1895

Madras.

BLIC WORKS.

Encl.

G.O. No. 1895 No. 2466 W.

Inspection Report

=

Re Examiners' —

& Re accounts of

No. I Periyar Dn

Contd to the Supdt

of Works with

remark.

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INDEXED

70/4

Government of Madras.

1895.

P. W. DEPARTMENT.

CURRENT No. 7475

From The Examiner,
P.W. Accounts.

No. 3387/B
Dated 1-10-95
Received 3-10-95

ENCLOS

SUBJECT.

Submitting for orders report of an inspection of the Accounts of the Supdt. of Works, 2nd I Periyar Division by Mr. Sherlock-Hubbard.

23.9.95 R. 2351 W
17.9.95 " 2304 W
19.2.95 " 4294 W
11.12.92 " 7305 W
21.1.92 " 207 W

P—2,000—28-2-95.

DISPOSAL.

No. 2466 W dated 7th October 1895

10 8.

A
Communicated.
Communicated to the Supt of Works, Periyar Project for information and guidance.

With reference to para 37 no change in procedure need now be made.

DESPATCHED
21 OCT. 95

S. of W. P. Project
Supdg. Engr
Exar P.W. accts

P.W. CURRENT No. 7475

68. The promotion of Mr. G. W. Wilkins, Accountant, to 8th Grade, permanent, from 4th March 1895, notified in the *Fort St. George Gazette*, dated 7th May 1895, had not been noted in his service book. Attention is invited to Civil Service Regulations, 876, and to paragraph 11 (i) of my office-note published with G.O. No. 272 W., dated 4th February 1893.

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PERIYAR,
12th September 1895.

(Signed) I. S. SHERLOCK-HUBBARD,
Examiner, Public Works Accounts.

Recd. 3.10.95

No. 338/B Dated 1st. October 1895.

Submitted for the orders of Government, special attention being invited to paras 14, 15, 22, 35 to 37, 44 to 52, 62, 65, and 66.

2. The points noticed in paras 14, 15, and 22 are apparently connected with the case of fraud that is now under investigation (see G.O No. 2351 W, dated 23rd. September 1895).

I. S. Sherlock-Hubbard
Examiner, P.W. Accounts, Madras.

not filed with the works-abstracts as in the case of other vouchers, but in a wire-clip. It is desirable that *all* vouchers should be filed with the works-abstracts to which they relate.

13. Contingent vouchers not submitted to the Examiner with the contingent bills have not been cancelled. It is as important to cancel these as any other vouchers, the object being to prevent their being used a second time.

14. *The Register of bills* prescribed in G.O., No. 2873 W., dated 15th October 1892, is said to have been missing since the 19th August 1895: see also paragraphs 16 and 22.

15. *Measurement Books.*—Eleven books (No. III, nos. 972, 974, 976, 977, 978, 1003, 1358, 1359, 1361 and 1362), which were received in the Divisional office for record from the Sub-divisional officer, Periyár, with his No. 715, dated 9th August 1895, were missing. The matter is an important one and is under investigation (see also paragraphs 14 and 22).

16. In book No. 1368, pencil entries of measurements on pages 1 to 36 were inked over contrary to the rule in Code II, I, 35.

17. In book No. 782, the necessary entries giving cross-reference to the bills prepared from the measurements were made, but the number and date of the bill have been invariably left blank. Attention is invited to Code II, I, 37.

18. In book No. 1360, page 93, 35 is quoted as the number of the bill, but it does not appear on the bill (schedule docket No. 1, Voucher No. 14 of March 1895).

19. Such entries as the following are unnecessary :—

Book No. 781.

Page 3.—"N.M.R., 21st to 31st. Rs. 23-4-0. Two watchmen, Kumili reservoir, pay for January 1894."

Page 5.—"N.M.R., 1st to 10th. Rs. 6-12-0. One head cooly in charge of limestone depôt. One female cooly clearing jungle."

Page 6.—"N.M.R., 1st to 10th. Rs. 2-4-0. Pounding surki at Kuruvanath." (No quantity given.)

Page 10.—"N.M.R., 11th to 20th. Rs. 33.

Nine male coolies ... ... } Watering and consolidating earthwork.
Three female coolies ... ... }

(No measurements or quantity given.)

Page 16.—"N.M.R., 20th to 28th February 1894."

	Rs.
Total Rs. 15—	
Camp lighting	10
One drummer	5
Total ...	15

(Here simply the distribution of the amount of the roll is recorded.)

Page 39.—"N.M.R., 11th to 20th June 1894."

	Rs.	A.	P.
Total Rs. 57-14-0—			
Dismantling turbine rope	20	0	0
Repairs to wire rope	25	14	0
Oiling posts	12	0	0
Total ...	57	14	0

(Here also the distribution is recorded. The record of the same in Part III of the roll is sufficient.)

The measurement book should be confined to a record of *quantities* of work done or of materials received. Code II, I, 31, and Note 1 of the instructions in the measurement book (Form E. No. 71).

20. The entries on page 62 of book No. 781 are not in the handwriting of the upper subordinate, but appear to be in that of his clerk. This is fundamentally wrong in principle and vitiates the value of the book.

21. *Cash-book.*—Alternate books are used "to expedite preparation of monthly accounts and schedules." This points to the conclusion that the cash-abstract book, the schedules, and the work-abstracts, are not written up from day to day, as they ought to be, but are left to be posted when the monthly accounts are due. This should at once cease and only one cash-book should be maintained.

22. The cash-book for May 1895, for payments made by the cashier at Periyár during the recess, could not be produced. This demands investigation (see also paragraphs 14 and 15).

23. Recoveries by deduction from contractors' bills, for supplies of rice, are incorrectly accounted for, although the results arrived at by a circuitous, unscientific procedure are correct. The accountant has been instructed on the point and the Superintendent of Works has promised to see that the correct method of accounting is followed.

24. The same remark applies to the entry of recoveries for rice supplies in the cash-abstract book and the work-abstracts.

25. Entries of payments in the cash-book are not always sufficiently explicit, *e.g.*, the month for which salaries and travelling allowances are disbursed is often omitted.

26. Payments are usually made in cash, owing it was said to the unwillingness of contractors and others to receive cheques on the Periyakulam treasury.

27. Details of the closing cash and treasury balances at end of a month are unnecessarily repeated at the beginning of the cash-book for the succeeding month, notwithstanding instructions to the contrary in inspection reports on other offices.

28. Cash in transit, for disbursement at a distance from head-quarters, is correctly held as part of the Superintendent of Works' cash balance. No loss has yet occurred in the transit of such amounts, but it appears desirable that a police guard should accompany the subordinate entrusted with the payments when the amount exceeds Rs. 500.

29. *Cheque Books.*—The certificate of count of cheques on the fly-leaf is not signed by the Superintendent of Works.

30. *Adjustment Book.*—In this the entries for recoveries of rice are inaccurate. Instead of "Rice recoveries from piece-workers and labourers for rice issued to them in April 1895," the entry ought to be "Rice recoveries in April 1895." The inaccuracy occurs from month to month.

31. *Works Abstracts.*—The unit in estimates and in the register of works for rubble work is cubic feet, while that adopted in piece-workers' bills is cubic yards. In posting the works-abstracts from bills, this necessitates the reduction of yards to feet. The adoption of a uniform unit is desirable.

32. The numbers and amounts of the estimates quoted in bills are those of the original estimates and not of the revised ones.

33. An advance of Rs. 50 to piece-worker Muthukaruppanna Pillai in February 1895, which was duly deducted from his bill (schedule docket No. 1, Voucher No. 64 of March 1895) had not been debited in February 1895 to the piece-worker and shown as *minus* arrears in the work accounts, but was charged off to the sub-head concerned.

34. The same procedure is followed in reference to recoveries from piece-workers for departmental labour employed for them. A register of such amounts is however maintained in view to recoveries being watched.

35. Explosives issued to piece-workers are charged off as stock issues direct to the sub-head of works and not to the debit of the piece-worker. A register has recently been opened in view to watch the recoveries. It however only shows quantities and not value and is not posted up to date. It was stated that the Divisional office is not furnished with a return showing quantity and value of explosives issued to each piece-worker, but that the necessary information to post the register referred to above was obtained from the initial accounts with the subordinate concerned.

36. At present this subordinate is held responsible for noting the necessary deductions in the bills and no check on them is exercised in the Divisional office; but in view of the large amounts involved, it would have been desirable to pass the transactions through the "Stock sales" account as required by Code II, II, 135, II.

37. Considering, however, that the project will be completed within four or five months, and that the present procedure is said to have worked satisfactorily, it is for Government to decide whether any change in procedure need be made provided that steps are taken to prevent the possibility of loss from a continuance of the present practice.

38. *Register of Works—Water-shed Cutting, Estimate Rs.* 2,47,000.—An excess of Rs. 1,315 over the estimate to end of June 1895 was sanctioned in G.O., No. 557 I., dated 13th July 1895. This sanction is not noted in the register of works.

39. The work has nearly been completed. The register of works still shows a *minus* arrears of Rs. 144-8-8, representing certain overpayments to piece-workers ordered to be written off in G.O., No. 2616 W., dated 17th October 1894. They should be charged off to the sub-heads concerned.

40. *Annual Repairs and Improvements to Assistant Engineer's Quarters, Periyár, Estimate No.* 37 *of* 1894-95.—Completed in October 1894. Rs. 4-13-0, arrears of labour for June 1894, have not yet been credited to Revenue as required by Code II, II, 167.

41. Arrears on completed annual repairs should be transferred to the next year's estimate so as not to be lost sight of.

42. *Water-shed Tunnel, Estimate Rs.* 4,94,000.—The excess over the estimate to end of July 1895 is only Rs. 638, but under sub-heads the following variations were noticed :—

Sub-heads.	Estimate.	Actuals.	Difference.
	Rs.	Rs.	Rs.
Tunnelling from north end	25,104	63,536	38,432
Do. from No. 2 shaft	1,22,588	92,945	— 29,643
Do. from „ 1 shaft	20,118	21,355	1,237
Contingencies	13,631	4,990	— 8,641
Petty supervision	13,891	2,410	— 11,481
Sluice house and gearing	10,000	20,886	10,886
Total ..	2,05,332	2,06,122	790

43. *Left Bank Escape, Estimate Rs.* 79,885.—Outlay to end of July 1895, Rupees 28,599. The sub-head "Removing rock" has already been exceeded by over 231 per cent. of the estimate as follows :—

Sub-heads.	Estimate.	Actuals.	Difference.
	Rs.	Rs.	Rs.
Removing rock at Rs. 7 per 100 cubic feet ..	2,233	..	— 2,233
Do. rock at Rs. 6-8-0 per 100 cubic feet..	3,250	..	— 3,250
Do. earth and soft rock	690	20,455	19,765
Total ..	6,173	20,455	14,282

44. *Materials at site.*—The balances at end of July 1895 of materials at site of works were as follows :—

Work—	Rs.	A.	P.
Main dam	74,862	9	0
Water-shed tunnel	35	11	6
Left bank escape	3,681	10	11
Total ...	78,579	15	5

and were supported by details in Form 7-F.

45. Materials are charged off, as far as possible, to the sub-heads concerned. The large amount at site of the main dam represents the following items :—

	Rs.	A.	P.
(i) Limestone at the collecting depôt	3,574	8	5
(ii) Do. in transit	954	2	11
(iii) Do. at Periyár	6,991	15	7
(iv) Charcoal	4,076	4	11
(v) Lime (manufactured)	9,866	13	11
(vi) Surki at depôt	2,198	14	4
(vii) Do. in transit	25	0	0
(viii) Do. at Periyár	12,201	8	9
(ix) Sand (at depôt, in transit and at Periyár)	12,546	6	10
(x) Mortar (manufactured)	...		
(xi) Cement	155	14	1
(xii) Junglewood	106	14	2
(xiii) Fuel	7,016	5	6
(xiv) Husk	...		
(xv) Bamboos	41	6	10
(xvi) Stock drawn from Storekeeper in lump for issue piece-meal in connection with manufactures of lime and mortar and the working of the several machines, &c., for the main dam	8,882	5	5
(xvii) Issues to other works to be adjusted in the next month.	2,693	14	3
	71,332	7	11
Add—			
Amount of wastage in materials due to transhipping representing differences between the accounts of the several subordinates and loss due to a quantity of sand having been submerged, in water by the sudden rise of the lake	3,530	1	1
Total ...	74,862	9	0

The adjustment of the sum of Rs. 3,530-1-1 is under consideration of the Superintendent of Works.

46. Thus, the materials at site account of the main dam includes account of manufactures; and the materials passed through the head are such as cannot, at the time of payment or of issue from stock, be allocated to any particular sub-head, since the lime and mortar are used on more than one sub-head and also transferred to other works, and the allocation of the issues of other articles to sub-heads of the work depends upon the purpose for which issued.

47. The necessity for heads (i), (ii), (vi), and (vii), arises from the fact of the collection and transit and the depôt at Periyár being in charge of different subordinates, while in the case of sand (head ix) everything in connection with it is in charge of one subordinate.

48. The several materials are in charge of different subordinates who submit accounts in Form 7-F. Thus, the subordinate in charge of the lime depôt at Kuruvanath debits the subordinate in charge of transit for the quantity sent out of the depôt, who in his turn debits the same to the subordinate in charge of the depôt at Periyár on delivery of the same and so on. The receipts and issues are therefore passed on the same principle as for stock issued for manufacture.

49. The subordinates render accounts of quantities only and all valuation is done in the Divisional office.

50. The process adopted for valuation is as follows :—(i) All cash payments, (ii) issues from stock, and (iii) issues of materials within the sub-heads of materials at site account (see paragraph 48) are allocated each month to the several sub-heads mentioned above, and the month's total added to the balance at end of the previous month is taken as the value of the quantity at end of the previous month *plus* the receipts of the month. A rate is then struck for adoption in pricing the issues shown in Form F of the several subordinates.

51. Thus, the resulting rate varies every month, as can be seen from the following statement :—

1895.	Lime rate per para.	Mortar rate per para.
January	0 7 0	No rates were used as no other works were affected.
February	0 14 2	
March	0 9 6	
April, May and June	0 10 0	1 10 11
July	1 4 0	0 14 5

The principal cause contributing to this is that the receipts of quantities appear in the accounts of one month and the payments in a different month.

52. The procedure has been described at length because it is peculiar, the object of the Superintendent of Works in adopting it having been to enable him to watch the cost from month to month of each operation. The results produced are not absolutely correct; but as all the works affected are component works of the same project it does not much matter if in one month the left bank escape benefits to the extent of a small amount at the expense of the main dam, the main dam at the expense of the right bank escape, or so forth. The more scientific method would have been to treat each manufacture as a sub-head of *stock* and to include liabilities in it by credit to the stock purchase account as described in Code II, II, 154 and 184 to 186.

53. *Dues to Piece-workers outstanding for over three months.*—There is only one such item, viz., Rs. 1-11-0, which has been due to Sabapathy Pillai since November 1894. His whereabouts are said to be unknown.

54. *Deposits.*—A sum of Rs. 700 has been realized for permission to sell liquor within the Periyár camp granted to Veeraya Gownden under the temporary license issued by the Superintendent of Works, with reference to G.O., No. 2818 W., dated 6th November 1894. It was there ordered that all such recoveries were to be paid to the Travancore Durbar before the 12th August 1895 in each year after certain deductions. The abkári management has however been transferred to the Revenue Department since May 1895, and orders of Government are about to be applied for regarding the disposal of the amount.

56. The licensee has preferred a claim for refund of a small portion of the amount paid by him, and the matter was said to be under consideration.

55. *Miscellaneous Advances.*—Of the balance of Rs. 1,751-8-0 at end of July 1895, the rice account was responsible for Rs. 1,277 under the system authorised in G.O., No. 179 I., dated 23rd February 1893. The subordinates responsible for recovery of this amount are the following :—

	Rs.	A.	P.
Lieutenant R. A. Bragg, Assistant Engineer	208	0	0
Mr. E. R. Logan, Temporary Engineer	8	0	0
Mr. H. Wale, Apothecary	5	0	0
Mr. Rozario, Sub-Overseer	28	0	0
Sergeant E. Brand, Overseer	107	0	0
Mr. T. Jacob, Overseer	164	0	0
Mr. W. Hey, Supervisor	4	0	0
Mr. G. B. D'Cruz, Sub-Overseer	18	0	0
Mr. W. T. Jacob, Supervisor	786	0	0
(i) Total ...	1,328	0	0
Deduct—	Rs.	A.	P.
(ii) Amount of cheques recovered from piece-workers but not paid to the contractor	30	8	0
(iii) Over-recoveries due to double deductions ...	20	8	0
	51	0	0
(iv) Balance ...	1,277	0	0

The sum of Rs. 20-8-0 referred to in (iii) above should have been credited to deposits as soon as the over-recovery was detected (Code II, III, 93).

57. The balance on the rice account may therefore be considered efficient, but the whole of it was not current. Allowing two months for recovery from the date of issue of a rice-cheque, Rs. 315 out of the balance of Rs. 1,277 represented the value of cheques issued by the undermentioned officers in May 1895 and earlier months :—

	Rs.
Lieutenant R. A. Bragg	45
Sergeant E. Brand	20
Mr. T. Jacob	26
Mr. G. B. D'Cruz	10
Mr. W. T. Jacob	214
Total ...	315

58. All the other items in the miscellaneous advance account were current and efficient.

59. *Stock Accounts.*—The principle enunciated in Code II, II, 184, viz., that "the balance of the stock account should always represent, reasonably, the value of stock actually on hand" is not adhered to, as debits from the Public Works Stores division are invariably debited to "Stock" prior to the actual receipt of the articles. The balance of the stock account is therefore stated at a higher figure than the value of the articles in the Storekeeper's custody.

60. As a result of the above procedure, the amount of such erroneous debits is forced into the Transport and Stores Sub-divisional officer's monthly return of receipts (Form No. 10) without quantities, while in the month of actual receipt of stores, the values are struck out from that return, which is thus subjected to many corrections.

61. All this would be avoided, and the accuracy of the stock accounts ensured, by holding the value of stores in transit at debit of the miscellaneous advance account until receipt of the articles [Code II, III, 95, VIII, f., (5)].

62. *Surplus Stock.*—The half-yearly returns show many items on which there have been no transactions for some months. As the works are however approaching completion, the disposal of such stores may, it is thought, be deferred for the present, but their disposal would probably be accelerated by the early circulation of a complete list of articles that are not likely to be required.

63. *Timber.*—The value of timber in stock at end of July 1895 was Rs. 26,098 against a sanctioned limit of Rs. 19,977. This was the only sub-head of stock on which an excess over the sanctioned limit occurred.

64. The causes of this accumulation of timber are fully explained in the Superintendent of Works' letter, No. 219 C.E., dated 6th February 1895, to the address of the Chief Engineer; and negotiations are being carried on with the Travancore Government for the sale of the surplus timber (see G.O., No. 429 W., dated 19th February 1895, and letter, No. 92 C.E., dated 3rd September 1895, from the Superintendent of Works, to the address of the Chief Engineer).

65. *Tools and Plant.*—Full effect has not yet been given to G.O., No. 3130 W., dated 7th December 1894, regarding the disposal of surplus machinery and other stores in the division.

66. Stock was taken in March 1895 and the balances in the half-yearly return were certified to be correct. It was, however, stated that the return was incomplete inasmuch as that in the early years of the project the accommodation for storage and the system of accounting were very defective and trace of several articles has been lost. The Superintendent of Works is of opinion that it is not possible to prepare an accurate return of all the articles that ought to be borne on it. Among these, however, is a Stanley's camera used in taking photographs of the works. There appears no reason why this should not at once be brought on the return.

67. *Service Books.*—The cash-chest in which these were being conveyed during the last recess was submerged in the river and the books are much the worse for the accident. Unless their condition improves, new books should be opened at an early date and all entries in them attested by the Superintendent of Works.

P.W. CURRENT No. 7475.

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GENERAL.
ACCOUNT.

Govt. of {1895} Madras.

PUBLIC WORKS.

Dated October, 7th.

Recd. *Encl.*

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OCTOBER.

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(True Extract.)

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

To the Superintendent of Works, Periyár Project.
„ Examiner, Public Works Accounts.

Exd. Shaik Karim.
Spare Copies

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July	1 4 0	0 14 5

The principal cause contributing to this is that the receipts of quantities appear in the accounts of one month and the payments in a different month.

52. The procedure has been described at length because it is peculiar, the object of the Superintendent of Works in adopting it having been to enable him to watch the cost from month to month of each operation. The results produced are not absolutely correct; but as all the works affected are component works of the same project it does not much matter if in one month the left bank escape benefits to the extent of a small amount at the expense of the main dam, the main dam at the expense of the right bank escape, or so forth. The more scientific method would have been to treat each manufacture as a sub-head of *stock* and to include liabilities in it by credit to the stock purchase account as described in Code II, II, 154 and 184 to 186.

53. *Dues to Piece-workers outstanding for over three months.*—There is only one such item, viz., Rs. 1-11-0, which has been due to Sabapathy Pillai since November 1894. His whereabouts are said to be unknown.

54. *Deposits.*—A sum of Rs. 700 has been realized for permission to sell liquor within the Periyár camp granted to Veeraya Gownden under the temporary license issued by the Superintendent of Works, with reference to G.O., No. 2818 W., dated 6th November 1894. It was there ordered that all such recoveries were to be paid to the Travancore Durbar before the 12th August 1895 in each year after certain deductions. The abkári management has however been transferred to the Revenue Department since May 1895, and orders of Government are about to be applied for regarding the disposal of the amount.

55. The licensee has preferred a claim for refund of a small portion of the amount paid by him, and the matter was said to be under consideration.

56. *Miscellaneous Advances.*—Of the balance of Rs. 1,751-8-0 at end of July 1895, the rice account was responsible for Rs. 1,277 under the system authorised in G.O., No. 179 I., dated 23rd February 1893. The subordinates responsible for recovery of this amount are the following :—

	Rs.	A.	P.
Lieutenant R. A. Bragg, Assistant Engineer	208	0	0
Mr. E. R. Logan, Temporary Engineer	8	0	0
Mr. H. Wale, Apothecary	5	0	0
Mr. Rozario, Sub-Overseer	28	0	0
Sergeant E. Brand, Overseer	107	0	0
Mr. T. Jacob, Overseer	164	0	0
Mr. W. Hey, Supervisor	4	0	0
Mr. G. B. D'Cruz, Sub-Overseer	18	0	0
Mr. W. T. Jacob, Supervisor	786	0	0
(i) Total ...	1,328	0	0
Deduct—			
(ii) Amount of cheques recovered from piece-workers but not paid to the contractor	30	8	0
(iii) Over-recoveries due to double deductions ...	20	8	0
	51	0	0
(iv) Balance ...	1,277	0	0

The sum of Rs. 20-8-0 referred to in (iii) above should have been credited to deposits as soon as the over-recovery was detected (Code II, III, 93).

57. The balance on the rice account may therefore be considered efficient, but the whole of it was not current. Allowing two months for recovery from the date of issue of a rice-cheque, Rs. 315 out of the balance of Rs. 1,277 represented the value of cheques issued by the undermentioned officers in May 1895 and earlier months :—

	Rs.
Lieutenant R. A. Bragg	45
Sergeant E. Brand	20
Mr. T. Jacob	26
Mr. G. B. D'Cruz	10
Mr. W. T. Jacob	214
Total ...	315

58. All the other items in the miscellaneous advance account were current and efficient.

59. *Stock Accounts.*—The principle enunciated in Code II, II, 184, viz., that "the balance of the stock account should always represent, reasonably, the value of stock actually on hand" is not adhered to, as debits from the Public Works Stores division are invariably debited to "Stock" prior to the actual receipt of the articles. The balance of the stock account is therefore stated at a higher figure than the value of the articles in the Storekeeper's custody.

60. As a result of the above procedure, the amount of such erroneous debits is forced into the Transport and Stores Sub-divisional officer's monthly return of receipts (Form No. 10) without quantities, while in the month of actual receipt of stores, the values are struck out from that return, which is thus subjected to many corrections.

61. All this would be avoided, and the accuracy of the stock accounts ensured, by holding the value of stores in transit at debit of the miscellaneous advance account until receipt of the articles [Code II, III, 95, VIII, f., (5)].

62. *Surplus Stock.*—The half-yearly returns show many items on which there have been no transactions for some months. As the works are however approaching completion, the disposal of such stores may, it is thought, be deferred for the present, but their disposal would probably be accelerated by the early circulation of a complete list of articles that are not likely to be required.

63. *Timber.*—The value of timber in stock at end of July 1895 was Rs. 26,098 against a sanctioned limit of Rs. 19,977. This was the only sub-head of stock on which an excess over the sanctioned limit occurred.

64. The causes of this accumulation of timber are fully explained in the Superintendent of Works' letter, No. 219 C.E., dated 6th February 1895, to the address of the Chief Engineer; and negotiations are being carried on with the Travancore Government for the sale of the surplus timber (see G.O., No. 429 W., dated 19th February 1895, and letter, No. 92 C.E., dated 3rd September 1895, from the Superintendent of Works, to the address of the Chief Engineer).

65. *Tools and Plant.*—Full effect has not yet been given to G.O., No. 3130 W., dated 7th December 1894, regarding the disposal of surplus machinery and other stores in the division.

66. Stock was taken in March 1895 and the balances in the half-yearly return were certified to be correct. It was, however, stated that the return was incomplete inasmuch as that in the early years of the project the accommodation for storage and the system of accounting were very defective and trace of several articles has been lost. The Superintendent of Works is of opinion that it is not possible to prepare an accurate return of all the articles that ought to be borne on it. Among these, however, is a Stanley's camera used in taking photographs of the works. There appears no reason why this should not at once be brought on the return.

67. *Service Books.*—The cash-chest in which these were being conveyed during the last recess was submerged in the river and the books are much the worse for the accident. Unless their condition improves, new books should be opened at an early date and all entries in them attested by the Superintendent of Works.

68. The promotion of Mr. G. W. Wilkins, Accountant, to 8th Grade, permanent, from 4th March 1895, notified in the *Fort St. George Gazette*, dated 7th May 1895, had not been noted in his service book. Attention is invited to Civil Service Regulations, 876, and to paragraph 11 (i) of my office-note published with G.O., No. 272 W., dated 4th February 1893.

69. *Records.*—These cannot be said to be in satisfactory order owing to the absence of suitable accommodation for them.

70. *State of office.*—Considering the frequent absences from illness the office is by no means over-manned, and the Accountant's work was satisfactory on the whole, but he had not taken steps to give the Assistant Accountant (a decidedly capable man) efficient training.

PERIYAR,
12th September 1895.

(Signed) I. S. SHERLOCK-HUBBARD,
Examiner, Public Works Accounts.

No. 3387 B.

Submitted for the orders of Government, special attention being invited to paragraphs 14, 15, 22, 35 to 37, 44 to 52, 62, 65 and 66.

2. The points noticed in paragraphs 14, 15 and 22 are apparently connected with the case of fraud that is now under investigation (see G.O. No. 2351 W., dated 23rd September 1895).

(Signed) I. S. SHERLOCK-HUBBARD,
1st October 1895. Examiner, Public Works Accounts, Madras.

ORDER—No. 2466 W., dated 7th October 1895.

Communicated to the Superintendent of Works, Periyár Project, for information and guidance.

2. With reference to paragraph 37 no change in procedure need now be made.

(True Extract.)

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

To the Superintendent of Works, Periyár Project.
" Examiner, Public Works Accounts.

Exd. Shaik Karim.
Spare Copies

36. At present this subordinate is held responsible for noting the necessary deductions in the bills and no check on them is exercised in the Divisional office; but in view of the large amounts involved, it would have been desirable to pass the transactions through the "Stock sales" account as required by Code II, II, 135, II.

37. Considering, however, that the project will be completed within four or five months, and that the present procedure is said to have worked satisfactorily, it is for Government to decide whether any change in procedure need be made provided that steps are taken to prevent the possibility of loss from a continuance of the present practice.

38. *Register of Works—Water-shed Cutting, Estimate Rs.* 2,47,000.—An excess of Rs. 1,315 over the estimate to end of June 1895 was sanctioned in G.O., No. 557 I., dated 13th July 1895. This sanction is not noted in the register of works.

39. The work has nearly been completed. The register of works still shows a *minus* arrears of Rs. 144-8-8, representing certain overpayments to piece-workers ordered to be written off in G.O., No. 2616 W., dated 17th October 1894. They should be charged off to the sub-heads concerned.

40. *Annual Repairs and Improvements to Assistant Engineer's Quarters, Periyár, Estimate No.* 37 *of* 1894-95.—Completed in October 1894. Rs. 4-13-0, arrears of labour for June 1894, have not yet been credited to Revenue as required by Code II, II, 167.

41. Arrears on completed annual repairs should be transferred to the next year's estimate so as not to be lost sight of.

42. *Water-shed Tunnel, Estimate Rs.* 4,94,000.—The excess over the estimate to end of July 1895 is only Rs. 638, but under sub-heads the following variations were noticed :—

Sub-heads.	Estimate.	Actuals.	Difference.
	Rs.	Rs.	Rs.
Tunnelling from north end	25,104	63,536	38,432
Do. from No. 2 shaft	1,22,588	92,945	— 29,643
Do. from " 1 shaft	20,118	21,355	1,237
Contingencies	13,631	4,990	— 8,641
Petty supervision	13,891	2,410	— 11,481
Sluice house and gearing	10,000	20,886	10,886
Total ..	2,05,332	2,06,122	790

43. *Left Bank Escape, Estimate Rs.* 79,885.—Outlay to end of July 1895, Rupees 28,599. The sub-head "Removing rock" has already been exceeded by over 231 per cent. of the estimate as follows :—

Sub-heads.	Estimate.	Actuals.	Difference.
	Rs.	Rs.	Rs.
Removing rock at Rs. 7 per 100 cubic feet ..	2,233	..	— 2,233
Do. rock at Rs. 6-8-0 per 100 cubic feet..	3,250	..	— 3,250
Do. earth and soft rock	690	20,455	19,765
Total ..	6,173	20,455	14,282

44. *Materials at site.*—The balances at end of July 1895 of materials at site of works were as follows :—

	Rs.	A.	P.
Work—			
Main dam	74,862	9	0
Water-shed tunnel	35	11	6
Left bank escape	3,681	10	11
Total ...	78,579	15	5

and were supported by details in Form 7-F.

month is prepared. It would be much simpler to pay him each day's wage as it is earned and thus dispense with the necessity for a voucher under the provisions of Code II, I, 178.

12. *Other vouchers.*—Vouchers for sums under Rs. 10 received with the Examiner's advice of exchange account items, not re-submitted to the Examiner, are not filed with the works-abstracts as in the case of other vouchers, but in a wire-clip. It is desirable that *all* vouchers should be filed with the works-abstracts to which they relate.

13. Contingent vouchers not submitted to the Examiner with the contingent bills have not been cancelled. It is as important to cancel these as any other vouchers, the object being to prevent their being used a second time.

14. *The Register of bills* prescribed in G.O., No. 2873 W., dated 15th October 1892, is said to have been missing since the 19th August 1895: see also paragraphs 15 and 22.

15. *Measurement Books.*—Eleven books (No. III, nos. 972, 974, 976, 977, 978, 1003, 1358, 1359, 1361 and 1362), which were received in the Divisional office for record from the Sub-divisional officer, Periyár, with his No. 715, dated 9th August 1895, were missing. The matter is an important one and is under investigation (see also paragraphs 14 and 22).

16. In book No. 1368, pencil entries of measurements on pages 1 to 36 were inked over contrary to the rule in Code II, I, 35.

17. In book No. 782, the necessary entries giving cross-reference to the bills prepared from the measurements were made, but the number and date of the bill have been invariably left blank. Attention is invited to Code II, I, 37.

18. In book No. 1360, page 93, 35 is quoted as the number of the bill, but it does not appear on the bill (schedule docket No. 1, Voucher No. 14 of March 1895).

19. Such entries as the following are unnecessary:—

Book No. 781.

Page 3.—"N.M.R., 21st to 31st. Rs. 23-4-0. Two watchmen, Kumili reservoir, pay for January 1894."

Page 5.—"N.M.R., 1st to 10th. Rs. 6-12-0. One head cooly in charge of limestone depôt. One female cooly clearing jungle."

Page 6.—"N.M.R., 1st to 10th. Rs. 2-4-0. Pounding surki at Kuruvanath." (No quantity given.)

Page 10.—"N.M.R., 11th to 20th. Rs. 33.

Nine male coolies ... ... } Watering and consolidating earthwork.
Three female coolies ... ... }

(No measurements or quantity given.)

Page 16.—"N.M.R., 20th to 28th February 1894."

Total Rs. 15—	Rs.
Camp lighting	10
One drummer	5
Total ...	15

(Here simply the distribution of the amount of the roll is recorded.)

Page 39.—"N.M.R., 11th to 20th June 1894."

Total Rs. 57-14-0—	Rs.	A.	P.
Dismantling turbine rope	20	0	0
Repairs to wire rope	25	14	0
Oiling posts	12	0	0
Total ...	57	14	0

(Here also the distribution is recorded. The record of the same in Part III of the roll is sufficient.)

The measurement book should be confined to a record of *quantities* of work done or of materials received. Code II, I, 31, and Note 1 of the instructions in the measurement book (Form E No. 71).

20. The entries on page 62 of book No. 781 are not in the handwriting of the upper subordinate, but appear to be in that of his clerk. This is fundamentally wrong in principle and vitiates the value of the book.

21. *Cash-book.*—Alternate books are used "to expedite preparation of monthly accounts and schedules." This points to the conclusion that the cash-abstract book, the schedules, and the work-abstracts, are not written up from day to day, as they ought to be, but are left to be posted when the monthly accounts are due. This should at once cease and only one cash-book should be maintained.

22. The cash-book for May 1895, for payments made by the cashier at Periyár during the recess, could not be produced. This demands investigation (see also paragraphs 14 and 15).

23. Recoveries by deduction from contractors' bills, for supplies of rice, are incorrectly accounted for, although the results arrived at by a circuitous, unscientific procedure are correct. The accountant has been instructed on the point and the Superintendent of Works has promised to see that the correct method of accounting is followed.

24. The same remark applies to the entry of recoveries for rice supplies in the cash-abstract book and the work-abstracts.

25. Entries of payments in the cash-book are not always sufficiently explicit, *e.g.*, the month for which salaries and travelling allowances are disbursed is often omitted.

26. Payments are usually made in cash, owing it was said to the unwillingness of contractors and others to receive cheques on the Periyakulam treasury.

27. Details of the closing cash and treasury balances at end of a month are unnecessarily repeated at the beginning of the cash-book for the succeeding month, notwithstanding instructions to the contrary in inspection reports on other offices.

28. Cash in transit, for disbursement at a distance from head-quarters, is correctly held as part of the Superintendent of Works' cash balance. No loss has yet occurred in the transit of such amounts, but it appears desirable that a police guard should accompany the subordinate entrusted with the payments when the amount exceeds Rs. 500.

29. *Cheque Books.*—The certificate of count of cheques on the fly-leaf is not signed by the Superintendent of Works.

30. *Adjustment Book.*—In this the entries for recoveries of rice are inaccurate. Instead of "Rice recoveries from piece-workers and labourers for rice issued to them in April 1895," the entry ought to be "Rice recoveries in April 1895." The inaccuracy occurs from month to month.

31. *Works Abstracts.*—The unit in estimates and in the register of works for rubble work is cubic feet, while that adopted in piece-workers' bills is cubic yards. In posting the works-abstracts from bills, this necessitates the reduction of yards to feet. The adoption of a uniform unit is desirable.

32. The numbers and amounts of the estimates quoted in bills are those of the original estimates and not of the revised ones.

33. An advance of Rs. 50 to piece-worker Muthukaruppanna Pillai in February 1895, which was duly deducted from his bill (schedule docket No. 1, Voucher No. 64 of March 1895) had not been debited in February 1895 to the piece-worker and shown as *minus* arrears in the work accounts, but was charged off to the sub-head concerned.

34. The same procedure is followed in reference to recoveries from piece-workers for departmental labour employed for them. A register of such amounts is however maintained in view to recoveries being watched.

35. Explosives issued to piece-workers are charged off as stock issues direct to the sub-head of works and not to the debit of the piece-worker. A register has recently been opened in view to watch the recoveries. It however only shows quantities and not value and is not posted up to date. It was stated that the Divisional office is not furnished with a return showing quantity and value of explosives issued to each piece-worker, but that the necessary information to post the register referred to above was obtained from the initial accounts with the subordinate concerned.

36. At present this subordinate is held responsible for noting the necessary deductions in the bills and no check on them is exercised in the Divisional office; but in view of the large amounts involved, it would have been desirable to pass the transactions through the "Stock sales" account as required by Code II, II, 135, II.

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