Exd E C Shunker
Spare Copies

PUBLIC WORKS DEPARTMENT,
FORT ST GEORGE, 4th November 1875.

No 88

No 3,132

FROM

MAJOR-GENERAL G W. WALKER, R E,
Secretary to the Government of Madras,
Public Works Department,

TO

THE SECRETARY TO THE GOVERNMENT OF INDIA,
Public Works Department

RAILWAY, No 16

From Government of India, No 240—1 A G,
dated 16th April 1873
From Government of India, No 38 A G, dated
27th January 1874
To Government of India, No 1,161, dated 2nd
May 1874
From Government of India, No 273 A G R,
dated 15th July 1874
To Government of India, No 47, dated 8th
January 1875
From Government of India, No 114 A G R,
dated 15th April 1875

SIR,—Adverting to the correspondence quoted in the margin, I am directed to submit, for the consideration of the Government of India, the accompanying papers in connection with the Locomotive Stores of the Madras Railway. Attention was drawn to this subject by Captain Filgate, R E, in his report, dated 4th January 1873, and orders were issued for a re-valuation of stores as they stood on the 1st July of that year. The matter has been under investigation ever since, and

the papers which I am now to submit contain the result. The variation between the book value of stock and the actual value now brought out is considerable, and would probably have been avoided had the system of continuous stock-taking under adequate arrangements been introduced at an earlier date. This system is in operation in the General Stores Department at Royapooram, and is now being adopted as regards the Locomotive Stores at Perambore.

2. It will be seen from paragraph 4 of the Consulting Engineer's letter that measures will be taken for the adjustment of the discrepancies shown to exist between the Locomotive Superintendent's Stock-ledgers and his Account Current.

I have the honor to be,

Sir,

Your most obedient servant,

Major-General, R E,
Secretary to Government

Exd E C Shunker

Spare Copies

1873. 11. 13. 1873.
PUBLIC WORKS.

To

1873. 11. 13. 1873.

No 483

MADRAS RAILWAY

AGENT AND MANAGERS OFFICE

Madras, 10 May 1873

From

R D Chinn Esq.
Agent and Manager, M R Co

To

At Jb H & Co Stewart & Co
Consulting Engineer for Railways.

Sir,

Referring to previous correspondence upon the subject of the stock taking in the Locomotive Department I have the honour to send you herewith a Comparative statement of Stock in the Department as at the 1st of July 1873.

In forwarding the statement the stock which for absence that the surplus in actual stock over the actual stock Ledger Balance on 1st July 1870 was Rs 98,865 and the surplus in the same on 1st July 1873 is 30,717-6-5

The difference arises principally from the fact, which on 1st July 1870 showed a surplus of Rs 58,847-7-6 and on 1st July 1873 of only Rs 7,605-5-5.

I have the honour to be, Sir,

Yours faithfully,
R D Chinn

PRINTED FOR THE GOVERNMENT OF THE MADRAS RAILWAY
BY THE LITHOGRAPHERS OF THE GOVERNMENT OF THE MADRAS RAILWAY

MADRAS RAILWAY

From

The Agent and Manager

To

The Consulting Engineer

For Railway

Dated 10th May 1875

Recd

11. 11. 4883

According to Coupon
= Two Statement of
Stores in the 12000 Rpts
as at the 1st July
1875

93-4 1/2 1/2 75
with 12

11/10/75
1/20

Madras Railway Company

Comprehensive Statement of Stock at Stores in

Locomotive Department as at 1st July 1873

No.	Description	Actual Stock 1st July 1873			Stock Ledger Balance 1st July 1873		
		Rs	S	D	Rs	S	D
1	Timber	2,67,001	8		2,67,001	8	
2	Coal	3,22,217	2	9	3,64,641	13	2
3	Duplicate Parts of Engines	1,85,131	12	7	2,29,193	4	6
4	Barriacs and Wires	1,31,225	14		50,381	10	11
5	Oil, Lubricants, and other Stores for Engines	3,57,320	6	3	1,13,942	8	6
6	Iron and Steel, and other Fittings	22,731	3	2	20,896	9	6
7	Oil, Paints, and other Stores for Locomotives	49,354	8	7	50,884	4	
8	Brass Castings	20,907	3	4	30,007	14	
9	Iron Castings	64,692	1	3	81,289	12	7
10	Brass Fittings and Tools	1,06,310	4	9	93,596	3	11
11	Copper and other Metals and Fittings	2,69,039	9	3	2,80,298	15	6
12	Iron	45,282	2	11	46,196	13	5
13	Steel	30,161	1	3	39,739	5	1
14	Tools	2,51,422	11	7	1,62,041	2	11
15	Miscellaneous Stores						
Total of Stores		21,95,871	12	9	21,64,951	14	
Surplus 1st July 1873					32,919	14	9
		21,95,871	12	9	21,95,871	12	9

Actual Stock	Surplus	Balance	Rs	S	D	
1 st July 1873	Surplus	21,15,871	12	9	19,10,015	10 5
					3,05,871	2 4
1 st July 1870	Surplus	21,15,871	12	9	21,15,871	12 9
1 st July 1870	Surplus	23,47,887	12	4	22,22,280	8
					1,25,607	11 8
		23,47,887	12	4	23,47,887	12 4

Madras 28th April 1875

J. L. Thomson
Thames Auditor

Wm. W. Guinness
Chief Auditor

29th April 1875.

W. B. K. K. K.
Agent and Manager

Madras 28th April 1875

J. H. Thomson
Thames Auditor

Wm. W. Guinness
Chief Auditor

29th April 1875

M. J. K. K. K.
Agent and Manager

No 378

Madras, 14th May 1875.

From

THE EXAMINER RAILWAY ACCOUNTS,

MADRAS,

To

The Consulting Engineer Railways
Madras.

SIR,

I have the honour, in returning
the letter with enclosure from the Agent &
Manager, Madras Railway, received
under your Memo. No. 42 dated 11th
instant to make the following
observations:-

2. The value of the Stores in
possession of the Locomotive Department
on 1st July 1873 borne upon the books
in the head office was Rs. 10,900 out of which the
value of the actual stock in hand according
to the enclosure of the Agents' letter was,

on

on the same date Rs 21.95 8/2 or

Rs 3.05.82 3 more

3. The concurrence of the Locomotive Superintendent in the figures advanced by the Audit Office has not been signified, and without it these results cannot, I venture to think, be accepted as conclusive.

4. I have not yet had an opportunity of examining the statements upon which the figures now referred to are based, and I would suggest that the Company be asked to report upon what principle the "actual stock" has been priced and whether it includes any surplus or damaged stores, and if so, how they have been priced.

5. The comparison made between

the actual stock and the Store ledgers of the Locomotive Superintendent indicates that the store ledgers of that Officer differ from his Account Current in the 1st July 18/3 by Rs 2 1/4 900. This I can hardly think can have been the case, and explanation seems necessary on the point.

6. The results are stated merely, and I think a comprehensive report exhibiting the more important excesses & deficiencies in the principal articles might be called for. The first object of stock-taking is to see that there is value in hand to represent the book balance standing against stores. If the Locomotive Superintendent accepts the figures of the Audit Department this condition is in the present case fulfilled.

H

It is also an object to enquire into losses and increases on individual items, to see that the Company's interests are protected and to decide whether the persons in whose custody the stores are, shall be required to make good deficiencies, or in what manner they shall be written off. Losses and depreciation of claims of stores would apparently under P. O. No. 534 dated 17 February 1870 have to be carried to the Balance Account.

7. No proposal is made for the adjustment of the excess value of stock or for the adjustment of discrepancies relating to quantities in the ledgers. The rates at which sales have been made in the past have been too high. It is possibly hazardous now to reduce rates

upon results dating nearly two years back; but the Company might be invited to say what they propose.

8. In conclusion I would beg leave to observe that I doubt if a satisfactory result is ever likely to be attained by an attempt to state the stock on any one date as in this case. The figures become to a great extent the result of additions and subtractions in offices instead of the record of actual stock taking. The Madras Railway authorities appear to be in favour of continuous stock-taking, and by it one article can be taken and finished out of hand, the books being corrected and when necessary a reference made to the Agent and the Government for

x Agents letter
No 940 dated
20th October 1874.

No. 1022

MADRAS RAILWAY

AGENT AND MANAGERS OFFICE

Madras, 30 September 1875

From

Robert B. Irvine Esqr
Agent and Manager M. A. Company

To

Lieut. Colonel J. H. A. Shaw, Stewart & Co.
Consulting Engineer for Railways

Sir,

With reference to your letter of the 19th of May last, 1875 and its enclosure I have the honour to enclose you copies of two letters addressed to the Chief Auditor by the Acting Locomotive Superintendent and the Store Auditor respectively, upon the subject of the Stores of the Locomotive Department of this Railway.

2 A copy of the Chief Auditor's letter of 18513 dated the 2nd of April 1875 was sent to you in the volume with my endorsement of 18349.

I have the honour to be,
Your most obedient servant,
Robert B. Irvine
Agent and Manager

authority to write off losses and deterioration.

Shane Macdonald

per Kent Blument

H. G. Macdonald
General Post Office
Madras

* 102907 of 6.
September 1875

* dated 9
September 1875

From

The Examiner

Railway Accounts,

Madras,

To
Consulting Engineer

for Railways

Madras

Dated 14th of
September

M. No. 578

Influencing an

opinion in the result

of the stock-taking

of the Locomotive

Department

18803/1
3/95

Madras Railway
Locomotive Superintendent's Office
6 September 1875

Dear Sir

Dear Sir

In reply to your letter N^o 1267 of the 29th ultimo I beg to inform you that I am prepared to accept the revised list of stock of Spring and Flat Steel as returned by you in your letter of the 13th ultimo; this stock having been tested departmentally and having been corrected ascertained as suggested in my letter to the Agent and Manager N^o 270 of the 29th June last.

Yours faithfully,
J. H. M. J. H. M.

With regard to the stock lists generally of this Department submitted by your Office, as no arrangements were made for a departmental check at the time the stock of the various stores was being taken it is obviously impossible for me to furnish any guarantee of the accuracy of the figures advanced, but as I presume that every care has been taken by those detailed by you for this work, to submit the stock statements with every regard to accuracy it will, I think, be desirable to accept your returns of stock and to make the necessary adjustments accordingly, in the case of such valuable stores as Carriage work, Duplicate parts of Engines, Iron, Steel, Copper and Brass.

With regard to Led also I shall be prepared to adjust the Stock Ledgers to

Yours

With regard to Fuel also I shall be prepared to adjust the Stock Ledgers

MADEIRA MILLS

Fin

III. Actual Interest

For

The Concluding Language

11. 11. 1935

Nulla
Recit.

30 September 1875

The working copies of
letters addressed to the
Chief Justice by the
Chief Justice and the
Chief Justice, upon the subject
of the House of the House
of the House of the House

11/5009

your lists in the case of the coke coal and Patent Fuel. The adjustment of deficiencies and excesses in wood fuel has hitherto been made departmentally at intervals, as such excesses or deficiencies have been found to exist, on the completion of the issues from the large stacks stored at the various Depôts. An adjustment of the firewood Accounts will therefore now be requisite.

In the case of miscellaneous and other stores not already referred to which represent in the aggregate a very large sum, and which are composed of a vast number of small stores of comparatively small value separately, the adjustments of the stock Ledgers to your lists would involve considerable labour. Having regard to the fact that the stores, as represented in your lists have reference to a date so far back as the 30 June 1873 I much doubt whether the advantage in point of accuracy to be derived by these adjustments would be such as to justify the extra labour which would have to be undertaken, more especially as the adjustments would probably considerably impede the current work. I would also mention that, in a large proportion of the miscellaneous stores it is very possible that the stock as rendered by you, though probably accurate when taken in 1873, may be far from so when considered as affording a correct estimate of the stock as it stands actually at this date. Under these circumstances I would

not

not recommend an adjustment of the stock Ledgers respecting in the case of those stores which I have specially indicated, and which from their bulk are not liable to such variation in successive stock takings as those stores of a less bulky nature. I observe that the Hammer of Railway Accounts in his letter 1978 of the 10th inst. to the address of the Comptroller General, in reviewing the report furnished by you on the stock of this Department is at 11 July 1873 writes "I doubt if a satisfactory result is very likely to be obtained by an attempt to state the stock on any one date as in this case, the figures become to a great extent the results of additions and subtractions in their method of the record of actual stock taking" and share the doubt expressed by Mr. McDonald as being satisfactory, "being obtained by an attempt to state the stock on any one date, and I would also be glad to see if very strongly recommended a system of continuous stock taking particularly as regards a stock of stores so large in extent as that of this Department."

Yours faithfully
Wm. Loe. Telford

Wm. Loe. Telford
Agent and Manager

24

Mr. Chief of Audited
Dear Sir,

In reply to your letter of 21 May
last giving cover to copy of Consulting Engineer's letter
of 12th and summary of Railway Accounts of 17th
and in return respectfully (1) to state, with
reference to para 1 of the Consulting Engineer's letter,
that the Acting Assistant Superintendent in a
letter to your address of 29th of 6 instant has
intimated his acceptance of stock-taking of
the following items

Actual Stock		Stock Ledger Balance	
14 July 1872		14 July 1872	
372247	29	364641	13.29
185731	12.7	229193	4.6
131225	14.2	85381	10.11
52472	4.3	31289	12.7
106510	4.9	93596	3.11
260033	9.3	280298	16.6
3761	4.4	39100	1.7

- 1. Fuel
- 2. Repaired Parts of Engines
- 3. Carriage stock
- 4. Carriage Locomotives and Trucks
- 5. Different other stock and Road
- 6. Iron
- 7. Stock

14th July 1872
 The Stock
 As times was adjudged to the stock
 taking though not referred to
 by the Acting Assistant Super
 tender in the above mentioned letter of 29th of 6 instant

142343	12.1	1440503	6.25
--------	------	---------	------

6/5
Barbas y veritas

	Actual Stock	Stock Ledger Balance		
	1 st July 1873	1 st July 1873		
Brought over	1423,403	12.1	14,405,03	6.2
Difference	17099	10.1		
	1440503	1.2	1440503	6.2

In para 4 of the Ag. Locomotive Superintendent's letter his reasons are furnished for not adjusting the stock ledgers to my returns of the following classes

E Wheels and axles axle boxes Springs Bearings and Buffer and Wheel Lugs	387320	6.3	413942	8.6
L. Oil Pumps and Varnish	22781	3.2	20696	9.6
G1. Brass Castings	49364	8.7	50884	4.4
G2 Iron Castings	23907	3.4	20047	14.4
N. Tools	30161	1.2	39739	5.6
O Miscellaneous Stores	251422	11.7	162041	2.11
	764947	2.1	717351	12.5
Difference			47595	5.8
	764947	2.1	764947	2.1

(2) The rates at which the value of the actual stock was computed were obtained from the balances brought to account in Stock Ledgers on 1st July 1873. The surplus stock is included and priced in the same manner as the other stores Damaged stores are not included in stock.

(3) The Locomotive Superintendent's stock Ledger Balance on 1st July 1873 is according to a return furnished by

by him dated 10th March 1875
 The balance as taken by myself
 from the Loss Stock Ledgers, is ——— 2164957-14-9
 Valuation per stock taking ——— 2195871-12-9

Account current ——— 1912684-8-9
 General Books ——— 1890048-10-53
 The difference between the two last is reconciled every half year

4 and 5) During the progress of stock taking enquiry was frequently made regarding discrepancies, the causes were ascertained and the ledgers adjusted accordingly

The best manner in which the total of deficiencies can be dealt with is to place them against the total of excesses which more than covers the former. It is proposed to effect adjustments in accordance with para 9 of Proceedings of Government dated 16th May 1873 Marginally noted. A deficiency in Teak wood was adjusted by the transfer of a surplus in Fire-wood.

I have agreed with the Chief Auditor that a revaluation of all stores of all departments should be made in the first half of 1873, all surplus stock being applied to meet losses on damaged and useless stores when sold and any available balance being utilized in the reduction of prices, an increase in price being made where a deficiency is discovered

With reference to para 8 of the Examiner of Railways

Railway Accounts' letter I beg leave to refer to Chief
Auditors' letter to the address of the Agent and
Manager No. 513 dated 2^d April 1875

Yours faithfully
J. M. M. Thomson

True copy!

W. H. Lister
Agent and Manager

CB 4th November 75
in 13th 56

1885/19

Govt. of Madras.

R. W. Department.

Railway Branch
Examiners' Office.

No. 1027. Memorandum

The undersigned has the
honour to return the enclosures of Honorary
Engineers' Memo. No. 1370 dated 5th instant,
on the subject of the stock-taking of the stores
of the Locomotive Department of the Madras
Railway, with the following observations
which are made in continuation of letter
No. 378 dated 14th May 1875.

2. The points noticed in this office
letter just referred to have had attention
from the Railway officer, and the action
taken appears to have been as complete as
was possible under the circumstances.

The

The large difference between the locomotive
Superintendents' account Current and
his ledgers of stores has not been cleared
up. This will in doubt be a work of time,
and it will probably be accomplished best
item by item as future stock-taking progresses.

3. The locomotive Superintendents'
account to the Audit Office figures representing
stock in hand is qualified; and it is thought
he proposes to go as far as is desirable in the
adjustment of his stock ledgers to accord
with the stock-takers' returns.

4. A comprehensive report of the
result of the stock-taking operations has
been submitted. The amount of money
involved was apparently worthy of this
attention. Nothing is said of the quantity of
surplus materials in stock.

The

5th The undersigned is of opinion that it will
be well to approve of the proceedings of
the Company and to request that the system
of continuous stock-taking now in force
at the General Stores at Rangoon
be introduced at Prome without
delay. All parties seem to be agreed that
this system is the most efficient.

Maorad } R. G. Macdonald,
J. H. R. } Examines Railway Accts.
6th } Maorad.

Lt. The Honourable Engineer
for Railways
Maorad.

Railway Department. Cons. Engineers Office
Madras 22nd October 1875,

No 573

From

Lieut Coll J. H. M. Shaw Stewart R.E.
Cons. Eng. for Railways.

To

Major Genl. G. W. Walker R.E.
Secretary to Government
P. W. Department
Fort Saint George.

Sir,

Referring to the Pro-
ceedings of Government under date
29th April 1875, No 1177,

From Agent, Madras Railway,
No 483, dated 10th May 1875,
with one enclosure

From Examiners of Railway
Accounts, No 378, dated 14th
May 1875

From Agent Madras Railway,
No 1022, dated 30th September
1875, with two enclosures.

From Examiners of Railway
Accounts, No 1027, dated
9th October 1875

I have the honour to
forward for the con-
sideration of the
Government of India
the enclosed papers
showing the results
of the investigation
into the stores of the
Locomotive Department of the
Madras Railway, as they
stood.

Locomotive Department of the
Madras Railway, as they
stood.

From
The Examiners

to
The Hon. Secy to Govt
of the Madras Railway,
Fort St. George,
Madras

Despatched by
Road 11.11.1875
Per 11.11.1875

Remarks:
The result of the
taking of the stores
by Government
agents.

Per 11.11.1875

stood on the 30th June 1873.

2. It will be observed that the actual stock as taken by the Auditor was valued at Rs 21,95,872 as against Rs 21,64,952 shown in the Stock Ledgers, and Rs 18,90,049 in the General Books. The Acting Locomotive Superintendent accepts the figures of the Audit Department for several of the classes of stores aggregating in value Rs 14,23,401, but for the remainder which are chiefly made up of small stores he does not recommend that any adjustment be made in the books. This would involve a good deal of labour, and although the figures may have been correct when stock was taken (for some items as far back as 1873), it is probable

that they do not correctly represent the position of matters at the present time. It will be seen that the Examiner is of opinion that the Locomotive Superintendent has acted as far in the matter as is desirable.

3. Arrangements have been made for continuous stock-taking at Perambore in future and I have requested that a commencement with those classes which have not yet been adjusted.

4. The large difference between the Locomotive Superintendent's Account Current and his Stock-ledgers has not yet been cleared up, but attention will be given to this as future stock-taking, item by item, progresses. I have the honour to be, Sir,
Your Most Obedt Servant,

C. Smith Major R.E.
for Comd Engrs Railways

Proceedings of the Madras Government
Under date the 4 Novr 1875
Read the following

From
The Comr of Engrs for
Railways } (M.C. No 543 of 22nd Octr 1875)

Ordered that these
papers be submitted for
the consideration of the
Govt of India.

M.C. No 3132 of 12 Novr 75

No 3132.

The Secy to the Govt of India
Public Works Dept.

Adverting to the
correspondence quoted

18-11-75
Comr of Engrs for Rlys

- 1819-1805/69. 12396-397
- " 2125-1807. " 1336-635
- " 17-1807/10. 346-347
- " 16-1807/13. 257-252
- " 10-1807/14. 391-392
- " 2-1807/14. 426-44
- " 19-1807/15. 421-422
- " 8-1807/15. 406-412
- " 1807/15. 648-648
- " 29. " 661-662.

P. W. 1875
M. C. 6809
M. C. 6809
To the Secy to the Govt of India
Public Works Dept.

Recd 249 Cate 155
M. C. 6809
E. J. 1875
Public Works Dept.

From the Secy to the Govt of India
Public Works Dept.
Recd 249 Cate 155
M. C. 6809
E. J. 1875
Public Works Dept.

En 2-11-75

in the margin, I am directed to submit for the consideration of the Gov^t. of India the accompanying papers in connection with the Locomotive Stores of the Madras Railway.

Attention was drawn to
the subject by Captain
Gilgate R.E. in his report
dated 4th January, 1873,
and orders were issued
for a revaluation of
stores as they stood on
the 1st July of that year.

The matter has been under investigation ever since, and the papers which I am now to submit contain the result. The variation

variation between the book value of stock and the actual value now brought out is considerable, and would probably have been avoided had the system of continuous stock taking under adequate arrangements been introduced at an earlier date. This system is in operation in the General Stores Dept. at Raza pooram and is now being adopted as regards the Locomotive Stores at Pambore.

It will be seen from
para 4 of the Consulting
Engineer's letter that
measures will be taken
for

for the adjustment of
the discrepancies shown to
exist between the Locomotive
Superintendent's Stock
Ledgers and his Account
Current.

L.W.

Drops with 80 50
of No 3131 -
18-11-75-

6809
Govt. of 1875 India.

PUBLIC WORKS.

To
Messrs. E. & J. Fry
Public
Govt. of India

Received
R. 1
5.8/1
G. O. 4th Nov. 1875, No. 3132

Submitting for consideration certain improvements in connection with the locomotive stores of the Madras Railway -

Locomotive stores of the Madras Railway - Report prepared by the Com. Engineer in the results of investigation into the same, & should be forwarded for the consideration of the Govt. of India.