

G.O., No. 1366 W

DATED 29/4/96

[Despatch Abstract.]

Inspection Report —
The Engrs — of the accounts
of the D. N. Stores Dept, Com
municated to the Suptg
Engrs T. Arch

GENERAL.
ACCOUNT.

Gobt. of {1896} Madras.
PUBLIC WORKS.

Dated April, 29th.

Recd.

Encl.

G.O. No. 1366 W., 29th Apr. 1896.

APRIL.

Inspection Report

The Examiner's — of the accounts of the Public Works Stores division, communicated to Superintending Engineer, V Circle, for the information of the General Superintendent and for report on certain suggestions of the Inspecting officer.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

General.
Account.

READ—the following papers:—

Report of an inspection of the accounts of the General Superintendent, Public Works Stores Division, by Mr. D. R. WHITE, Examiner of Accounts, Temporary Rank, from 16th to 19th March 1896.

Mr. H. Moss, Executive Engineer, has been in charge of the division since 13th November last, up to which time and from date of last inspection, Mr. J. H. Ellis, Honorary Assistant Engineer (since retired) held the charge. Mr. B. Raghavendra Rao has been the Accountant for the full period.

2. In paragraph 5 of the Examiner's note on the last inspection report of the division, the suggestion was put forward—

- (i) that the quantities should be counted and verified with book balances, new, second-hand, surplus and unserviceable stores being distinguished;
- (ii) that separate ledgers and sub-ledgers (where necessary) be opened for new, second-hand, surplus and unserviceable stores; and
- (iii) that the stock of each of these classes of stores should be kept separately.

These suggestions were made for the improvement of the account keeping in respect of the normal stock, after the disposal of the surplus stock now on hand. As regards present stock it is understood that measures are being taken to dispose of the surplus portions which are to be sold by public auction from time to time, but in the meanwhile priced lists of these surplus stores have been compiled and separate ledgers and sub-ledgers have been opened for them. There are, however, no orders on record regarding the separation in the ledgers and sub-ledgers of the surplus from the current stock, nor does it appear to have been necessary so far as the accounts are concerned, as no distinction has been made in the actual stacking of the stores. The result of the opening of separate ledgers and sub-ledgers of surplus stores (and not having these stores separately stacked in the yard) is to render it difficult to discriminate between what are actually the surplus items and what are the current stores, the consequence is that where a surplus has been declared, the issues are invariably treated as from surplus stock. It is not correct to allow the reduction of prices on issues from current stock, e.g., the workshops should not receive the benefit of the reduction on rates of those stores used by them which are of a quality equal to the best in stock and which should be regarded as current stock.

3. This opportunity may be taken to draw attention to the proposals made in the previous inspection report, referred to in paragraph 2 of the present report, regarding the opening of separate ledgers and sub-ledgers for new, second-hand and surplus stores after these stores have been verified and separately stacked. Such a separation in the ledgers and sub-ledgers would result in considerable additional work, as it would necessitate the quadrupling of the ledgers and sub-ledgers in many instances. Moreover, when the surplus stock has been cleared and the limit of the normal stores has been narrowed, there should be no necessity for keeping the accounts of the stores under the present elaborate system of priced ledgers for each article, and it would probably be found that the system prescribed in the Public Works Code for store accounts with half-yearly adjustments of rates would be more appropriate and be worked more satisfactorily and at the expense of less labour.

4. Steps are, it is understood, being taken to dispose of the surplus stock by auction. When this is done a further adjustment of the actual loss as against that by depreciation of value which has meanwhile been calculated on the rules prescribed in G.O. No. 2400 W., dated 29th August 1892, to the amount of Rs. 34,418-7-4 must be made on the difference between the value realized by the sale and the book value.

5. There is at present no connecting link between the original record of receipts and issues of stores, the priced ledgers and sub-ledgers and the monthly accounts. The entries in the ledgers and sub-ledgers are now taken from various sources in the shape of requisitions, letters, &c., and the figures in the monthly accounts have necessarily to be collected through the medium of the adjustment book or by preparation of rough memoranda. It would be far more satisfactory collecting the transactions in a form similar to the standard Public Works forms Nos. 9 to 11 and a sample of one proposed for adoption is attached.

6. Another apparent defect has come under observation in the omission in the sub-ledgers maintained by the storekeeper of the items of stores which are not "grouped" in the priced ledgers maintained by the accountant. Remembering that the storekeeper is the individual responsible for the stores he should manifestly keep a record of the entire transactions and be in a position to say from his own records what he has in stock without reference to the accountant whose ledgers are intended for the adjustment of money values primarily and as a check on the storekeeper as to quantities.

7. Stores were last counted in July—December 1894 and will have to be again verified in order to carry into effect the proposals to classify the stock in hand contained in the previous year's inspection report.

The stock in hand at the end of February 1896 amounted in value to Rupees 2,01,228-3-1, viz. :—

								RS.	A.	P.
Current stock	...	...	...	...	...	...	...	44,843	8	2
Surplus do.	...	...	...	...	...	...	...	1,21,966	3	7
Depreciation on surplus stock				...	...	...	...	34,418	7	4

The surplus has been arrived at by setting aside for "current" stock from the stock in hand a figure representing two years' consumption as estimated by the General Superintendent and the value of the surplus so arrived at has been reduced on the rules for depreciation prescribed in G.O. No. 2400 W., dated 29th August 1892, already quoted. The actual loss will, however, depend upon the prices realized from the sale of the surplus stores, but in the meanwhile, Rs. 34,418-7-4 may be adjusted as a final charge to works. The reserve limit is at present Rs. 2,25,000, but this amount will be reduced on the disposal of the surplus stores (*vide* G.O. No. 2028 W., dated 15th August 1895).

8. The cash and other accounts call for no remark excepting that in connection with a transaction with the municipality the Divisional Accountant has exhibited some confusion of ideas in not entering in cash book some of the transactions according to the dates of actual occurrence. He has been duly instructed in the matter.

9. The agreement of deposit of Mr. C. T. Cundasawmy, who has recently been appointed assistant storekeeper, has not yet been executed, pending receipt from the Examiner's office of a form of agreement.

(Signed) D. R. WHITE,
Inspecting Officer.

687

DAILY record of $\frac{\text{Receipts}}{\text{of stock for the month of}}$

Norg.—Issues to Public Works Workshops need not be detailed. An abstract of each indent by sub-heads of stock is sufficient.

Office-note from the Examiner, Public Works Accounts, dated Madras, 17th April 1896, No. 277 B.

Forwarded to Government for information and orders. The opinion of the Superintendent, Public Works Stores, might be obtained through the Superintending Engineer with the latter's remarks thereon.

ORDER—No. 1366 W., dated 29th April 1896.

Communicated to the Superintending Engineer, V Circle, for the information of the General Superintendent, Public Works Stores, and for report on the suggestions of the Inspecting officer.

(True Extract.)

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

To the Superintending Engineer, V Circle.
,, Examiner, Public Works Accounts.

Exd. T. K. Narayana Aiyangar.

Spare Copies

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(Signed) D. R. WHITE,
Inspecting Officer.

DAILY record of Receipts and Issues of stock for the month of 189

NOTE.—Issues to Public Works Workshops need not be detailed. An abstract of each indent by sub-heads of stock is sufficient.

Reference to original invoice, return slip, indent, requisition or other record.			From whom received or to whom issued.	Polio in the sub-ledger.	Description of stores.	From surplus (b) or current (c) stock.	Unit. Quantity.		Rate.	Per.	Amount.	Polio in the priced ledger.	Head of account in Part I of the stock abstract book.	Sub-head of stock in Part III of the stock abstract book.	Remarks.	
No.	Date	7					8	9								
Date of Receipt	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

A-27703

Madras, 17 April 1896.

To
W.

Forwarded to Government for
information and orders, the opinion of
the Superintendent P.W. Stores might be
obtained through the Superintending Engi-
neer with the latter's remarks thereon.

JCS
C.

22/4

- No. 2028 W of 15-8-95
- 2400 W of 29-8-92
- 751 W of 2-3-96
- 430 W of 3-2-96
- 2028 W of 15-8-95
- 1609 W of 1-7-95
- 1444 W of 15-6-95
- 2991 C of 16-10-95

27/4/96

CHD
27.4.96.

Supg. Engr. I circle
P.W. accounts

O.L.S. 25
229/4

3
1/1/96
No. 1366 W, d 29 April 1896
Communicated
to the Supg. Engr. I circle
for the information of
the Genl. Supt. P.W. Stores
for report on the
suggestions of the
inspecting officer.