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MADRAS RECORD OFFICE

Government of Madras

Public Works DEPARTMENT

G.O. No.	896 (9)	Press
B.P. No.		Mis.
Dated	5-4-	1876

Not to be folded or roughly handled

No. 80. Read the following endorsement of the Chief Engineer for Irrigation, dated Camp at Chembrumbaukum, 28th March 1876, No. 14:—

From R. G. MACDONALD, Esq., Examiner of Railway and Irrigation Accounts, to Lieutenant-Colonel J. MULLINS, R.E., Chief Engineer for Irrigation and Joint Secretary to Government, Public Works Department, dated Madras, 6th March 1876, No. 266 I.

I HAVE the honor to inform you that in consequence of the departure from the service of the Madras Irrigation and Canal Company of the Engineer who has been acting as Chief Accountant since Mr. Badham left India, and a man being wanted to keep the accounts of the Company, I proposed demi-officially to the Chief Engineer and Manager now to carry out the arrangements approved in G.O., No. 145, dated 18th January 1875, as to the keeping of the Indian Accounts of the Company by a member of this office.

2. As it was time that I should make my annual inspection of the Company's Accounts I proceeded to Kurnool, and, amongst other matters, discussed this subject with Mr. Latham. I have now made a detailed proposal to him, and I beg to submit a copy thereof for the information and approval of Government.

3. Until the Board of Directors shall have expressed themselves upon the point, I am unable to submit the case in such a state that the Government can pass orders upon the different questions, but I trust that the action I have taken thus far may be approved.

4. The saving to the Company and the Government by placing the accounts of the Irrigation Company and the audit thereof under an Accountant borne upon the staff of this office would be very considerable, as I have pointed out in the letter to the Chief Engineer; and in the present state of the finances of the Company any saving consistent with efficiency is without doubt of the first importance.

From R. G. MACDONALD, Esq., Examiner of Railway and Irrigation Accounts, to J. H. LATHAM, Esq., Chief Engineer and Manager, Madras Irrigation and Canal Company, Kurnool, dated Madras, 3rd March 1876, No. 251.

I HAVE the honor, in continuation of remarks made to you during my late visit to Kurnool, to make the following proposals with regard to the keeping of the Indian Accounts of your Company. The details of the arrangement are subject to the confirmation of Government; but the proposition, as a whole, has been approved by both the Government of Madras and the Accountant-General to the Government of India. I trust it will meet with your approval and that of your Board of Directors.

2. I had the honor of carrying out an arrangement similar to the present proposal in the case of the Oude and Rohilkund Railway, a Guaranteed Company with a capital of five millions, whose works in India were all executed without the intervention of contractors; and the Agent in India and the Board of Directors repeatedly expressed their approval of it. I have not any papers at my command here from which I can quote their words; but the following quotation is from a Resolution* of the Governor-General in Council in which the subject is alluded to:

* Madras G.O., No. 836, dated 25th March 1872.

"In the case of the Oude and Rohilkund Railway Company, a system has been adopted which the Governor-General in Council would be glad to induce the other Companies also to join in. In this case the Railway Company accepts the Government audit, which is made, more fully, so as to meet the requirements of the Company, and the Company joins in bearing the expense. This system works admirably; and if it were generally adopted, the joint saving to the Government and the Railway Companies would probably be the entire expense of the establishment now required for the Government audit."

*Proceedings of the Madras Government, Public Works Department,
5th April 1876.*

3. The saving to your Company and the Government by the adoption of the proposal now made would be far larger than that mentioned in the above quotation. Your Company paid their late Chief Accountant Rupees 800 per mensem; and the Engineer who has been acting since Mr. Badham left India has drawn Rupees 950 per mensem. It is not to be supposed that the Company would appoint a Chief Accountant at present upon such a large salary as that drawn by Mr. Badham; but I do not think they can obtain the services of a man to do their work properly at Kurnool for less than Rupees 400, rising to Rupees 600 a-month. They can of course obtain a Clerk with a certain knowledge of accounts to do the work under the close supervision of an Engineer; but this arrangement would probably be more expensive than getting an experienced Accountant of their own on a fair salary. The Government pay Rupees 120, rising to Rupees 150, to the Accountant who audits the Company's Accounts on behalf of the office. Taking the mean of the salaries of the Company's Accountant and of my Clerk, I put down the cost of keeping the accounts and making the audit at Rupees 615. I propose to do the whole of this work by the agency of a second-grade Accountant, whose salary should be Rupees 250, rising by annual increments of Rupees 15 in six years to Rupees 310.

4. I trust the conditions are such as will ensure every attention to the requirements of the Company by the Accountant, who may, if the suggestions meet with the Company's acquiescence, be deputed to keep the accounts and conduct the audit.

5. The present occasion, when the Company are endeavouring to effect an immediate and radical reduction of the establishments, appears a favorable one for considering this proposal. The Chief Accountant has been lately finally settled with, and the Engineer who has been acting has just left the Company's service. I am prepared to supply a man and to start the work upon short notice.

6. The following are the terms in detail of the present proposal:—

I.—It is suggested that the duties of Chief Accountant of the Irrigation and Canal Company and of Government Accountant in the same office be combined; and that the management of the accounts and the conduct of the audit be entrusted to an Accountant of the Public Works Department of Government borne upon the Staff of the Government Examiner of Accounts.

II.—It is also proposed that the Accountant thus appointed shall be placed in charge of the Company's Central Office of Account at Kurnool, and that he shall carry out the orders of the Chief Engineer and Manager, as well as of the Board of Directors, in every respect as the Company's own Chief Accountant is required by the rules to do; but that in matters of audit and in questions of account-keeping, he shall be under the supervision and guidance of the Government Examiner, to whom he shall be permitted freely to refer, and to whom he shall render the accounts and returns at present submitted by the Government Accountant.

III.—No changes in the manner of keeping the accounts shall be carried into operation without the consent of the Chief Engineer and Manager, and, when he considers it necessary, the previous approval of the Board of Directors.

IV.—The custody of the stores of the Company shall be made over to the Conservancy Engineers in whose districts they lie; but the accounts shall be kept as heretofore in the Central Office of Account.

V.—The Accountant appointed in accordance with these proposals shall have the same authority over the staff of the Central Office of the Company, as the Company's Chief Accountant has hitherto been entrusted with, but no more; and the position of the Company's servants in the Accounts Office shall in no way be altered by his appointment.

VI.—The Accountant shall receive no emolument in any shape from the Company; but the Company shall pay to Government a sum equal to the pay which he may be in the receipt of, plus 25 per cent. in excess thereof. The Government may agree to contribute towards the cost of the post and stationery. This contribution might, it is thought, be made at such an amount as to prevent the charge to the Company over attending the actual pay of the Accountant. The Company would consequently of cost pay only Rupees 250 a-month; and

*Proceedings of the Madras Government, Public Works Department,
5th April 1876.*

it will be seen from what follows that they would be freed from payments on account of leave, passages to and from England which they would probably have to disburse if they had an Accountant of their own.

VII.—In consideration of the payment of 25 per cent., Government shall discharge the Company from all liability to claims for sick leave, furlough and other allowances, and for pension and gratuity; the Company paying only the salary of the Accountant while absent upon privilege leave.

VIII.—The Accountant shall be removed if he do not give satisfaction in the performance of his duties to the Chief Engineer and Manager; and in case of his leaving for any reason, Government shall at once furnish a qualified substitute, the Company being called upon to pay no more than the salary of the actual incumbent as regulated by the terms of Proposal VI, together with the travelling expenses admissible under the rules of the Public Works Department to the departing and relieving Accountants.

IX.—It is suggested, in conclusion, that the arrangement mentioned in these proposals shall be determinable by either the Company or the Government at their option upon twelve months' notice being given by the party wishing to withdraw from it.

SUBMITTED to Government.

(Signed) JOHN MULLINS, Lieut.-Colonel, R.E.,
Chief Engineer for Irrigation.

No. 81.

ORDER THEREON, 5th April 1876, No. 896.

IRRIGATION, No. 3.

HIS GRACE the Governor in Council is of opinion that the circumstances noticed in the foregoing letter from the Examiner of Railway Accounts render it particularly desirable that an arrangement for carrying out the proposition made in paragraph 1 of G.O., of the 18th January 1875, No. 145, should be effected, and the conditions enumerated in the Examiner's letter to the Chief Engineer and Manager, Madras Irrigation and Canal Company, appear to Government to be reasonable and suitable. The amalgamation of the appointments of Chief Accountant of the Company and of Auditor under the Examiner would clearly promote economy, and would probably much facilitate the disposal of the accounts work in the Chief Engineer and Manager's Office. Both considerations are of importance, and His Excellency in Council hopes that at an early date he will receive an intimation that the Board of Directors have assented to the system being tried.

(True Extract.)

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

To the Examiner of Railway and Irrigation Accounts.

" Chief Engineer for Irrigation.
" and Manager, Madras Irrigation and Canal Company.
" Accountant-General, Madras.

Exd. T. O'Connor.

Spare Copies

EXAMINER RAILWAY ACCOUNTS' OFFICE,

No. 266.

Madras, 5th March 1876.

From.

THE EXAMINER RAILWAY ACCOUNTS,

MADRAS,

To

The Chief Engineer for Irrigation,
and Joint Secretary to Govt.
Public Works Department,
Fort St George.

SIR,

I have the honour to inform you
that in consequence of the departure from
the service of the Madras Irrigation and
Canal Company of the Engineer who has been
acting as Chief Accountant since Mr.
Radham left India, and a man being
wanted to keep the accounts of the Company,
I proposed demi-officially to the Chief
Engineer and Managers now to carry out
the arrangements approved in G.O. No. 145
dated 18th January 1876, as to the keeping of
the

the Indian accounts of the Company by a member of this Office.

2. As it was time that I should make my annual inspection of the Company's accounts I proceeded to Huron and arranged other matters discussed this subject with Mr. Nathan. I have now made a detailed proposal to him, and I beg to submit a paper thereof for the information and approval of Government.

3. Until the Board of Directors shall have expressed themselves upon the point, I am unable to submit the case in such a state that the Government can have orders upon the different questions but I trust that the action I

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I have taken thus far may be approved.

4. The saving to the Company and the Government by placing the accounts of the Navigation Company and the Audit thereof under an accountant borne upon the staff of this Office would be very considerable, as I have pointed out in the letter to the Chief Engineer, and in the present state of the finances of the Company any saving consistent with efficiency is without doubt of the first importance -

I have the honour to be,

Sir

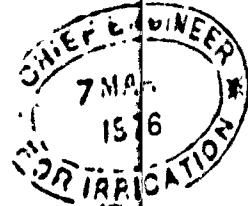
Your Most Obedt Servant,

R. G. Macdonald
Examr. ^{Engr.} Railway Accounts
Maras.

Encd
[Signature]

3. 2nd Dec. 1876

Clk's No. 81



2339/76

Pl. 5. 6/11/76

EXAMINER RAILWAY ACCOUNTS' OFFICE,

Madras, 3rd March 1876.

No. 157

From

THE EXAMINER RAILWAY ACCOUNTS,

MADRAS,

To

The Chief Engineer and Manager,
Madras Irrigation and Canal Company,
Kurnool.

Sir,

I have the honor, in continuation
of remarks made to you during my late
visit to Kurnool, to make the following.

Proposals with regard to the keeping of
the Indian Accounts of your Company.
The details of the arrangement are subject
to the confirmation of Government; but
the proposition as a whole has been ap-
proved by both the Government of Madras
and the Accountant General to the
Government of India. I trust it will
meet with your approval and that of
your Board of Directors.

I had the honor of carrying
out an arrangement similar to the present
proposal in the case of the Oude and
Rohilkund

From

The Examiner

Major

To

Chief Engineer,
Kurnool

By Order,
J. H. M. M. M.

David M. M. M. M.
Received } 1876.

No.

Indemnification of the
Company's Debt Office
with the Govt. Bank
M. & C. Co.

Rohilkhand Railway, a guaranteed
Company with a Capital of five
millions whose works in India were all
executed without the intervention of contractors;
and the Agent in India, and the Board
of Directors repeatedly expressed their
approval of it. I have not any papers
at my command here from which I can
quote their words, but the following quotation
is from a resolution of the Governor General
in Council in which the subject is alluded
to. "In the case of the Oude and Rohilkhand
Railway Company, a system has been
adopted which the Governor General in
Council would be glad to induce the other
Companies also to join in. In this case
the Railway Company accepts the Govern-
ment audit, which is made, more fully,
so as to meet the requirements of the Company
and the Company joins in bearing the
expense. This system works admirably;
and if it were generally adopted, the joint
savings to the Government and the Railway
Companies would probably be the entire
expense

Madras G.O.
No. 336, dated 26th
Jul. 1872

expense of the establishments now required
for the Government audit."

3. The saving to your Company
and the Government by the adoption of the
proposal now made would be far larger than
that mentioned in the above quotation. Your
Company paid their late Chief Accountant
Rs 800 per mensem; and the Engineer who
has been acting since Mr Radham left
India has drawn Rs 950 per mensem. It
is not to be supposed that the Company
would appoint a Chief Accountant at
present upon such a large salary as that
drawn by Mr Radham; but I do not think
they can obtain the services of a man to do
their work properly at Kurnool for less than
Rs 400 rising to Rs 600 a month. They can
of course obtain a clerk with a certain
knowledge of accounts to do the work under the
close supervision of an Engineer; but this
arrangement would probably be more
expensive than getting an experienced
accountant of their own on a fair salary.
The Government pay Rs. 120 rising to Rs 150

to the Accountant who audits the Company's accounts on behalf of this office. Taking the mean of the salaries of the Company's Accountant and of my clerk I put down the cost of keeping the accounts and making the audit at Rs. 635. I propose to do the whole of this work by the agency of a second grade Accountant, whose salary should be Rs 250 rising by annual increments of Rs. 15 in six years to Rs. 340.

4. I trust the conditions are such as will ensure every attention to the requirements of the Company by the Accountant, who may, if the suggestions meet with the Company's acquiescence, be deputed to keep the accounts and conduct the audit.

5. The present occasion, when the Company are endeavouring to effect an immediate and radical reduction of their establishments, appears a favourable one for considering this proposal. The Chief Accountant has been lately finally settled with, and the Engineer who has been acting

has just left the Company's service. I am prepared to supply a man and to start the work upon short notice.

6. The following are the terms in details of the present proposal.

I. It is suggested that the duties of Chief Accountant of the Brigade and of the Company and of Government Accounts and in the same office be combined; and that the management of the accounts and the conduct of the audit be entrusted to an Accountant of the Public Works Department of Government borne upon the staff of the Government Examiner of Accounts.

II. It is also proposed that the Accountant thus appointed shall be placed in charge of the Company's Central Office of Account at Kurnool, and that he shall carry out the orders of the Chief Engineer and Manager, as well as of the Board of Directors, in every respect as the Company's own Chief Accountant is required by the rules to do; but that in matters of audit and in questions of account-keeping, he shall be under

under the supervision and guidance of the Government Examiner, to whom he shall be permitted freely to refer, and to whom he shall render the accounts and returns at present submitted by the Government Accountant.

III. Any changes in the manner of keeping the accounts shall be carried into operation without the consent of the Chief Engineer and Manager, and, when he considers it necessary, the previous approval of the Board of Directors.

IV. The custody of the stores of the Company shall be made over to the Commaning Engineers in whose districts they lie; but the accounts shall be kept as heretofore in the Central Office of Account.

V. The accountant appointed in accordance with these proposals shall have the same authority over the staff of the Central Office of the Company as the Company's Chief Accountant has hitherto been entrusted with but no more; and the position of the Company's servants

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servants in the accounts office shall in no way be altered by his appointment.

VI. The accountant shall receive no emoluments in any shape from the Company; but the Company shall pay to him a sum equal to the pay which he may be in the receipt of plus twenty-five per Cent. bonus claims to leave allowances, pensions &c as laid down in Section 35 of the Civil Pension Code and minus whatever Pension he is and minus whatever the Government may agree to contribute towards the cost of the joint establishment. This contribution might, it is thought, be made at such an amount as to prevent the charge to the Company ever exceeding the actual pay of the Accountant. The Company would consequently at first pay only Rs 250 a month; and it will be seen from what follows that they would be freed from payments on account of leave, passages to and from England which

which they would probably have to
disburse if they had no accountants
of their own.

VII. In consideration of the
payment of 25 per cent. Government
shall discharge the Company from
all liability to claims for sick leave,
furlough and other allowances and
for pension and gratuity, the Company
paying in lieu the salary of the accountant
while absent upon privilege leave.

VIII. The accountant shall be
removed if he does not give satisfaction
in the performance of his duties to the
Chief Engineer and Manager, and in
case of leaving for any reason Govern-
ment shall at once furnish a qualified
substitute, the Company being called
upon to pay no more than the salary
of the actual incumbent as regulated
by the terms of proposal IX, together with
the travelling expenses admissible under
the rules of the Public Works Department.

to the departing and relieving accountants.
17

IX

It is suggested in conclusion
that the arrangement mentioned in
these proposals shall be determinable
by either the Company or the Government
at their option upon twelve months'
notice being given by the party wishing
to withdraw from it.

I have the honor to be,
Sir,

Yours most obedient servant,

(Signed) R. G. Macdonald.
Examiner, Railway & Irrigation
Accounts, Madras.

(True copy).

R. G. Macdonald
Examiner, Railway & Irrigation
Accounts

End
R. G.

Ph. 5. 21116

Submitted to Government.

Camp at
Chenbaram-
baram 29
Mar. 1891

Wm Lusk Lieut. Col. R.R.
Chief Engineer for Irrigation

The Secretary to Government
P. W. D.

Exhibit

The Examiner

Index

CHIEF ENGINEER
7 MAY
1874

To
The Hon. Secy. of the Navy

Wm Lloyd Garrison
New York

Handlings

Dated *6th March* }
Received *18th* }

No. 267

information
of the Co's account
Office N. S. D. C.
with the Book.
and —

8025th March 12 No 836
" 18th Jan 13/75 " 145

S. W. 1876 Dept.
No: 2339

No 896 Public Works Dept.
Proceedings of the Madras Government
Under date the 5th April/76
Read the following

From

The Chief Engr.
for Irrigation

From

The Chief Engr. for
Irrigation

(No. 14 of March 1876)

Dated 28th March/76.
Recd. 30th March/76.
(Encl. 2)

No. 14.

Submitting letter
of the Exr. of Mys. Accts.,
proposing an amal-
gamation of the Com-
pany's Accts. Office
with the Govt. Audit
In. I & C. Co.

It is grace the Governor
in Council is of opinion
that the circumstances
noticed in the foregoing
letter from the Examiner
Railway accounts render
it particularly desirable
that an arrangement for
carrying out the propo-
sition made in para. 1
of G. O. of the 18th January
1875 No. 145 should be
effected, and the condi-
tions enumerated in the
Examiner's

Ph 5th April 76 BT 80
Cint-4-76