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MADRAS RECORD OFFICE

Government of Madras

Public Works DEPARTMENT

G.O. No.	1239	(9)	Press
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Dated	17-5-	1876	

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
17th May 1876.*

Read the following papers:—

No. 305. From Captain L. CONWAY-GORDON, R.E., Controller of Public Works Accounts, to Major-General G. W. WALKER, R.E., Secretary to Government, Public Works Department, dated Fort St. George, 7th January 1876, No. 185 W.

I HAVE the honor to acknowledge the Proceedings of Government, No. 3,343, dated 22nd November 1875, wherein the Honorable the Governor in Council has expressed his dissatisfaction at the fact that the acquisition of land for the Chembrumbaukum Tank Project should have been going on without reference to the amount of the sanction for that item of the estimate, and without any representation from the Controller that this sanction has been largely exceeded.

2. In reply, I may venture to express my regret that Government should have animadverted upon the working of the Accounts Branch of the Public Works Department without previously giving the Controller any opportunity of offering an explanation, and the more so, because in this case a clear and simple explanation could immediately have been given.

3. The cost of land being only one item of the estimate, the Honorable the Governor in Council has in this instance expressed much dissatisfaction at the Controller having failed in a particular case to report to Government the results obtained by an audit against the *items* of an estimate, or, as it is technically called, an audit against rates; and, as the Honorable the Governor in Council could not possibly have expressed this dissatisfaction unless from the information laid before him, he felt assured, 1st, that it was the duty of the Controller not only to carry out an audit against rates, but also to report to Government the results obtained therefrom, and, 2ndly, that the Controller had been placed in a position to carry out this duty, it is clear to me, without having seen the papers that were laid before Government, that there has been some unfortunate misapprehension of the facts of the case.

4. I may be permitted to explain, 1st, that under the existing orders of the Madras Government, it is not the duty of the Controller to conduct an audit against rates, and that even in the provinces directly under the control of the Government of India where such an audit is conducted, advices of excesses are addressed not to the Government but to the Superintending Engineer; and, 2ndly, that in the particular instance of the Chembrumbaukum Tank Project, the Controller has not been furnished by Government with a copy of the estimate, in the absence of which such an audit is impossible; and further, that the fact of the Controller not having been furnished with a copy of the estimate, was expressly brought to the notice of Government about three months ago.

5. To take up these several points seriatim. An audit against rates would appear never to have been carried out in this Presidency. In July 1873 when my predecessor asked Government to supply him with copies of estimates with a view

to checking rates, the Government when granting him copies of certain estimates distinctly informed him that "*the subject of the check of rates by the Controller is not one which the Government desire to discuss.*"

6. On a subsequent occasion when my predecessor again pointed out that "for a proper comparison between items of work sanctioned and those executed, it is necessary that the progress report should show details of work executed up to date, and not details of the work of the month," the Government replied, "the Acting Controller of Public Works Accounts has apparently misconceived the object of the order placing certain abstract estimates at his disposal, although such object was clearly defined as one means of obviating the execution of work not provided for in such estimates."

G.O., No. 1,988, of 11th August 1873.

7. Shortly after my arrival here last April, I again called the attention of Government to this very point, and I will here take the liberty of quoting two paragraphs from the report I then submitted on the general state of the Accounts Branch of the Department.

Paragraph 18.—"The Controller's Office apparently confines itself to a weak *ex post facto* advice of estimates exceeded, of a proper concurrent audit against rates, of advices sent in cases when it is evident from the actual rates of the work executed that the estimate must be exceeded. I can find not a trace; nor is this to be wondered at, as the Controller receives no return showing progress to date."

Paragraph 21.—"The progress month after month, judged by the expenditure, may be seemingly fair and perfectly satisfactory; no questions are even thought of being asked until the estimate is exceeded; then, and only then, does Government discover that the work is perhaps only half done, or that the Range Officer has been debiting to this estimate the cost of some other unsanctioned work."

The above words, read in the light of the case now brought to notice, appear almost prophetic; but in the order of Government on this report, this particular point received no specific notice.

G.O., No. 1,769, of 24th June 1875.

8. In the system of audit about to be introduced, a definite decision on this point, as well as many others, has been postponed until such time as the Madras Public Works Code may be submitted to Government in a complete form by the Committee now appointed to compile it. The Government Order No. 1,988 above quoted has not been cancelled, and thus according to existing orders it would appear that Government not only did not desire, but actually objected to, the audit the results of which they have now felt the want.

9. As to the channel of advice in cases of excesses, I must refer Government to Public Works Code, Chapter XX, ii, 28, 29.

10. And, lastly, I may point out that, in August last, I reported to Government that for works estimated to cost in the aggregate nearly £1,750,000, I had not been furnished with copies of the estimates, and that consequently I was not in a position to carry out the audit of expenditure as prescribed by the Government of India. Amongst the estimates enumerated in the detailed lists accompanying my letter will be found that of the Chembrumbaukum Tank Project. A copy of this estimate has not since been supplied to me. The total of the estimate, which I do know, has not been exceeded; but I do not know, nor has Government given me an opportunity of knowing, what is the amount which has been sanctioned for the item for land in the estimate

for the Chembrumbaukum Tank Project, and this being the case it was clearly out of my power to inform Government when this amount had been exceeded.

11. It must, I respectfully submit, be allowed, that the advisability of carrying out in this Presidency a comparison between the amount sanctioned and the amount expended on each item of large estimates, in other words of carrying out an audit against rates and of altering the system of accounts to enable this to be done, has been sufficiently urged upon Government by the late Controller and by myself; but Government, in deciding upon the matter, has set aside the opinions of its financial advisers.

12. My object, however, in making these remarks is not to prove that the officers of the Control Department were right in this particular instance. When a whole system is based upon erroneous principles, particular instances of failure in working are comparatively unimportant. I have no wish to deny that, in the present state of the accounts of the Public Works Department, there is ample cause for the dissatisfaction of Government. It would probably be impossible for any one to rise from a perusal of the many reports regarding the Public Works Accounts of this Presidency which have within the last year or two been submitted to Government, without a strong feeling that Government has reason to be dissatisfied with the state of things therein described.

13. But there is, I believe, on the part of Government not the slightest wish to go back into the past years for the purpose of inquiring into the policy that has produced this result. It is, I believe, considered sufficient that Government has now before it proposals for placing the department upon a satisfactory basis, and that the necessary improvements will be introduced as soon as Government shall have decided upon the form they are to take.

14. My object, then, in making these remarks, is to point out that the present state of the department is such that the officers of the Control Department, on whom may fall the duty of carrying out the desired reforms, will require at the hands of Government not only support but very great forbearance.

15. For some time at least, these officers will have to shut their eyes to some part of the evil in order to deal more effectually with the rest, and further, as matters improve, and as more insight is gained into the working of the Account Department along with a growing sense of its usefulness and capabilities, there must inevitably arise a growing sense of still remaining deficiencies.

16. At the present moment, it would, I believe, be deeply to be deplored, were any opportunity to be even inadvertently given from which there could arise in the minds of the officers under my orders a feeling that Government was in any way indifferent to the reputations of its public servants. Conceive that the true intentions of Government should be so thoroughly misunderstood, that its officers should believe that they were considered so unworthy of confidence, that the Government, before formally recording its censure, would not pause for the purpose of discriminating between the yet unrectified evils of a system already condemned, and the careless or slovenly, and therefore reprehensible, working of an improved system. I cannot conceive any anticipation more painful, more bitter, or more likely to eat into the hearts of every officer engaged with me in this service.

17. I have been induced thus to dwell upon this subject at length with the object of removing from the mind of the Honorable the Governor in Council an

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unfavorable impression, which I can assure you has caused me the very greatest uneasiness. It is certain that censures never fail to damp the zeal and cool the attachment of the public servants of Government, and large as is the fund of zeal and enthusiasm on which, in the case of the officers of the Account Department, the Government can draw, I would not willingly have one iota of this fund expended, save in the fulfilment of a task which must, under any circumstances, tax to the utmost the energy and the zeal of these officers.

No. 503-A. Endorsement of the Deputy Chief Engineer for Irrigation, dated Fort St. George, 10th April 1876, No. 36 W.

From Captain L. CONWAY-GORDON, R.E., Examiner of Public Works Accounts, to Lieutenant-Colonel J. MULLINS, R.E., Chief Engineer for Irrigation, dated Fort St. George, 6th March 1876, No. 36 E.I.

I HAVE the honor to acknowledge the receipt of your letter, No. 111, dated 26th January 1876, and before proceeding further I wish to state that I was wrong in saying that G.O., No. 1,377, dated 17th May 1873, was not communicated to this office. I now find that it was communicated two months after date as an enclosure to G.O., No. 1,831, dated 17th July 1873.

2. At the time I wrote, there was not any system in this office which would have enabled the Record-keeper to trace a Government order communicated as an enclosure, and no complete register of estimates has ever been maintained. On receipt of G.O., No. 3,343, dated 23rd November 1875, I obtained a copy of G.O., No. 1,377, dated 17th May 1873, from the Government Office, and this apparently confirmed the statements of the Record-keeper, that it had not been communicated. There are not on the Proceedings of the Madras Government, as there are on the Proceedings of nearly every other Government, printed references to all the previous correspondence on the same subject. Neither the Superintendent in charge of the Irrigation Branch nor the Deputy Controller for Irrigation was able to refer me to a copy of the estimate. I accordingly came to the conclusion that G.O., No. 1,377, of the 17th May 1873, had not been communicated to this office.

3. In stating that a copy of this estimate had not been supplied to me, I made an error which I much regret; but into this error I may say I was partly led by the action taken by you on my letter, No. 71 W, of the 18th August last. I then informed you that this particular estimate, amongst a number of others, could not be found in this office, and I asked you to supply me with a copy. I concluded from your reply, and I think even now with some reason, that had you been able to tell me at once as you now have done where I could have found this estimate, you would have done so at that time, and to this trifling extent you would thus have assisted me.

4. As I have said before, I frankly admit the error; but I admit it as an inaccuracy immaterial to the main arguments I have advanced in my former letter. By turning to paragraph 3 of that letter, you will observe that the charge of neglect

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on the part of this office for having failed to report to Government the results of an audit against rates was answered by three pleas:—

1st,—that it was not the duty of the Controller to carry out an audit against rates;

2nd,—that, even were this the duty of the Controller, the prescribed course under the orders of the Government of India would be for the Controller to advise all objectionable items to the District Engineer, and not to the Government;

3rd,—that the Controller in Madras has never yet been placed in a position to carry out an audit against rates.

5. The facts brought forward in your letter do not affect the first two issues at all. They do affect the last issue, though not materially, as I shall hereinafter show. So far from this third issue being important, it appeared to me so unimportant that to a certain extent I was careless as to the way it was brought forward. Obviously it could not be argued, till the first two issues had been decided and decided in your favor, and it did not appear to me that either of the first two issues could even be questioned. Paragraph 3 however of your letter appears to me to disclose such a misapprehension on your part as to our relative duties in respect to the check exercised over Public Works expenditure, that it is advisable for me to prove at length what I simply assumed in paragraph 5 of my former letter as a fact so well known as to be beyond all question.

6. The material issue in this case is,—whose duty is it in this Presidency to carry out an audit against rates? And lest there should be any misunderstanding as to the meaning of this technical expression, it is desirable to define it. Taking the simplest estimate, such as the following:—

Estimate for constructing a Taluk Cutcherry at ———.				RS.
Land, 10 acres at 10-0-0 per acre	...	...	...	100
Earthwork, 13,500 cubic feet at 0-5-0 per cent.	...	...	...	42
Brick masonry, 17,600 cubic feet at 16-0-0 per cent.	...	...	...	2,816
(and so on)				

Total ... 22,650

An audit of the expenditure against the estimate may be conducted in two ways—

1st.—By comparing the total expenditure on the work with the total amount sanctioned, and bringing forward as objectionable expenditure only when in excess of the total of the estimate. In other words, in respect to the above estimate, to book the expenditure in one line against the work, and to consider all expenditure on the work as covered by the estimate to the limit of Rupees 22,650.

2ndly.—By comparing the expenditure on each item, such as "land" with the amount of the sanctioned estimate under that item, and by bringing to notice any expenditure on any item which may be in excess of the sanction for that item. For instance, in the above estimate, if the compensation paid for "land" exceeded Rupees 100, this would be noticed, irrespective of whether the total of the estimate were exceeded or not.

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7. The first of these audits is called an audit against totals; the second (which is merely the first carried one step further in the case of large works) is called indifferently an audit against sub-heads; an audit against items; or more usually an audit against rates, because in conducting such an audit it is usual to look more to the ultimate result obtained, i.e., the rate than to the data by which the result is obtained, i.e., the expenditure on the item as compared with the amount of work executed. It is, however, obvious that the person to whom is entrusted the duty of checking the actual rates of executed work must know both the expenditure and the amount of work executed on each item of the estimate.

8. The question whose duty it is in this Presidency to carry out these two audits may be answered as follows, without, I think, a possibility of contradiction. It is the duty of the Controller to conduct the audit against totals; and it is the duty of the Chief Engineer to carry out the check against sub-heads, against rates, and even against the component parts of large estimates.

9. In support of this assertion I may mention the fact that the Controller at Madras never has carried out any other audit than an audit against totals, and this practice could not have continued for years in the way it has done without the knowledge and approval of Government.

10. The question of the advisability of Controller's audit being something more than a mere comparison of expenditure with totals, appears to have been first raised by the Government of India in their Government Order, No. 2,424, of 22nd September 1871. Circular, No. 36, dated 12th July 1871.

The Madras Government then formally decided that the Controller was to have nothing to do with rates.

11. On the question again being re-opened by the Government of India, who remarked "that it was one of the special objects of the Controller's Office to assist the Superintending Engineers by preparing such information as may be useful to guide them in the scrutiny of rates and estimates," the question was transferred to the Controller for report. This officer reported that the rules in the Public Works Code of the Government of India were not in practical operation in Madras, and that the examination of rates in the Controller's Office was not practicable. The question was then referred to the Superintending Engineers, and finally it was again formally decided by the Madras Government "that the duty of checking and reporting on estimates and rates should devolve on Superintending Engineers."

12. The question was next raised during the time that Captain Trail (who had had experience of the system as worked in other provinces) held charge of this office. He held charge, however, for three months only, and, on his departure, the Chief Engineer for Irrigation asked the Controller for an expression of opinion on the points raised by Captain Trail, remarking at the same time that he considered that "rates can be checked more easily and more effectually by the District Officers than by the Controller."

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13. I give the words of the Controller's reply—

Paragraph 2.—"The Controller of Public Works Accounts in this Presidency has never been required to exercise a check over rates, or to compare expenditure with the provision under the sub-heads of sanctioned estimates."

Paragraph 3.—"The Madras Government have always held that the required check in respect to details of outlay should be exercised by Range Officers and Superintending Engineers, and the Controller is therefore never in a position to furnish such particulars when called for without a previous reference to the local officers. As this Government are opposed to the suggestion that the Controller should check the rates at which work is being done, and consider that that officer's duty should be confined to seeing that estimates* and allotments in the aggregate are not exceeded,

* The italics are not mine.

the progress report in the form in which it has heretofore been rendered answers all purposes; but this office has, of course, no information from which to compile the schedules of rates."

14. In reply to this letter, the Chief Engineer for Irrigation expressed his opinion that any attempt at control "in regard to rates by the Controller must be utterly futile, and that the local head of the department, i.e., the Superintending Engineer, is the proper person to control all rates."

15. In November 1872, the subject again appears to have cropped out in connection with Local Fund Works, for I find the Controller writing to the Secretary to Government, Public Works Department, as follows:—

"These papers will show that this office has not heretofore exercised any check over rates, and that it is not considered desirable that it should hereafter interfere in that direction."

This letter was transferred to the Financial Department with the following remark:—

"Comparison of rates at which work is actually executed with those estimated will hereafter be more effectually carried out by District Engineers than has apparently been done by Superintending Engineers," and the whole communicated to the Board of Revenue with the endorsement. "The check on rates which the District Engineers may be expected to exercise is likely to be far more effective than what the Controller could impose."

G.O., No. 128, of 16th December 1872.

16. The subject was again raised by the Government of India in their letter, No. 635 AG, dated 5th November 1873, and the Madras Government in reply again declined to modify the system of account, so as to permit the Controller to exercise any check over rates.

17. These extracts, with those I have given in paragraphs 5 to 8 of my former letter and I could multiply them almost indefinitely, will be sufficient to show that the duty of exercising a check over rates and of comparing actual expenditure with estimated amounts under sub-heads of estimates, does not rest with the Controller. I will now quote a few extracts to show where this duty does rest.

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18. In December 1871, the Chief Engineer for Irrigation and the Controller were called upon by Government to select a form "which would keep Superintending Engineers and Chief Engineers aware of the expenditure, as compared with the estimates which was being incurred on large projects." The form was selected; the Executive Engineers were to state in the form whether the quantity of work under any particular sub-head was likely to be exceeded; and it was arranged that one copy of this form was to be sent to the Superintending or Chief Engineer. To define responsibility beyond all question, it was then formally stated that the Controller was to be "only held responsible for bringing to the notice of Government excesses on the works as a whole and not excesses in detail or under the sub-heads of the estimates as appears to be required under (sic) the Supreme Government under Circular No. 34, dated 12th July 1871."

G.O., No. 177, dated 22nd January 1872.

19. The system by which the Chief Engineer was to conduct the check against details of estimates and sub-heads of works was thus clearly laid down, and, in the absence of subsequent orders to the contrary, I presume this system is still in operation. In a note written by the Chief Engineer for Irrigation so late as September 1874, I observe that he remarks, "as a good many differences between sanctioned amounts and actual cost of works must arise during the execution of such a large project, the District Engineer has already been requested at the close of each working season to prepare a statement of savings and excesses, and this will in due course be laid before Government."

20. These statements of excesses and savings are still, I understand, submitted to the Chief Engineer by District Engineers, and it is consequently clear that the check over the expenditure on the details of estimates is a duty which, in this Presidency, both practically and constitutionally, is considered to rest with the Chief Engineer.

21. To sum up as to the first issue. From first to last it is, I submit, clear that the check against details of estimates either large or small, against sub-heads or against rates has, in this Presidency, never been committed to the Controller, and that on the contrary whenever this subject has been raised by the Government of India, or by the officers who from time to time have held the office of the Controller, the Madras Government have formally and invariably decided that the check exercised in these respects by the Controllers elsewhere throughout India should in Madras remain with the Chief Engineer.

The first order passed by the Madras Government which recognized any responsibility on the part of the Controller with respect to rates was Government Order, No. 87, dated 15th January 1876, issuing Standing Order No. 1 of 1876.

22. In reply to your question as to the circumstances under which an expenditure of Rupees 26,458 for land compensation was audited by this office, I have simply to state that the question slightly altered is one, which under the system in force in Madras, might perhaps be more properly addressed by the Controller to the Chief Engineer. How has this expenditure been treated in the Chief Engineer's statements of savings and excesses which are brought before Government?

23. In this office, this expenditure has, in accordance with the express orders of the Madras Government, been audited against the total of the estimate. This

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total, to say nothing of the margin within which this office has the power to pass expenditure in excess of the total, has not been exceeded, and consequently so far as the duty of this office is concerned there is, at present, nothing objectionable to bring forward. The differences between sanctioned amounts and actual cost of works under the details of estimates which, as you remark, must arise during the execution of such a large project, are left to be brought before Government in your statements of savings and excesses.

The expenditure on this particular sub-head of the estimate was known by the District Engineer to have been exceeded as early as March 1875, and the fact should therefore, in accordance with Government Order, No. 177, of 22nd January 1872, have been brought to notice in the return B.B.I. submitted to you on the 30th June 1875.

24. The second issue can be easily decided by a reference to the Public Works Code. I cannot refer you to a single case in which the Controller at Madras has brought to the notice of Government an excess over the sub-head of an estimate.

25. The third issue, whether the Controller has been placed in a position to carry out a detailed audit, although, as before stated, comparatively immaterial to the present case, is all-important as regards the future. Standing Order No. 1 of 1876 has now placed the responsibility of conducting a detailed audit on the Controller.

26. For the proper conduct of a detailed audit, it is absolutely necessary to supply the Controller with advices of the sanctioned estimates, in which the details are definitely shown and the proposed expenditure properly classified. It may, of course, be a matter of opinion as to what constitutes such an advice, but I may as well take this opportunity of stating clearly that I do not consider such documents as Government Order, No. 1,844, of 20th June 1867, and Government Order, No. 768, of 14th March 1871, with the accompanying papers, to be advices of sanctioned estimates against which a detailed audit could be conducted.

27. I am indeed furnished with abundance of undigested matter, pages and pages of reports, specifications and detailed estimates by Executive Engineers, reports thereon and modifications thereof by District Engineers, notes and further modifications by the Chief Engineer; orders and perhaps still further modifications by Government, the whole extending to perhaps 100 pages of printed matter. But I look in vain for any distinct statement of what is the net result of all these notes and modifications; I find no clear summary of the works, the construction of which the Government have actually sanctioned.

28. From this mass of materials, it is sometimes, though not always, possible with infinite labor to extract details which will work up to the total of the estimate sanctioned. But even then it is not certain that these details are the details sanctioned. Sometimes reductions are made to one part of the estimate and additions to another, the two being roughly left to balance one another; and the total sanction is the same as the total of the estimate, although the details are different. Sometimes reductions are vaguely made without specifying the amount of the reduction made from each work. At others, additions are made, nobody concerned appearing to know exactly what the cost of the additions will be. In some cases, lump sum sanctions are given, without any subsequent advice of the exact works passed against the lump sums.

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In no case of a large project has this office been furnished with a list of the individual works as sanctioned, to say nothing of a classified list showing the sanctions arranged according to the heads under which this office is required to book the expenditure. For a great number of works, we have, I believe, no copy at all of the abstract estimate. While investigating this subject, I asked the Deputy Controller for Irrigation to analyse one of these long series of documents. He has done so, and I enclose his independent note. I think I may ask you whether it is reasonable that this office should be called upon to audit expenditure on such estimates—estimates which it is hardly too much to say that the sanctioning authority does not itself seem to know what it has sanctioned, and yet it is to such estimates I have to look in every case in which, from the magnitude of the work, the audit of expenditure is a matter of real importance.

29. Even were the details properly advised me, it is obvious that the advice would be so much waste paper so soon as the first statement of savings and excesses had been approved of; for of such statements of amounts transferred from one sub-head to another, I get no advice at all, and further, till the issue of Standing Order No. 1 of 1876, I am not aware of there ever having been a single order issued by the Madras Government to the effect that the Executive Engineers were to report their expenditure under the sub-heads of the estimates as sanctioned by Government.

30. The whole circumstances are such that I can fairly say that the Controller has not at present been placed in a position to carry out a detailed audit. Even as regards this particular estimate for the Chembrumbaukum Tank Project, now that I have looked further into the matter, I may remark that the details given in the estimate now forwarded do not agree with the details as given in the Budget, either as regards the description of the works or their cost. Neither agree with the details of the work as reported by the Divisional Officer. The very sanction for the sub-head "land" is different in the two records. In the estimate which accompanies your letter, the amount sanctioned for land is Rupees 9,720; in the Budget three items are shown aggregating Rupees 10,720, while the District Engineer evidently considers the sanction to be Rupees 11,300. It is probable that these discrepancies are caused by some alterations made in a statement of savings and excesses, and that, were I furnished with a properly classified list of the works which make up this project as sanctioned at the present time, I should be able to reconcile these discrepancies; but at the same time I may remark that to leave an auditor to construct the very foundations of his own audit appears to me financially about as reasonable as to expect the Executive Engineers themselves to regularly bring to notice excesses on rates, which must prove either that their work is extravagant or that their estimates are wrong.

31. For my own part I am anxious to see the Controller recognized as the responsible Auditor of Public Works expenditure and the responsible Book-keeper of the Public Works Department. I wish to see an end to the divided audit which at present obtains—audit by the Controller on the Divisional Accounts and audit by the Chief Engineer on statements of savings and excesses. I wish to see an end of the system under which Divisional Officers submit two sets of accounts, one to the Controller and the other to the District Engineer. I should certainly like it to be recognized that the Controller has some more useful functions to fulfil than that of

Vide G.O., No. 2,222, of 8th September 1873.

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arithmetically checking bills, which after having, without scrutiny as to their correctness, fulfilled the purpose for which they are intended, come to this office for scrutiny and record; and I should further like to see those functions clearly defined.

32. But if I am to be the responsible Auditor I must have the means of carrying out a proper audit, and I must therefore again ask you to assist me in obtaining copies of all estimates of large projects as sanctioned to date. I cannot, I must repeat, audit against such so-called estimates as are now furnished to me in connection with large schemes. In the preparation and the classification of these estimates, I shall be glad to assist; indeed, so soon as I understood from G.O., No. 87, dated 15th January 1876, that Government required this office to conduct an audit against rates, I commenced the work myself in communication with the District Engineers.

33. I shall indeed be happy to co-operate with you in every respect, save that of bringing before Government questions as to the responsibility for past failures. It appears to me sufficient to accept the lessons to be derived from these failures. I confess I approach the discussions of such questions with so little heart, that I believe I should decline to enter at all into the discussion, save that to me is committed the duty of defending the policy and the conduct of others who are no longer here to speak for themselves.

For this reason alone, I should be obliged by this letter being submitted to Government along with the previous papers.

SUBMITTED to Government.

The only remarks which the undersigned need, it is thought, make are—

1st.—That paragraph 3 of this office letter, No. 111, of the 26th January had reference to the special orders on the disposal of claims for land compensation, those being—

G.O., 20th June 1873, No. 1,617.	
" 20th Nov. " " 2,808.	
" 11th Jan. 1875, " 66.	
" 13th " " 103.	
" 15th April " 1,042.	

the last of which especially indicates that bills were intended to be compared with amount sanctioned.

2ndly.—That G.O. of the 22nd January 1872, No. 177, prescribing the submission to Chief Engineers of half-yearly returns of expenditure on large projects under sub-heads, has, so far as this office is concerned, not been attended to, and the undersigned was much surprised to find*

* From paragraph 18 of the Examiner's later letter. that there was such an order in existence. When the order was received, no note

was made on the list of periodical returns, and none of the District Engineers appear to have submitted a return of the kind.

(Signed) A. DEC. SCOTT, Major, R.E.,
Deputy Chief Engineer for Irrigation,
for Chief Engineer for Irrigation.

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No. 306.

ORDER THEREON, 17th May 1876, No. 1,233.

IRRIGATION, No. 35.

From the correspondence submitted it appears that the dissatisfaction expressed in paragraph 1 of G.O., No. 3,343, of the 22nd November, at the failure of the Controller's Office to notice that the expenditure on land compensation, Chembrumbankum Tank, had largely exceeded the sanction for this item of the project, was based upon a misapprehension, the Controller having been forbidden to audit the details of expenditure by sub-heads, and this duty having been by G.O., No. 177, of the 22nd January 1872, imposed upon Chief Engineers, while the arrangements directed to be introduced by this order for the purpose of informing the Chief Engineer for Irrigation of the expenditure on sub-heads as compared with sanctions were not attended to. His Grace the Governor in Council is accordingly pleased to withdraw the expression of dissatisfaction made in the order of the 22nd November, and the Examiner of Accounts will be thanked for his letter of the 6th March 1876, No. 36 E.I., which has enabled the Government to understand the circumstances of the case.

2. The revised arrangements for the check and audit of expenditure about to be introduced will, it is hoped, ensure both a knowledge of the amount of sanction for sub-heads of estimates and the immediate detection of all important variations.
3. The important questions raised by the Examiner as to future procedure will be separately dealt with.

(True Extract.)

Colonel,

Offg. Under Secy. to Govt., P.W.D.

To the Examiner of Public Works Accounts.
" Chief Engineer for Irrigation.

Exd. E. C. Shunker.
Spare Copies

Encls. 4.

No 364 23
From Controller, P.W. Accounts. No 185 W of 7 Aug 76
To do do do No 111 of 25 do
From Examiner do do No 36 E.I. of 6 March 76

Submitted to Government.

The only remarks which the undersigned need, it is thought, make are
1st that para 3 of this Office letter No 111 of the 26th January had reference to the special orders on the disposal of claims for land compensation, there being

G.O. 20th June 1873 No 1617
" 20th November " " 2808
" 11th January 1875 " " 66
" 13th " " " " 103
" 15th April " " " " 1042.

the last of which specially indicates that bills were intended to be compared with amount sanctioned.

2nd that G.O. of the 22nd January 1872 No 177 prescribing the submission to Chief Engineers of

what a copy shall yearly returns of expenditure on large projects under sub-heads, has, so far as this Office is concerned, not been attended to, and the under-

signed was much surprised to find that there
was such an order in existence. When the order
was received, no note was made on the list of
periodical returns and none of the District
Engineers appear to have submitted a return
of the kind.

*from para 18 of
the Examiner's letter

Portlt. George }
10 April 1876 }

Amesbury
Major R.E.
Deputy Chief Eng. for Irrig.
for Chief Engineer for Irrigation

To
The Secretary to Government
I. H. Dept.

Compt. Clerk

2020: June/67 No. 1244
 " 16: June/71 " 768
 " 22: Sept " 2424
 " 18: Nov " 2925
 " 8: Jan/72 " 28
 " 22: " " 177
 " 6: May " 1153
 " 16: Dec " 128
 " 20: June/73 " 1617
 " 17: May " 1377
 " 17: July " 1831
 " 20: Nov " 2808
 " 30: July/74 " 2065
 " 19: Aug " 2326
 " 11: Jan/75 " 66
 " 13: " " 103.
 " 15: Sept " 1042
 " 15: May " 1388
 " 8: Sept " 2572
 " 22: Nov " 3343.
 " 15: Jan/76 " 87.

Standing Order No. 1 of 1876 -
 Ann. Publ. 1860/61.

No. 503a

Recd - 12. 5/76. No. 17/5/76

Recd. 24. 4. 76

Ci. 12. 5. 76 - No. 24. 4. 76

W. 1875 Deph.
 No. 2753

From

The Chief Engr
 for Irrigation

Dated 10 April 1876.
 Recd. 15 - 3 1876.

E. 4 No. 36 W.

Sub: to Govt. Letter
 of the Examiner offering
 explanation about the
 excess outlay on the
 Chembrambankam
 Tank Project.

[C. W. Form No. 2]

No. 185 W.

FROM

THE CONTROLLER,
PUBLIC WORKS ACCOUNTS,

TO The Secretary to Government,
Public Works Department.

FORT SAINT GEORGE, 7 January 1876.

Recd. 83

Sir,

I have the honor to acknowledge
 the Proceedings of Government No. 343 dated
 22nd November 1875 wherein the Honorable
 the Governor in Council has expressed his
 dissatisfaction at the fact that the ac-
 quisition of Land for the Chembrambankam
 Tank Project should have been going
 on without reference to the amount
 of the sanction for that item of the
 estimate, and without any representation
 from the Controller that this sanction has
 been largely exceeded.

In reply I may venture to ex-
 press my regret that Government should
 have inadvertently upon the working
 of the Accounts Branch of the Public
 Works Department without previously

giving the Controller any opportunity of offering an explanation, and the more so, because in this case a clear and simple explanation could immediately have been given.

3. The cost of land being only one item of the Estimate the Honorable the Governor in Council has in this instance expressed much dissatisfaction at the Controller having failed in a particular case to report to Government the results obtained by an audit against the items of an Estimate, or as it is technically called an audit against rates; and as the Honorable the Governor in Council could not possibly have expressed this dissatisfaction, unless from the information laid before him he felt assured. 1st That it was the duty of the Controller not only to carry out an audit against rates, but also to report to Government the results obtained therefrom, and 2^{dly} That the Controller had been placed

in a position to carry out this duty, it is clear to me without having seen the papers that were laid before Government that there has been some unfortunate misapprehension of the facts of the case.

4. I may be permitted to explain. 1st That under the existing orders of the Madras Government, it is not the duty of the Controller to conduct an audit against rates, and that even in the Provinces directly under the control of the Government of India when such an audit is conducted, the advice of excesses are addressed not to the Government but to the Superintendent Engineer; and 2^{dly} that in the particular instance of the Channarayana Shuk Project, the Controller has not been furnished by Government with a copy of the Estimate, in the absence of which such an audit is impossible: and further, that the fact of the Controller not having been furnished with a

copy of the estimate was expressly brought to the notice of Government about 3 months ago.

5. To take up these several points seriatim. An audit against rates would appear never to have been carried out in this Presidency. In July 1873 when my Predecessor asked Government to supply him with copies of estimates with a view to checking rates the Government.

G.O. No 1730 of 4th July 1873. when granting him copies

of certain estimates distinctly informed him that the subject of the check of rates by the Controller is not one which the Government desire to discuss.

6. On a subsequent occasion when my Predecessor again pointed out that for a proper comparison between items of work sanctioned and those executed it is necessary that the Progress Report should show details of work executed up to date and not

3
details of the work of the month." the Government replied, the acting Controller of Public Works Accounts has apparently misconceived the object of the order placing certain abstract estimates at his disposal although such object was clearly defined as one means of obviating the execution of work not provided for in such estimates.

7. Shortly after my arrival here last April, I again called the attention of Government to this very point, and I will here take the liberty of quoting a paragraph from the Report of their submitted on the general state of the accounts branch of the Department.

Para 18. "The Controller's Office apparently confines itself to a weak report of a proper advice of estimates exceeded of a proper concurrent audit against rates of advice sent in cases when it is evident from the actual rates of the work executed that the estimate must be exceeded. I can find not a trace; nor is this to be

cop. "wondered at as the Controller receives.
br. "no return showing progress to date
abo. Para 21. "The progress since after month,
5. "judged by the expenditure may be
"satisfactorily, fair and perfectly, a total-
for. "tion; no questions are even thought of
"being asked until the estimate is
un. "exceeded; then and only then, does
an. "Government discover that the work is
"perhaps only half done, or that the
my. "Charge Officer has been debiting to
"this estimate the cost of some other
"unmentioned work".

or. The above words, read in the light of the
by. case now brought to notice appear almost
in. "Prophetic" but in the order of Government
the. G. O. No 1769 of 24th June 1870. in this report this partic-
of. ular point received no
"is specific notice."

8. In the system of audit about
to be introduced, a definite decision as
on. this point as well as many others has
been postponed until such time as the
"Madras Public Works Code may be sub-
mitted to Government in a complete
form by the Committee now appointed

to compile it. The Government Order No 1988
above quoted has not been cancelled, and
thus according to existing orders it would
appear that Government not only did not
desire, but actually objected to, the audit
the results of which they have now felt
the want of.

9. As to the channel of advice
in cases of excesses I must refer Govern-
ment to Public Works Code Chapter XX, 11,
28, 29.

10. And lastly, I may point out
that in August last I reported to
Government that for works estimated
to cost in the aggregate nearly £1,750,000
I had not been furnished with copies
of the Estimates, and that consequently
I was not in a position to carry out
the audit of expenditure as prescribed
by the Government of India. Amongst
the estimates enumerated in the detailed
lists accompanying my letter will be
found that of the Khumbumbarthum.

Sanik Project. A copy of this estimate has not since been supplied to me. The total of the estimate, which I do know, has not been exceeded; but I do not know whether Government gave me an opportunity of knowing what is the amount which has been sanctioned for the item for land in the estimate for the Chukmukhukum Sanik Project; and this being the case it was clearly out of my power to inform Government when this amount had been exceeded.

11. It must, I respectfully submit, be allowed, that the advisability of carrying out in this Presidency in comparison between the amount sanctioned and the amount expended in each item of large estimates; in other words, of carrying out an audit against rates and of altering the system of accounts to enable this to be done, has been sufficiently urged upon Government by the

late Controller and by myself; but Government, in deciding upon the matter, has set aside the opinions of its financial advisers.

12. My object however in making these remarks is not to prove that the Officers of the Control Department were right in their particular instances. When as a whole system is based upon erroneous principles, particular instances of failure in working are comparatively unimportant. I have no wish to deny that in the present state of the accounts of the Public Works Department there is ample cause for the dissatisfaction of Government. It would probably be impossible for any one to rise from a perusal of the many reports regarding the Public Works accounts of this Presidency which have within the last year or two been submitted to Government, without a strong feeling that Government has reason to be dissatisfied with the state of things therein described.

13. But there is I believe on the part of Government not the slightest wish to go back into the past years for the purpose of inquiring into the policy that has produced this result. It is I believe, considered sufficient that Government have now before it proposals for placing the Department upon a satisfactory basis and that the necessary improvements will be introduced as soon as Government shall have decided upon the form they are to take.

14. My object then in making these remarks is to point out that the present state of the Department is such that the Officers of the Control Department, on whom may fall the duty of carrying out the desired reforms, will require at the hands of Government not only support but very great forbearance.

15. For some time at least these Officers will have to shut their eyes to some part of the evil in order to deal more ^{effectually} ~~effectively~~ with the rest. And further, as matters

improve and as more insight is gained into the working of the Account Department along with a growing sense of its usefulness and capabilities, there must inevitably arise a growing sense of still remaining deficiencies.

16. At the present moment, it would, I believe, be deeply to be deplored, were any opportunity to be seen inadvertently given from which there could arise in the minds of the Officers under any orders or feeling that Government was in any way indifferent to the reputation of its public servants. Believe that the true intentions of Government should be so thoroughly misunderstood that its Officers should believe that they were considered unworthy of confidence, that the Government, before formally recording its consent would not pause for the purpose of discriminating between the yet unrectified evils of a system already condemned, and the careless or slovenly and therefore reprehensible working of

an improved system! I cannot conceive
any anticipation more painful, more bitter,
or more likely to eat into the hearts of
every Officer engaged with me in this
service.

17. I have been induced thus to dwell
upon this subject at length with the object of
removing from the mind of the Honorable the
Governor in Council any unfavorable impression
which I can assure you has caused me the
very greatest uneasiness. It is certain that
censures never fail to damp the zeal and
cool the attachment of the public servants of
Government; and large as is the fund of
zeal and enthusiasm on which, in the
case of the Officers of the Account De-
partment, the Government can draw,
I would not willingly have one iota
of this fund expended save in the
fulfilment of a task which must,
under any circumstances, tax to
the utmost the energy and the

zeal of these Officers.

I have the honor to be
Sir

Your most obedient servant

Lonway-Lordon

Controller P. H. Accounts

LL

To Controller P.W. accounts No. 111
of 26 Jan'y/76.

S. W. 1876 Sept.

From No. 128
The Controller of

P.W. Accounts

No. 2753/76

The Secretary's Government
P.W. Department

No. 185 W.

Sent 7
Recd 8 } January 1876
Recd 10

Offers explanations
regarding the exception
lay on the Chembram-
bakkum Tank Project.

No 305

6.1.76 5222

Public Works Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Under date the

Read the following:—

From

The Chief Eng. for S.W.

(H.E. No. 36 W 910-4/1/76) 1/2

I enclose herewith this death
as well as dealing especially
with the letter of the Engineer
of the accounts, that officer

has been censured for an
insufficient audit of rates
which it seems the Controller
of this Presidency were not
only not in the habit of making
but that they were actually
forbidden to make.

This is the fact. The action
was warranted as a report

As revised arrangements for
the check and audit of expenditure
are about to be introduced, these
papers which indicate that much
misapprehension has existed as
to the way in which the policy
on account of land compensation
Chembrambakkum Tank pro-
ject was to be checked, will
be recorded. It is hoped that
the revised arrangements will
ensure both the knowledge of
the amount of sanction for sub-
heads of estimates and the
immediate detection of all

important variations.

Quel

the construction
in the manner of
the Chembrambakam Tank
should be withdrawn
by the Govt

I've not drawn out
a press of report
provisional intimations
that the merits of end of
system under shall be
supplied - I've not
Cp. C. of his last letter
p. 6

The important questions
raised by the
as to the future can
be repaired

I think that this is the
done for this. The Controller
able letter expresses a state
of things as regards his Dept
almost worse than I have
D. Scott's paper did in the
gard & matters of more general
administration - The radical
wrong in the whole thing lies in the po-
sition of Chief Eng in relation to the
ment for the position has been the expedi-
with which business can be transacted - The
Ex. P. has a position that is well in
the way of a well in

Jay's into
The whole
impression
which it is
in the
of

No 1239 Public Works Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

UNDER date the

READ the following:-

From
The Controller of Public
Works Accounts

Chief Engineer for
Irrigation

16.6.1854 17.7.1854

36.4.1854 10.6.1854

From the corres-
pondence submitted it
appears that the dis-
faction existed in
of G. 2343 of the
22nd November at the
failure of the Controller's
office to notice that the
expenditure on land com-
pensation, Chembrambakam
Tank, had largely exceeded
the sanction for this item

of

of the project, was based upon a misapprehension, the Controller having been forbidden to audit the details of expenditure by sub-heads, and this duty having been by G.O. No 177 of the 22nd January 1872 imposed upon Chief Engineers, while the arrangements directed to be introduced by this order for the purpose of informing the Chief Engineer for Irrigation of the expenditure on sub-heads as compared with sanctions were not attended to. His Grace the Governor in Council is accordingly pleased to withdraw the expression of dissatisfaction

made

138
made in the order of the 22nd November, and the Examiner of Accounts will be thanked for his letter of the 6th March 1876 No 36 R.I., which has enabled the Government to understand the circumstances of the case.

2. The revised arrangements for the check and audit of expenditure about to be introduced will it is hoped ensure both a knowledge of the amount of sanction for sub-heads of estimates and the immediate detection of all important variations.

3. The important questions raised by the Examiner as to future procedure.

procedure will be separately
dealt with in connection
with the Revised Public
Works Code.

by 11/5
MM

by 16/5

No 305/6

Ex. P. 100 ✓
C. & for J. 3 Encl ✓

Dated 2/6/76

2753 ¹¹¹ 1285

Govt. of Madras.
PUBLIC WORKS.

Date	Issued	Recd.	Fwd.
<i>Chief draft with hold.</i> <i>Indubious with 2^d copy.</i> <i>500</i> <i>of P. W. A.</i>			
G. O. 17 May 1870. No. 1239			

Nos. 305 - 308
Sub. in 1870
8-1-76

Chembaramban Kanu

Rank Project - Reasoning
orders on endorsement of the
Chief Eng. for large sub-
mitting letter from the Eng.
for Accies regarding the
access on the ~~the~~ ^{the}
land compensation for the

2.11.76

2.11.76