G.C. 1067 W. 28.4.86
" 858 W. 30.3.86
No. 1976 W a/ 23d July/87

PWC No. 5370

(6)

The sanction of the S.E to the issue of Stores and stock articles from the Workshops to the different divisions is not necessary; but the sale to private parties of Kerosine oil, charcoal &c is objectionable

The S.E will see that the Stores & Stock maintained by the Workshops, are as far as possible for bonâ fide Workshop manu=facture.

R 13.7.87

E.345

No. 1976 W a/ 23d July/87

14.7.87

Joll 18/7/87

S.E I Circle
Examiner P.W. Accts
with 4 Recd 95/-

G.14.7.87

6-19-7-87

GOVERNMENT OF MADRAS.

# PUBLIC WORKS DEPARTMENT.

General.
Account.

READ—the following papers :—

From D. C. GORDON, Esq., Examiner, Public Works Accounts, to the Secretary to Government, Public Works Department, dated Madras, 25th February 1886, No. 125 W.

With reference to paragraph 5 of my office note, No. 675, dated 25th November 1885, I have the honor to submit, for the approval of Government, a set of forms and instructions in view to giving effect to the requirements of the Government of India (*vide* letter, No. 277 A.G., of 30th October 1885, printed with G.O., No. 2950 W., dated 9th December 1885).

2. The General Superintendent, Presidency Workshops, has tested the forms in their general character, and though I have somewhat modified them since they were so tested, the alterations will not cause any practical difficulties in their compilation. The annual administrative accounts of the shops will be prepared as heretofore, the introduction of the forms now proposed affecting only monthly procedure and accounts.

3. Provision has been made for charges on account of—

Additions and repairs to block,
Sanctioned permanent establishment,
Purchase and repairs of machinery and plant,

being debit to the Provincial budget grant under—

Original Works.
Repairs.
Establishment.
Tools and Plant.

4. Charges, outturn, and balance on works done in the shops will be recorded in a special suspense account, termed the "Workshop manufacture suspense." In this account will be included "raw materials in hand," *i.e.*, for current use, the object being to obviate the inconvenience which the General Superintendent represents would be caused by obtaining all articles required for immediate use from the Stores division. The value of materials charged under this head is not to exceed Rs. 5,000 at any time.

5. A subsidiary account, termed "Sales," is proposed, chargeable to the budget grant, for the purpose of recording deposits, which are compulsory prior to commencement of work in certain cases, and for adjustments in advance of completion of work (see code paragraphs 2283 A to 2283 E).

6. With reference to code paragraph 2283 D, it is proposed that "jobs of a trifling character" may be considered to be works estimated to cost Rs. 2,500 and under for which monthly adjustment in anticipation of completion will not be considered necessary.

7. Work done for the Public Works Department will be billed for at the cost as brought into the workshop manufacture suspense account, that is, at the actual cost of labor and materials *plus* a percentage of the general and contingent charges of manufacture distributed at the discretion of the General Superintendent to the works in hand.

8. For works undertaken for other departments, for municipalities, and miscellaneous orders, an additional charge is necessary to cover general liabilities; this, it is proposed, should, for the present, be 25 per cent. above the charge to the Public Works Department, arrived at as follows for—

| | | |
|---|---|---|
| 1. Interest on capital | ... | 5 per cent. |
| 2. Depreciation | ... | 2 " |
| 3. Establishment | ... | 10 " |
| 4. Tools and plant | ... | 1 " |
| 5. Additional percentage for profit | ... | 7 " |
| | Total ... | 25 " |

It will be for the General Superintendent to propose, for consideration of Government, any modification in this percentage which a year's practical working may show to be requisite.

9. The proceeds of the percentages above proposed under items 3 and 4 will be taken directly in reduction of the charges to the budget grant for establishment and tools and plant, respectively; those under items 1, 2 and 5 will be credited to Provincial revenue.

10. Losses, if any, will be debited to Tools and Plant under a separate sub-head, "Loss," but in view to prevent undue exaggeration of credits to Revenue for profits, and charges to grant for loss, it is proposed to show at the end of each month only the net result, net credit for profit or net debit for loss.

11. A matter for consideration of Government is to what extent work should be done on estimates furnished by the shops and approved by customers. Ordinarily, the amount of the estimate is that which is recoverable, and the shops take the risk of working within or beyond. I would suggest that, for purely departmental work an estimate furnished to an Executive Engineer should be treated only as indicating the probable liability he will have to meet, but that the eventual charge be made as proposed in paragraph 7. To other departments, and for miscellaneous orders, the estimate amount must, I presume, be binding, unless otherwise stipulated by the General Superintendent when undertaking the work.

12. Under the new procedure now proposed, grants in regular course must be assigned for the charges mentioned in paragraph 3. For establishment and tools and plant the assignments would be subject to such reduction as might be anticipated under the working proposed in paragraph 9.

13. If Government approves these proposals, the procedure might be introduced in the workshops at the Presidency and at Dowlaishweram from 1st April 1886, details being settled direct with this office by the officers in charge.

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From Colonel H. L. PRENDERGAST, R.E., Superintending Engineer, V Circle, to the Chief Engineer, Public Works Department, dated Chepâk, 22nd March 1886, No. 5219.

I have the honor to return your endorsement, No. 856 C., dated the 3rd instant, and to state that I consider the accounts may be modified generally as proposed by the Examiner.

2. With reference to paragraph 8 of the Examiner's letter, the General Superintendent of the Public Works Workshops considers that the additional charge of 25 per cent. for other departments, municipalities, &c., will tend to drive away work, and he wishes to have no such additional charges made. I am of opinion, however, that the Government Workshops are intended not to attract work generally, but to allow of its being done where the general market fails, or in consequence of its superiority. I recommend therefore that the 25 per cent. additional charge be established.

3. As to the Examiner's paragraph 11, the General Superintendent desires that his estimate should be binding, both for work done for Executive Engineers as well as for miscellaneous orders. The workshops would then be in the position of a contractor



who engages to carry out a work for a lump sum. This arrangement is a favorable one for the Public Works Department, and altogether I am of opinion that it may be tried; for, in the event of alterations being made in an indent on the workshops, a revised estimate would also be made, so as to adjust the probable cost.

4. The Examiner proposes, in note 2 on form 7, that no work is to be undertaken for municipalities, &c., before the whole estimated cost has been paid. There would then be no debts outstanding; but Mr. O'Connell thinks credit should be given to municipalities, firms, and persons of position; and proposes that the enforcing of payment in advance should be left to the discretion of the General Superintendent. Cases will happen at the presidency town where emergent work has to be done without estimate, and without regard to cost; in these cases prepayment of a definite sum cannot be made. But as contributions from local fund boards are credited to the Government before work is carried out by the Public Works Department, the same system will probably be followed with advantage, when orders are sent from the districts to the workshops.

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From H. O'CONNELL, Esq., General Superintendent, Public Works Workshops, to the Superintending Engineer, V Circle, dated Madras, 5th March 1886, No. 1867 W.

I have the honor to request that you will be good enough to obtain the sanction of Government for the grant of Rs. 1,50,000 for the operations of the Public Works Workshops for the year 1886-87.

2. As the workshop is now open to all departments of Government and the general public, I have increased the amount applied for last year by Rs. 50,000.

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Endorsement on the above.

No. 5050.

Recommended to the Chief Engineer, Public Works Department, for sanction.

(Signed) H. L. PRENDERGAST, Colonel, R.E.,
11th March 1886. Superintending Engineer, V Circle.

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Office note from the Examiner, Public Works Accounts, dated Madras, 17th March 1886, No. 942.

Your office note, No. 1065 C., dated the 16th March 1886.

According to the proposals made in my letter, No. 125 W., dated the 25th February 1886, the system hitherto adopted of sanctioning an annual lump sum estimate for the workshops will have to be discontinued, and, like an ordinary division, the workshops will have to be provided with budget grants from Provincial funds according to the requirements of the Executive Engineers under the following items of expenditure :—

1. Original Works, Civil Buildings—Additions to block.
2. Repairs, Civil Buildings—Repairs to block.
3. Establishment—Sanctioned permanent establishment.
4. Tools and Plant—Purchase and repairs of machinery and plant.

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ORDER—dated 30th March 1886, No. 858 W., Public Works.

The introduction in the Presidency Public Works Workshops, from 1st April 1886, of the modified system of accounts proposed by the Examiner, Public Works Accounts, is sanctioned.

2. The grants required for the year 1886-87, under the heads mentioned in paragraph 3 of the Examiner's letter, should be reported without delay.

3. The proposal to make an additional charge of 25 per cent. for works undertaken for other departments and for local bodies, &c., is approved. The Superintending Engineer will report, after the end of 1886-87, whether the charge may be reduced.

4. The arrangements suggested in paragraph 3 of the Superintending Engineer's letter, with respect to estimates for work, may be tried as suggested. The recovery of payment for work will be guided by the rules in paragraphs 2283, A to E, of the Public Works Code. In emergent cases, work may be commenced in anticipation of payment at the discretion of the General Superintendent, but such cases should be rare.

5. The requisite orders for introducing the modified system of account in the Dowlaishweram Workshops will issue in the Irrigation Branch.

(True Extract.)

(Signed) J. SHAW-STEWART, Colonel, R.E.,
Secretary to Govt., P.W.D.

To the Chief Engineer for Irrigation.
" Superintending Engineer, V Circle.
" " " I "
" Examiner, Public Works Accounts.

Exd. E. Fernandez.
Spare Copies

GENERAL.
ACCOUNT.

# Govt. of {1886} Madras.

## PUBLIC WORKS.

*Dated March, 30th.*

*Recd.* *Encl.*

**G.O., 30th Mar. 1886, No. 858 W.**

**MARCH.**

**Presidency Public Works Workshops**

The introduction in the —, from 1st April 1886, of the modified system of accounts proposed by the Examiner, Public Works Accounts, sanctioned with remarks.



GOVERNMENT OF MADRAS.

## PUBLIC WORKS DEPARTMENT.

General.
Account.

READ—the following papers:—

From D. C. GORDON, Esq., Examiner, Public Works Accounts, Madras, to the Secretary to Government, Public Works Department, dated 15th March 1886, No. 133 W.

In continuation of my letter, No. 125 W., dated 25th February 1886, I have the honor to forward, herewith, copy of letter, No. 460, dated 8th March 1886, from the Executive Engineer, Dowlaishweram workshops, in reply to a proposal made by me to transfer to the divisional stock raw materials and manufactured goods, retaining for the current uses of the shops only a small reserve, not exceeding Rs. 2,000 in value.

2. The proposal was made in view to assimilating the system of accounts with that in force in all State Railway workshops, in which stores are obtained for use as required from the adjoining Stores, and are never kept as part of the workshop stores. This system ensures the stock being separately and thoroughly accounted for, while the accounts of the shops themselves are freed from all accounting not necessarily connected with manufacture, and the materials in hand are kept at a minimum. The arrangement has been accepted by the presidency shops.

3. The Executive Engineer's objections are—

(*a*) There is nothing in common between the stock materials of the Eastern division and those of the shops.

(*b*) The divisional storekeeper will know nothing whatever about the issue of material to the shops, which are of constant occurrence.

4. As regards (*a*), there will be no need to mix up the stock of the division with that kept as a reserve for the workshops; they can still be kept quite apart; and as regards (*b*), the divisional storekeeper need have nothing to do with the current shop issues any more than with other "materials at site" of works. His issues will usually be in bulk to replenish the reserve of the shops.

5. The favor of early orders on this point, as well as on my letter, No. 125 W., dated 25th February 1886, is requested.

ENCLOSURE.

From the Executive Engineer, Government Workshops, Dowlaishweram, to the Examiner, Public Works Accounts, dated 8th March 1886, No. 460.

With reference to your letter, No. 466 S.E. 1st, dated 3rd instant, proposing to transfer, on the 31st March 1886, to the divisional stock raw materials and manufactured goods of the shops, if any, retaining for current use of the shops only a small reserve not exceeding the value of Rs. 2,000, and inquiring what will be the probable value of the materials thus to be transferred, I have the honor to inform you that I object altogether to the proposed transfer as there is nothing in common between the stock materials of the Eastern division and those of the shops.

2. This transfer will, moreover, cause a great confusion as the divisional storekeeper will know nothing whatever about the issue of materials to the shops which are of constant occurrence.

3. I may here add that the balance of stock of the shops, at the end of January 1886 is Rs. 85,565-9-11, which includes the following items:—

| | Rs. | A. | P. |
|---|---|---|---|
| Small stores ... ... ... ... ... ... | 33,614 | 6 | 9 |
| Manufactured articles ... ... ... ... ... ... | 1,268 | 5 | 5 |
| Timber ... ... ... ... ... ... ... ... | 50,017 | 6 | 0 |
| Fuel ... ... ... ... ... ... ... ... | 665 | 7 | 9 |
| Total ... | 85,565 | 9 | 11 |

And the average balance of stock may be taken as Rs. 50,000, the accounting of which, in a division like the Godávari Eastern division, will no doubt cause much trouble. I am therefore of opinion that the transfer now contemplated will in no way simplify the present system.

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Office note to the Chief Engineer for Irrigation, dated 19th March 1886, No. 1124 C.

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Office note from the Chief Engineer for Irrigation, dated 8th April 1886, No. 91.

Your office note, No. 1124 C., dated 19th March 1886.

2. There are, I think, objections to the proposal to transfer the stock of the Dowlaishweram workshops to the divisional stock. The latter is kept in a small building at some distance from the workshop yard, and new buildings would be necessary. An increase of establishment would also be necessary, as if the workshops were to maintain a reserve sufficient for current use, no reduction could be made in the present workshop establishment, while the divisional establishment would certainly need considerable strengthening. There is, moreover, no place in which the considerable stock of timber, which must often be kept, as there is no market at hand from which to replenish, can be stored except in the workshop yard, and it would be very inconvenient to have part of the timber in the yard belonging to the division and part to the workshop.

3. It would, of course, be possible to hand over the whole of the workshop stores to the division, but as the store building is under the same roof as the workshop office and in the very midst of the workshop buildings (the timber is in another part of the yard), it would be very inconvenient to introduce another sub-division there.

4. I do not see that, under the Government of India orders, any such change as that proposed by the Examiner, Public Works Accounts is necessary, and it seems to me very doubtful whether, in the face of the difficulties which are apparent, it is worth while making such a change for the sake of uniformity.

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Office note from the Examiner, Public Works Accounts, dated 17th April 1886, No. 60.

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ORDER—dated 28th April 1886, No. 1067 W., Public Works.

The foregoing note by the Chief Engineer for Irrigation will be communicated to the Examiner, Public Works Accounts, with an expression of the opinion of Government that, in the case of the Dowlaishweram workshops, the advantages of uniformity would be more than counterbalanced by the difficulties arising from the transfer to the divisional stock of a portion of the workshop stock. Those workshops will therefore keep the reserve of stock as proposed, and maintain the ordinary stock accounts outside the workshop manufacture suspense account.

2. As stated in paragraph 5 of G.O., No. 858 W., dated 30th March 1886, the requisite orders for bringing the Dowlaishweram workshops under the budget system will issue in the Irrigation Branch.

(True Extract.)

(Signed) J. SHAW-STEWART, Colonel, R.E.,
Secretary to Govt., P.W.D.

To the Chief Engineer for Irrigation.
" Superintending Engineer, I Circle.
" Examiner, Public Works Accounts.

Exd. E. Fernandez.
Spare Copies

GENERAL.
ACCOUNT.

# Govt. of {1886} Madras

PUBLIC WORKS.

*Dated April, 28th.*

*Recd.* *Encl.*

**G.O., 28th April 1886, No. 1067 W.**

## APRIL.

### Dowlaishweram Workshops

*Stock.*—Orders on a proposal for transfer to stock of the Godávari Eastern division of a portion of the —.

1887.

P. W. DEPARTMENT.

Current No. 4920

From

The Suptg. Engineer
I circle

ENCLOS.—

No. 759 G. D.

Dated 20th June 1887

Received 29 — do —

SUBJECT.

Requesting to instruct the Examiner so that he may not raise any objection for the issue of stores & stock articles from the Workshops to Various Divisions without the previous Sanction of the S.E.

DISPOSAL.

No. 2179 C Dated 30th June 1887

To.

C

For favor of remarks

(Sd) W. L. C. B.
29-6-87
D.W.

DW 1/7/87

Dd 2/7/87

1887.

EXAMINER No. 203 O.W. 2 JUL 1887 ENCLOSURES P.W. ACCOUNTS

No. 2179c d/ 30th June 1887

To

C

For favor of remarks.

29.6.87

D.W.

P.W.C. No. ~~4920~~ 5370/87

FROM G. T. Walch Esquire

~~THE~~ SUPERINTENDING ENGINEER

FIRST CIRCLE.

TO

THE CHIEF ENGINEER

D.P.W.

~~FOR IRRIGATION.~~

DATED 20th

DESPATCHED 24th June 1887

RECEIVED 29

No. 759 G.D.

ENCLOSURES. nil

Issue of stores and stock articles from the workshops to various Divns.

Requests to instruct the Examiner not to raise any objections for the —

[C. No. 8.]

GOVT. OF MADRAS. } 1887. { P. W. DEPT.

EXAMINER, P. W. ACCOUNTS.

Madras, 12th July 1887.

OFFICE NOTE No. 318.

Enclo. 4

x 3 to be returned

To

W.

Your O.N. No. 2179 C. dated 30th June 1887.

The general rules regarding Workshops procedure are laid down in Code paras 1793 et seq. These paras are, it is true, headed "Sub-Divisional Workshops"; but it is understood that they are intended to apply generally to all workshops, just as the Code rules for accounts etc. of Sub-Divisional Offices apply also to Divisional Offices, so far as they perform similar functions. The arrangement is intended to avoid useless repetition; and accordingly the rules for "Accounts of P.W. Workshops" in the Chapter for "Accounts — Divisional Office", paras 1900 et seq do not deal at all with such matters as have already been

KEEP-WITH Genl. No.

dated 188 .

1000—12-5-87.

dealt with in paras 1793 et seq. I think this is clearly the intention; but perhaps it would be better if it were distinctly stated in the Code. As regards other matters, it is stated, though somewhat vaguely, in Code para 1831.

2. On this understanding one of the rules is that Workshops shall not keep stock; but this rule was to some extent modified — as far as the Dowlaishwaram Workshops are concerned — by G. O. No. 1067 W. of 28th. May 1886. But as I read this G. O. the intention was only to allow the Workshops to keep a reserve stock of such materials — not finished or manufactured articles — as are required for bonâ fide Workshop purposes of manufacture and repair.

3. If you will look at the marked pages (pages marked by a piece of paper attached, and entries marked, many of them, in red chalk) in the accompanying file, you will see issues of such articles as padlocks, locks, hinges, pots, cloth, canvas, lanterns, chimneys etc., to say nothing of articles of domestic consumption such as kerosine oil and charcoal. It is the keeping of a stock of such things as these, whether for issue to other Divisions or for sale to private individuals, that this Office has always regarded as opposed to rule, holding that such stock as is kept, of manufactured articles, should be kept in the Divisional Store and not in the Workshops.

4. The profits on sales of stock articles improperly swell the Workshop profits, and lead to a false estimate of the financial results of the concern as a Workshop. I understand that this is the principal reason for maintaining the Presidency Stores and the Presidency Workshops as separate Divisions; and I presume that the same considerations apply to Dowlaishwaram. I believe however that the Supg. Engineer has recently taken — or is taking — steps to check these sales.

5. The file sent is the latest that can be spared. Please return it after perusal.

C.

29.12/7.

6.19.7.87