FROM A H Garrett Esq^r
SUPERINTENDING ENGINEER

FIRST CIRCLE.

TO

THE CHIEF ENGINEER

PUBLIC WORKS DEPARTMENT.

DATED 17
DESPATCHED 18 } 5 1895.
RECEIVED

No. 420 GD

ENCLOSURES, /

SUBJECT.

Third class Jail/ Cutchery building at Kedda Pattaveram — Requests to obtain sanction of Government for the transfer of the — to the Police Dept.

F. W. S. E. I. 6 500 -31-7-94

I have the honor to be,
Sir,
your most Obedient Hble
Servt
Supt Engr 1st Circle.
Recd: 22.5.95
Encls /

EE 17/5

A/Supt Engr 3 B BM Bldg
No. 1445 W. dated 15th June 1895
Sanctioned.

I Secy 13/6/95 D 21.5
13 Cmte

Submitted for Govt sanction for transfer of premises mentioned.

D
9.6.95

Cr.

DESPATCHED
25 JUN. 95

P E Clarke
Engr Prov
Judl Dept
Rev Dept

Dy 98 / 21/6

3927

Govt. of 1895 Madras.

PUBLIC WORKS.

Dated

Recd. Encl.

G.O., 15/6/ 1895 No. 1445 W.

Third class Taluk Cutchery at Peddapotavaram

Transfer of the — in the Godavari District to the Police Department, Commissioner

—

INDEXED

12/15/6

15TH JUNE 1895, No. 1443 W., PUBLIC WORKS.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

General.
Account.

READ—the following paper:—

From J. S. WILSON, Esq., Executive Engineer, South Arcot Division, to the Superintending Engineer, V Circle, dated 24th May 1895, No. 272 S.E.

In cases where tools have been lost by contractors or departmental employés it has been the practice in this division to recover only the actual cost. When the Deputy Examiner of Accounts was auditing the accounts of my office I asked him whether in these cases it would not be proper to charge centage on the cost of articles lost. His opinion was that such transactions should be considered as sales to private persons and that centage should be added to the cost price of the articles.

There is at present, I believe, no definite pronouncement on the subject, and as the rule if made would be calculated to prevent losses, I have the honour to suggest that definite orders may be obtained.

At present a dishonest contractor might procure by theft tools of various kinds at a lower price than that for which he might procure them in the open market.

No. 195 W.

Copy submitted to the Chief Engineer, Public Works Department, for favour of orders on the points raised by the Executive Engineer, South Arcot.

2. The undersigned agrees with the Deputy Examiner in considering that the cost to be recovered for tools lost should include centage charges, as it will prevent malpractices on the part of contractors.

2nd June 1895.

(Signed) C. C. RAWSON, Lieut.-Col., R.E.,
Superintending Engineer, V Circle.

ORDER—dated 15th June 1895, No. 1443 W., Public Works.

The course suggested in paragraph 2 of the Superintending Engineer's endorsement should be followed.

(True Extract.)

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

To the Superintending Engineer, V Circle.
„ other Superintending Engineers.
„ the Consulting Architect to Government.
„ the Superintendent of Works, Periyár Project.
„ the Examiner, Public Works Accounts.

Exd. T. K. Narayana Aiyangar.

Spare Copies

T.C.I

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

General.
Account.

READ—the following papers:—

Inspection report on the accounts of the General Superintendent, Public Works Stores Division, by Mr. C. C. SWETENHAM, Deputy Examiner of Accounts, on the 4th to 9th February 1895.

I.—PRELIMINARY.

Last inspection.—The accounts of this office was last inspected by Mr. S. K. Levett Yeats, Examiner, 4th class, 3rd grade, in December 1894. Any special points noted by him that have not since been rectified are noted in their appropriate places by me.

2. *Executive charge.*—The executive charge of this division since last inspection has rested as follows:—

Name.	Rank.	Till
Mr. L. L. Wickham ..	Executive Engineer, 3rd grade, temporary.	10th June 1894.
Mr. J. W. H. Ellis ..	Honorary Assistant Engineer ..	Present date.

No officer was in charge from the 11th to 23rd June 1894.

Mr. J. W. H. Ellis was present during the inspection.

3. *Accounts charge.*—The accounts of the division have for the same period been in the charge of the following accountants:—

Name.	Rank.	Till
Mr. M. Ryan	Accountant, 5th grade, temporary.	2nd May 1894.
M.R.Ry. Raghavendra Rau ..	Accountant, 5th grade.	Present date.

II.—ORDINARY DIVISIONAL PROCEDURE.

4. (*a*) *Payments.*—The cheques are usually filled in by accountant. The order "to pay" on bills is not recorded before the cheques are drawn, but at time of signature by General Superintendent. The transactions are so few in this division though that no danger arises from want of time to go through the bill when the cheque is presented with it.

(*b*) Cheques are however handed over by the accountant to contractors. This appears objectionable.

(*c*) The current cheque books are not in the custody of the General Superintendent, but remain in the cash chest, the key of which is held by the accountant.

15TH JUNE 1895, No. 1444 W., PUBLIC WORKS.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

General.
Account.

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(*c*) The current cheque books are not in the custody of the General Superintendent, but remain in the cash chest, the key of which is held by the accountant.

5. *Establishment charged to works.*—The salaries of the undermentioned individuals employed in the office are charged off to "Tools and Plant—Repairs, Carriage":—

Name.	Pay.	Duties.
	Rs.	
Subraya Mudaliar	10	Maintains Register of London Stores, prepares schedules 32 S. and T., and fair copies monthly accounts.
Govindarajulu Naidu	20	Assists Storekeeper in writing out advices of issues and other desk work.
Sadagopam	4 annas a day.	Attender.

These charges appear more properly debitable to "Establishment."

6. *Securities.*—Security for Rs. 500 in Government securities has been held since 1886–87 from a boat contractor. The Register of security deposits is not signed. Its verification with the annual list published in *Fort St. George Gazette* is not recorded. A copy, but not the original, of an agreement so called with the contractor was produced. This copy is for certain rates for carriage of stores by boat. It dates back to 1890–91 and has not since been renewed. Tenders were not called for publicly. A new agreement was suggested in paragraph 32 of Examiner's office-note on the last inspection report.

7. *Records.*—Certain of the records are stated to have been disposed of by destruction under the late General Superintendent's orders. The counterfoils of cheques from 1885–89 still remain undestroyed.

III.—Stores.

8. *Classification.*—Stores are not issued in order of receipt, nor are second-hand stores issued in preference to new stores. This is necessary as a precaution against accumulation and depreciation.

9. In the books and yard no distinction is maintained between—

Classification.	Definition.
(*a*) New stores	Unissued stores not yet become surplus.
(*b*) Second-hand stores	All serviceable stores returned from works and not surplus.
(*c*) Surplus	All unused stores not likely definitely to be required for next two years, or which have been undrawn up for two years and for which there is no immediate prospect of utilization.

The only distinction now observed is between—

(*a*) serviceable stores.
(*b*) unserviceable stores.

10. In the books and yards it will be found to—

(i) facilitate check,
(ii) enable ready calculation of depreciation,
(iii) facilitate issue and condemnation

by maintaining separate ledgers and sub-ledgers for, and stacking apart—

(*a*) new stores.
(*b*) second-hand stores.
(*c*) surplus.
(*d*) unserviceable stores.

11. *Annual committee.*—An annual condemnation committee for the purpose of reporting upon surplus and unserviceable stores with recommendations upon their disposal will be found a check upon losses by accumulations and depreciation, and is a portion of the procedure on some State Railways. Lists of surplus stores have not been circulated to other divisions, departments, provinces and railways, nor a report of unserviceable stores made to the Superintending Engineer.

12. *Depreciation.*—In estimating values and rates in ledgers no allowance has been made for depreciation, but full book rates and values are shown. These values and rates are not current and efficient. (See paragraph 28.)

13 (*a*) *Reserve limit.*—The reserve limit has recently been raised by Government in G.O., No. 3260 W., dated 19th December 1894, to Rs. 2,25,000 from Rupees 1,50,000. The object of this seems to have been to cover excesses over the old sanctioned limit and to remove audit objections: as such it is open to question.

(*b*) The average issues of stock from this division for the past five years 1890–94 inclusive is about Rs. 32,000 per calendar year. A two years' supply is therefore Rs. 64,000, and as all stock above two years' supply must be looked upon as surplus, the above Government Order has practically sanctioned surplus stock to the extent of Rs. 1,61,000, or nearly five years' supply being kept in stock. (See also paragraph 29.)

14. Not that this Rs. 2,25,000 represents the current and effective value of the stores. No depreciation on unused surplus stores of 5 per cent. or of 10 per cent. per annum on second-hand and surplus stores has been allowed as is done on State Railways under Volume IV, Chapter V, and Government of India Circular No. 11, Railway, of 1893 on Railway stores.

15. (*a*) *Receipts.*—The difference between accounting for quantities and accounting for values is not practised, and does not appear to be understood. At present the quantities of articles received are not immediately brought on the ledgers and sub-ledgers. The entering is deferred till the values also are known. The reason for this is stated to be paragraph 3 of Examiner's letter printed with G.O., No. 1224 W., dated 13th April 1892, and appears to be based upon misconception. The result of it is apparent in the following cases where ledgers had been posted only on the 28th January 1895:—

Date stores were received into stores after counting.	Consigned per S.S.		Date of check.		Date of posting E. No. 6 Register in connection with London stores.
	Name.	Date of arrival of ship.	Packing Account by storekeeper.	Invoice received by accountant on	
1	2	3	4	5	6
17th Oct. 1894 ..	Bengal ..	13th Oct. 1894.	See column 1.	25th Oct. 1894 ..	No dates of posting this register on record.
22nd ,, ,, ..	Avoca ..	21st ,, ,,		27th ,, ,, ..	
30th ,, ,, ..	Coromandel ..	27th ,, ,,		22nd ,, ,, ..	
6th Nov. ,, ..	Manora ..	5th Nov. ,,		22nd Nov. ,, ..	
12th ,, ,, ..	Clan Mattheson.	6th ,, ,,		Date not recorded ..	
12th ,, ,, ..	Chusan ..	11th ,, ,,		22nd Nov. 1894 ..	
23rd ,, ,, ..	Goorkha ..	19th ,, ,,		28th ,, ,, ..	

It must perhaps be explained with reference to column 6 that the register in connection with English stores is maintained for collecting and distributing charges, and it is from that the ledgers are posted.

(*b*) *Delays in pricing English invoices.*—This was the reason for delay in the above instances given. The delay may be partly due to this, but I cannot recognize upon a perusal of the figures in columns (5) and (4) that the delay in posting the ledger even as to values was due to this: The Accountant states that his time was much taken up with preparing information and return to the Audit office with reference to the discrepancies between the values in ledgers and that in general accounts noticed in reference to the late transfer report.

(*c*) *Issues without receipts.*—Another result of the system followed is that in several cases issues have been shown against stores before receipts are noted against them. The rate in such cases is the previous current rate.

16. In the following cases stores received by the undermentioned vessels had not been brought on to either priced ledgers or sub-ledgers at date of inspection :—

Steamship.	Date of receipt into stores.
Carrodale	10th January 1895.
Mackenzie	10th ,, ,,
Lineithgow	25th ,, ,,

17. The ledgers and sub-ledgers should be posted as to quantities immediately on receipt of the stores. If, at any time, it is necessary to determine values in the ledgers before actually known, then approximates can be used. This will only happen in exceptional cases. If there is no such urgent need, then the values may be entered in the priced ledgers in the month subsequent to that in which the quantities were entered. It will be of course necessary to watch items that remain unpriced in ledgers.

18. (*a*) *Sub-ledgers.*—The proper status of the sub-ledgers did not appear to be understood. Sub-ledgers must be regarded merely as subsidiary and complementary to the priced ledgers.

(*b*) At present all ledger heads and not merely grouped heads are entered in sub-ledgers.

(*c*) *Unit.*—The units of quantity in the sub-ledgers further are not the same as the units in the priced ledgers. Immediate comparison and check is therefore difficult. Should it be advisable to maintain a different unit in the sub-ledgers, yet the unit of the priced ledgers should also be maintained and can easily be done.

19. *Cross-references omitted.*—Cross-reference entries between the folios and respective ledgers and sub-ledgers are not given in the books. Tracing of entries for purpose of comparison is therefore impeded.

20. *Old ledgers not closed before opening new ones.*—The new priced ledgers have been opened in January 1895 according to a revised classification and grouping. The opening balance represents for quantities what is said to be the balance by actual count on 1st October 1894, and for values those entered in the valuation statement prepared to 30th September 1894. (See paragraph 28.) The old priced ledgers have not been closed to show—

(*a*) the *actual* balances and values on 30th September 1894.
(*b*) deficiencies and excesses in quantities and values and their disposal.
(*c*) transfers from the old existing grouping to the new grouping in the new ledgers.

There is thus no continuity of record between the two sets of priced ledgers which are the continuous permanent records.

21. *Surpluses and deficits in quantities found on stock-taking not recorded.*—As regards the differences in *quantities* between books and those found on actual count, no record of them has been entered in the books (Public Works Department Code, Vol. II, Chapter I, 118), nor has a statement of them been submitted to Examiner or Superintending Engineer. The book balances in sub-ledgers have been merely corrected to accord with the actual balances.

22. *The basis of valuation of quantities on 30th September* 1894.—A report was made on the last transfer report of Accountants, that the *value* at debit of stock in the ledgers and that in the General Accounts (Stock Account Current) differed. Instructions were given to trace out and reconcile these discrepancies. Thereupon actual count of stock on the 30th September 1894 was taken, and the value of this stock was determined for the ledger balances as follows :—

(*a*) Where the quantities in the priced ledgers under a grouped head or individual item agreed with that ascertained on actual count, the value of the quantity in stock was taken to be the ledger value balance. The rate struck was that value divided by the actual quantity.

(*b*) When the book quantities and those by actual count differed, the value for the balance forward was taken as the product of the actual quantities multiplied by the last issue rate shown by the ledger.

(*c*) Where it was difficult to identify the grouping or classification of stores in the ledgers and those actually counted in yard, the quantities by actual count and according to the new grouping were brought forward and the rate taken as that of last issue of similar stores in the old priced ledgers. (See also paragraph 28.)

(*d*) The valuation statement submitted to audit for the purpose of reconciling the discrepancy between ledgers and general books merely exhibited the values arrived at by the methods above named, and a further statement showed the values at debit of the stock sub-heads in General Accounts.

23. *Arrears.*—The old ledgers were not closed on the 1st October and balances struck, excesses and deficiencies definitely recorded, and the balances transferred from old grouping to the new in the fresh set of ledgers as already stated in paragraph 20. Instead, the old ledgers continue to exhibit transactions for October, November and December 1894 under *old grouping*, and the new ledgers have the balance by actual count on 1st October brought forward according to new grouping, a space left blank for the entries of October, November, December according to new grouping (which still remained to be recast on the date of inspection), and entries again resumed according to new grouping from 1st January 1895 onwards.

24. *Accountant's explanation.*—The reason for the delay in transferring from old grouping to new grouping is stated by the accountant to be that the approval of audit office to new grouping had not been received till close of December. Upon its being pointed out to him that grouping was primarily a matter for the executive to determine on the general principles laid down in Examiner's letter printed with G.O., dated 13th April 1892, No. 1224 W., and also that little or no progress had been made in transferring accounts from old to new grouping and reconciling discrepancies or of obtaining orders as to the deficiencies in quantities (and consequently of differences in values also between actuals and ledgers), he stated that he had not considered the matter worth the trouble.

25. *Work remaining to be done.*—What remains to be done at present is—

(*a*) to record the discrepancies in *quantities* on the 30th September 1894 between priced ledgers and actuals ;

(*b*) to show how far these are due to erroneous figuring in ledgers or to actual deficiencies ;

(*c*) to submit them for orders and sanction to write off with the names of the persons responsible for actual deficiencies ; the value they stood at upon the ledgers should of course be also given ;

(*d*) to show difference of values as per actual count and those as per general accounts ; and to obtain orders as to write off or credit of differences to works, funds or revenue or to applying them to lowering or enhancing future rates.

26. No periodical reconciliation has hitherto been made between ledger and sub-ledger balances or between ledgers and general accounts. The new priced ledgers and sub-ledgers, which formerly used to frequently disagree, now agree as they are practically posted simultaneously. As pointed out in paragraph 18 (*c*) however the adoption of different units in these books does not tend to facilitate check.

27. *Check of agreement of books was not possible at inspection.*—(*a*) It follows from the remarks in paragraph 23 that balances have not been struck in the new ledgers after each transaction. An agreement between ledgers and sub-ledgers could not be made at time of inspection.

(*b*) For the same reason the balances in the priced ledgers and stock accounts current could also not be agreed.

28. *Valuation of 30th September* 1894 *not effective.*—In paragraph 42 (*b*) of last inspection report, it was pointed out that no half-yearly adjustment of rates had been made for some years. What was done last October in this respect has been pointed

out in paragraph 22. The rates then determined were certified to by General Superintendent in his report No. 48 S., dated 16th November 1894, as fair and reasonable. From my remarks above it will be seen that they were book rates, that they were, further, book rates remaining unadjusted for years; that no distinction had been made between used and unused, current and surplus stock, and no allowance made for depreciation.

29. (*a*) *Surplus stores.*—Lists showing surplus articles in stock over 10 years and again others over 3 years are appended hereto—*vide* annexures A and B.

(*b*) The book value of those in stock over 10 years is given at Rs. 70,372. Even assuming that they are all unused and not second hand, and consequently allowing for depreciation at only 5 per cent. per annum, the effective value of these stores must be 50 per cent. less, *i.e.*, Rs. 35,000.

(*c*) With the same favourable presumption, and further assuming that none of them have been in stock over 3 years, the depreciation on the articles in annexure B, book valued at Rs. 24,433, must be 15 per cent., that is over Rs 3,600.

The effect of the sanction to the reserve limit of Rs. 2,25,000 alluded to in paragraph 13 is to sanction a loss on Rs. 1,61,000 of 5 per cent. for half seven years, that is $17\frac{1}{2}$ per cent. amounting to Rs. 28,175, due to depreciation on surplus stock, calculated according to the rules in Volume IV, Chapter V, paragraph 25, and Government of India Railway Circular No. II, dated 18th March 1893, on Railway Stores.

30. Besides the stock alluded to in paragraph 2 there is a large quantity of surplus tools and plant borne on the books numerically. The last list of such articles is dated 1892.

IV.—GENERAL.

31. *Supply of certain codes and circulars.*—I recommend that Volumes III and IV of Public Works Department Code, the Director-General of Railways classification of State Railway stores, the Government of India circulars on Railway stores be supplied to this office for guidance and reference.

32. *Accountant.*—I think that the present Accountant M.R.Ry. B. Raghavendra Rau did not have the store ledgers accounts handed over to him in as satisfactory a condition as they might have been. The regrouping and classification of articles in ledgers was initiated by Mr. Wickham, then General Superintendent, so far back as 1891, and still little progress has been made, and if all of the progress made has been recorded or failed to be recorded as in the cases brought under my notice, the matters cannot be termed satisfactory. The accountants in principal charge since 1891 have been the late P. Singaravalu Moodelliar, 1891–93, and Mr. M. Ryan, 1893–94. How far the condition of the ledgers was due to causes beyond their control I cannot say. I do not think the present accountant has dealt satisfactorily with the store ledgers accounts, nor do I think his representations regarding returns to audit and conception of G.O., dated 13th April 1892, No. 1224 W. (see paragraph 15), as altogether valid excuses. He has certainly had no help from his predecessors, but I certainly think he might have made more progress than he has done. He is stated to suffer from very bad health. I recommend that an experienced accountant be sent to aid him in bringing up the ledgers, and that he submit a monthly report of progress stating exactly what has been done.

Special.

33. *Utility of a separate store division.*—The work of this division consists in—

(*a*) keeping up a reserve stores of stock, tools and plant and issuing it to divisions;

(*b*) taking over from agent for Government consigments at Madras, the English stores indented for by divisions and despatching them.

As regards (*a*), the average issues of stock to division for the last 5 years have been Rs. 32,000 per annum. I do not consider the receipts, as the issues must be the test of the division's practical usefulness. Divided among 29 divisions this Rs. 32,000

amounts to less than Rs. 1,200 per annum or Rs. 100 per mensem. It is difficult to judge the total issues of tools and plant since, except to irrigation divisions, they are issued without value. The receipts, however, for the past 2 years and these usually exceed issues (I have omitted the 3rd year since it appears to be altogether abnormal) average about Rs. 30,000 per annum, or also less than Rs. 1,200 per annum per division or Rs. 100 per month.

34. The usefulness of this stores division to other divisions appears therefore as to stores to be confined to the issue of an average of about Rs. 200 worth every month to each division.

It is very probable, though from the data before me, I cannot say, that certain special irrigation division and the Presidency Workshops take up most of this amount. The general Provincial funds however bear the cost of the establishment, a portion of which in that case would be more properly debitable perhaps to Imperial and to special works.

35. As regards duties regarding consignments on English indents, it is understood that the majority of the work in connection with landing is done by the agent for Government consignments and that the duties of the stores division are confined to simply taking over English stores from that officer and despatching them to divisions. The amount of English invoices received for the past three years has been as follows:—

Year.	Amount. RS.	A.	P.	Distribution and remarks.
1892	38,195	4	2	About Rs. 18,000 to Periyár and Rs. 9,000 to other irrigation divisions.
1893	30,830	0	6	About Rs. 12,000 to Periyár and Rs. 13,500 to other irrigation divisions.
1894	82,258	11	6	Of this about Rs. 57,000 to Periyár and Rs. 16,000 to other irrigation divisions.
Total ...	1,51,284	0	0	

Average about Rs. 50,460 per annum.

From the above it will be seen that however great the average annual value of stores landed may appear to be, still they only average about Rs. 4,200 per mensem or less than Rs. 200 per mensem per division.

It will be further observed though that a considerable part of the invoices is for the Periyár and kindred irrigation works, and that the amount for Provincial works proper is but insignificant.

36. To enable all this work averaging about Rs. 400 per month for each division to be done (Rs. 200 or half of which merely represents little more than clerical duties connecting with checking indent, invoices and packing accounts for that Rs. 200 and a very large proportion of which is done for divisions practically Imperial like the Periyár), a provincial establishment is kept up at head-quarters costing on an average for the past 5 calendar years some Rs. 12,500 or a little over Rs. 1,000 per mensem, or about Rs. 40 per mensem for each division, nearly 10 per cent. on the work done as estimated above, half of which only is due to the reserve store itself.

37. Analysed for practical purposes, the work done for each division consists of—

(*a*) At the utmost, Rs. 200 of stores and tools and plant issued, and that a considerable portion of this is for irrigation works and for the Presidency Workshops.

(*b*) The clerical work in connection with divisional English invoices and indents and the *partial* transit agency for divisions.

As regards (*a*) it is noted that this is about the same amount as each division indents on England for, and therefore the annual unforeseen requirements in each division are about equal to the requirements for stores foreseen and indented for on England, a very large proportion, likely to be reduced with care.

As regards (*b*) that the actual Indian charges is added to the cost of the stores debited to divisions. The percentage of 10 per cent. for establishment (exclusive of allowances for deferred pay, &c.), however reasonable it may appear for the reserve stock itself under (*a*), cannot, I think, be looked upon but as excessive for the work done as per (*b*), and further, to be charged to Provincial funds at the profit of Imperial.

38. In conclusion the following points are submitted for consideration :—

(*a*) The prompt sale or disposal of all surplus and unserviceable stores.

(*b*) The early revaluation and classification of all stores accordingly as they are—

(*a*) New.
(*b*) Second hand.
(*c*) Surplus.
(*d*) Unserviceable.

(*c*) The continuation after the stock has attained its normal and proper effective limit as to whether the Stores division should not be abolished, its work done as a reserve store under the Consulting Architect division and the Periyár and other Imperial irrigation division charged with the establishment really requisite for the despatch and accounting of their stores, which establishment should also work under the Consulting Architect division.

(*d*) Now that a price list has been issued by stores that indents by divisions upon England for new stores be prohibited, while similar second-hand or new stores are in stock in the Stores division.

39. With reference to paragraph 38 (*c*), the following establishment appears to be ample for the work to be done :—

Designation.	Pay.	No.	Amount.	Duties.
	Rs.		Rs.	
(1) Store clerk	50	1	50	Reserve, issue and keep reserve of Rs. 50,000 effective stores.
(2) Store dubash or clerk	40	1	40	To take over and despatch English stores to divisions, and issue advances of such despatch and receipts.
(3) Clerk	30	1	30	To post priced ledgers, compare balances and prepare balance statements.
(4) Clerk	20	1	20	To post sub-ledgers, compare balances with priced ledgers.
(5) Clerk	30	1	30	Check indents, invoices and packing accounts, and prepare advances of issue, receipts and transfers.
(6) Store peons	6	2	12	To aid store clerk and assist in office.
(7) Watchmen or gate-keepers	5	2	10	
(8) Jemadar	7	1	7	To aid dubash.
(9) Store coolies	4	3	12	For stacking and removing reserve stores.
Total amount { Per mensem ..	..	..	211	
Total amount { Per annum ..	..	..	2,532	

The accounts would be under general supervision of the Accountant of the Consulting Architect division, or, if both Presidency Stores and Workshops are maintained at one site, under the general supervision of the workshops accountant. I should deprecate the latter as it might always be used as an argument to enhance the utility of the Workshop division other than any that division possesses *per se*. It is perhaps necessary to remark that the whole clerical establishment need not necessarily be stationed where the stores depôt itself is, and again that separate depôts may be maintained for reserve and for transit stores, though the latter might enhance establishment, saving cost of carriage however. It will be seen that there are certainly very large possibilities of saving indeed in connection with the present establishment.

14th February 1895.

(Signed) C. C. SWETENHAM,
Inspecting Officer.

ANNEXURE A—*vide* paragraph 29.

List of Surplus stores on 30th September 1894 in stock for over ten years in Presidency Stores Division.

Description.	Unit.	Quantity.	Rate.	Amount.
In stock for over ten years.				
Pier stores, as per details in ledgers	..	..	Rs. A. P.	Rs. A. P.
Corrugated iron sheets for bridge flooring 7′ × 22″ and $\frac{3}{16}$″	..	..	..	23,083 8 7
Rolled iron joists, 15′ × 3$\frac{1}{2}$″ × 2$\frac{1}{4}$″	lb.	112,691	0 2 0	14,086 6 0
Copper rod, 1$\frac{1}{4}$″, 1$\frac{1}{2}$″ and 2″	No.	60	7 1 0	490 11 9
Iron, flat, $\frac{3}{4}$″ × $\frac{1}{4}$″, 1$\frac{1}{4}$″ × $\frac{5}{8}$″, 1$\frac{1}{2}$″ × $\frac{5}{8}$″, 1$\frac{3}{4}$″ × $\frac{5}{8}$″	lb.	552$\frac{1}{4}$	0 6 11	244 15 0
Iron, round, 8″	,,	66,245$\frac{1}{2}$	0 0 10	3,450 4 7
Iron plate, 2′ × 1′ × 1″	,,	7,303	0 0 10	380 5 10
Iron sheet, 4′ × 2′ of sizes	,,	6,920	0 0 11	396 7 4
Iron angle, 8″ × 4$\frac{1}{2}$″ × $\frac{1}{2}$″ and 8″ × 3$\frac{1}{2}$″ × $\frac{1}{2}$″	,,	603	0 1 0	37 11 0
Iron triangle, $\frac{3}{4}$″	,,	72,700	0 0 10	3,786 7 4
Steel, cast, flat, 1$\frac{1}{2}$″ × 1$\frac{1}{4}$″ and 1$\frac{3}{4}$″ × 1$\frac{3}{8}$″	,,	546	0 0 10	28 7 0
Steel, cast, round, 1$\frac{1}{2}$″ × 1$\frac{1}{4}$″ × 2″	,,	20,261	0 3 11	4,960 5 7
Steel, blister, flat, square and old	,,	21,017	0 3 11	5,144 12 7
Steel, cast, octagon, 2″ and 2$\frac{1}{4}$″	,,	15,487$\frac{1}{2}$	0 3 10	3,672 1 0
Wire, iron, split, $\frac{3}{8}$″, $\frac{5}{16}$″, $\frac{3}{16}$″, and $\frac{1}{16}$″	,,	7,027	0 1 6	658 12 6
Wire, copper, coated with silk	,,	569$\frac{8}{16}$	0 1 11	67 13 8
Zinc sheet, 7′ × 3″ G. No. 7	,,	30$\frac{3}{4}$	5 0 0	150 3 9
Bolts, door, iron, round, 36″ and 42″	,,	505	0 3 3	102 9 3
Glass plates	No. or lb.	629 / 10,226	0 3 3	2,077 2 6
Hinges, iron, butt 8″	No.	19	..	199 10 0
Hinges, brass, for boxes, 4″ butt	No. or lb.	627 / 1,672	0 7 3	757 10 0
Locks, brass, despatch, with 2 keys	No. or lb.	1,312 / 2,300	0 8 3	1,185 15 0
Locks, pad, brass, single, 2″	No.	5	5 0 0	25 0 0
Locks, pad, iron, double, 5″	,,	113	1 15 3	220 11 3
Locks, pad, iron, double, 4$\frac{1}{2}$″	,,	74	2 1 0	152 10 0
Locks, press, brass, Chubbs, 2$\frac{1}{2}$″	,,	73	1 14 0	136 14 0
Locks, drawer, Chubbs, 2$\frac{1}{2}$″	,,	21	4 4 0	89 4 0
Locks, drawer, Chubbs, 3″	,,	16	5 6 0	86 0 0
Locks, mortice, door, brass, 6″	,,	2	5 10 0	11 4 0
Locks, mortice, door, brass, 8″	,,	16	10 0 0	160 0 0
Nails, iron, spike, 7″	,,	19	14 6 0	273 2 0
Screws, coach, of sizes	lb.	80	0 1 2	5 10 0
Screws coach, galvanized, 3$\frac{1}{2}$″ × 1$\frac{1}{2}$″	,,	3,221$\frac{3}{4}$	0 1 10	369 2 6
Washers iron, 1$\frac{3}{8}$″ and $\frac{3}{8}$″	,,	101$\frac{1}{4}$	0 3 0	18 15 9
Dryers paint	,,	67	0 1 5	5 14 11
Paint, mixed, blue	,,	148	0 5 0	46 4 0
Paint, dry, magnetic	,,	87	0 2 0	10 14 0
Paint, Carson's, white	,,	90	0 3 0	16 14 0
Acids for testing minerals	,,	28	0 1 0	1 12 0
Rope, manilla, 5$\frac{1}{2}$″ old	Sets.	18	..	139 4 0
Calcium	lb.	940	..	84 1 10
Silicate	Gal.	132	1 15 6	259 14 0
Ink multiplex in tins	,,	92	7 4 1	667 7 8
Lead pipes, $\frac{3}{4}$″, 1″, 1$\frac{3}{8}$″ and 2$\frac{1}{2}$″	No.	12	4 8 0	54 0 0
Tubes, copper, steam of sizes	lb.	1,322	0 3 0	246 3 9
Tubes, copper, for lightning conductors	,,	3,255$\frac{6}{16}$	0 10 0	2,025 8 4
Union joints, W. I.	,,	462	0 8 0	231 0 0
	No.	18	4 0 0	72 0 0
Total ..	..	..	..	70,372 0 3

ANNEXURE B—*vide* paragraph 29.

SURPLUS stores on 30th August 1894 in stock for over three years in Public Works Stores Division.

Description.	Unit.	Quantity.	Rate.	Amount.
In stock for over three years.			RS. A. P.	RS. A. P.
Asphalte	lb.	572	0 0 7	20 12 7
Columns, C.I.	No.	9	} ..	1,600 2 0
C.I. bed plates for columns	,,	12	}	
Tape, copper-braced, $1\frac{1}{2}'' \times \frac{1}{8}''$	lb.	$600\frac{1}{4}$	0 7 7	284 9 2
Rolled iron joists, 22′ × 8″ and 4″	No.	2	33 7 11	66 15 9
Iron, flat, of certain sizes	lb.	$185,039\frac{1}{2}$	0 0 10	9,637 7 7
Iron, square, of certain sizes	,,	26,982	0 0 10	1,405 5 0
Iron, round, old, 4″, $3\frac{1}{2}''$ and 3″	,,	12,231	0 0 6	382 3 6
Iron, round of certain sizes	,,	22,371	0 0 10	1,165 2 6
Iron, square, Swedish, $\frac{1}{4}''$, $\frac{3}{8}''$, $\frac{1}{2}'$ $\frac{3}{4}''$	,,	6,994	0 1 4	582 13 4
Iron plate, $\frac{1}{16}''$ of sizes	,,	175	0 0 11	10 1 7
Iron angle of certain sizes	,,	8,605	0 0 10	448 2 10
Iron T of sizes	,,	13,379	0 0 10	696 13 2
Iron channel of sizes	,,	92,355	0 0 10	4,810 2 6
Steel, shear, flat, of sizes	,,	$1,368\frac{1}{4}$	0 3 7	306 7 9
Steel, shear, square, 2″ and $2\frac{1}{2}''$	,,	1,210	0 3 7	270 15 10
Steel, cast, flat, of sizes	,,	3,743	0 3 11	916 4 1
Steel, cast, square, of sizes	,,	3,498	0 3 11	856 4 6
Steel, cast, octagon, $1\frac{1}{2}''$	,,	3,209	0 1 6	300 13 6
Wire platinum	Feet.	$11\frac{5}{6}$	0 3 0	2 3 6
Zinc sheet, 7′ × 3″ G. No. 18	lb.	$31\frac{1}{2}$	0 3 3	6 6 4
Cloth, wire, brass, 4 holes to inch, 70 holes, 80 holes and 90 holes	R. feet.	$25\frac{3}{4}$	1 5 3	34 4 2
Glass, circular, $4\frac{3}{4}''$, 5″ and $5\frac{3}{4}''$	No.	112	0 4 5	30 10 6
Hinges, iron, strap, 9″ and $12''$ (No. 12)	lb.	$7\frac{1}{2}$	0 7 3	3 6 4
Hinges, brass, for boxes, of sizes	,,	20	0 8 3	10 5 0
Handles for boxes and doors	No.	156	Different rates.	103 2 0
Hooks and eyes for catgut bands	,,	34	0 10 0	21 4 0
Locks, pad, brass, single, 4″	,,	4	3 0 0	12 0 0
Locks, brass, box, Chubbs, $3\frac{1}{2}''$	,,	1	15 8 0	15 8 0
Lock, brass, common, 4″	,,	5	3 2 0	15 10 0
Locks, Rim, 7″ brass	,,	48	6 4 3	302 4 0
Do. 6″ iron	,,	24	2 6 0	57 0 0
Paint, Carsons, white	lb.	28	0 1 0	1 12 0
Powder, Prussian, blue	,,	41	1 5 7	55 4 11
Size, concentrated	,,	9	0 2 0	1 2 0
Total	..	..	..	24,433 12 0

Office-note from the Examiner of Public Works Accounts, dated Madras, 9th April 1895, No. 1318 B.

Submitted for the orders of Government, with special reference to the following remarks.

2. Minor defects and irregularities will first be taken up direct with the General Superintendent, and a further report submitted on the points that cannot be settled with him.

3. The first step necessary towards placing the transactions and accounts of the Stores division in an efficient state is to reduce stock to the lowest possible limit; and to this end *all* surplus stores and tools and plant of every description, but particularly the articles enumerated in annexure A of the report, should be sold outright without further delay in accordance with the principle accepted by Government in its Proceedings, No. 2400 W., dated 29th August 1892.

4. These stores are borne on the books at Rs. 70,372, but their depreciated value is only Rs. 35,186, and under rule they ought to have been sold five years ago.

5. Having thus reduced stock, the General Superintendent should be instructed—

(i) to verify *quantities* as actually counted with book balances in the following form:—

Articles.	Book balances.	Actual count.				Excesses.	Deficiencies.
		New.	Second-hand.	Surplus.	Unserviceable.		

(ii) to open separate ledgers and sub-ledgers (where necessary) for new, second-hand, surplus, and unserviceable stores;

(iii) to stock each of these classes of stores separately;

(iv) to keep the reserve limit down to the minimum.

6. With reference to this last point, and paragraph 13 of the inspection report, the attention of the General Superintendent should be drawn to the following rules:—

(i) "Ordinarily . . . no reserve stock should be kept (Code II, II, 125).

(ii) "One general principle of the department is that . . . when materials are procured under such circumstances that—

(*a*) they can at once be used upon a work;

(*b*) there can be no doubt on what work they will eventually be used up; and

(*c*) when they are of a kind that enables them to be located at the work and kept separate and distinct without practical difficulty or inconvenience, then the payments for them should at once be debited to that work (Code II, II, 123).

(iii) "When a reserve stock is sanctioned, the fixed maximum should be kept at the lowest point compatible with efficiency" (Code II, II, 125).

In these days of easy railway communication, and in view of the facts—

(i) that Rs. 95,000 out of the fixed limit of Rs. 1,50,000 represent the value of surplus stores (paragraph 2 (*b*) and (*c*) of inspection report),

(ii) that the issues of stores to all divisions average only Rs. 32,000 a year (paragraphs 13 (*b*) and 33 (*b*) of inspection report),

it will probably be found that even Rs. 1,50,000 as the reserve stock limit is largely in excess of requirements. Two years' supply will probably be sufficient.

7. The method of dealing with surplus stores and of calculating depreciation on them does not appear to have been understood; but this matter will be dealt with in a separate note, as it is one of general interest to all divisions in which reserve stores are maintained.

8. Paragraphs 33 to 37 and 38 (*c*) of the inspection report are worthy of favourable consideration.

9. I restrict myself to the points specified in this note, because it is most desirable in the interests of the State that—

(i) no further time should be lost in getting rid of surplus stores and tools and plant of every description;

(ii) the reserve limit should be reduced to the lowest possible point compatible with efficiency.

Attention to the first point will liberate funds that will form an addition to the budget grant under final heads—Code vol. II, chapter III, paragraph 48 A, and chapter IV, paragraphs 83 and 135 (*c*) (5) and (*d*) (5)—while adherence to the rules on the second point will prevent the needless locking up of capital.