Ecclesiastical (1898) Department.

ORDINARY PRINTED.

G.O., No. 26.

DATED 12. 2. 98.

[Despatch Abstract.]

St Stephen's Church, Perth. Drawing orders on the Subject of the depredations that took place in the — during 1896-97; requesting the Visible the Archdeacon & the Asst Eccl: to prepare and Submit to Govt draft rules for the maintenance & audit of church accounts, and requiring the Visible the Archdeacon to make proposals for clearly defining the rights and duties of Lay Trustees.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Circ. 334/98 (A-5)
& 330/98 (Arch & Chmcn)

Government {1898} of Madras.

ECCLESIASTICAL.

Recd. } *1898.* *Enclosures*

Regd. } *Spare copies*

G.O., No. 26, 12th February 1898.

FEBRUARY.

St. Stephen's Church, Ootacamund.

Passing orders on the subject of the defalcations that took place in the — during 1896-97; requesting the Venerable the Archdeacon and the Accountant-General to prepare and submit to Government draft rules for the maintenance and audit of church accounts; and requiring the Venerable the Archdeacon to make proposals for clearly defining the rights and duties of Lay Trustees.

GOVERNMENT OF MADRAS.

ECCLESIASTICAL DEPARTMENT.

Read—again the following papers :—

G.O., R. No. 50, Ecclesiastical, dated 5th May 1897.

Abstract.—Requesting the Venerable the Archdeacon to report on defalcations in the funds of St. Stephen's Church, Ootacamund.

G.O., No. 60, Ecclesiastical, dated 26th August 1897.

Abstract.—Communicating, for opinion to the Government Solicitor, certain papers regarding the property possessed by Daniel Stephens, brother of Isaac Stephens, the church clerk implicated in the Ootacamund St. Stephen's Church defalcation case.

G.O., No. 72, Ecclesiastical, dated 28th September 1897.

Abstract.—Communicating to the Venerable the Archdeacon, in charge of the Diocese, opinion of the Government Solicitor regarding the recovery of the amount of a certain bond executed by Isaac Stephens, the clerk implicated in the St. Stephen's Church defalcations, and his brother Daniel Stephens.

Read—also the following papers :—

From the Venerable W. WESTON ELWES, M.A., Archdeacon of Madras, in charge of the Diocese, to the Chief Secretary to Government, dated Coonoor, 3rd June 1897, No. 3638.

I have the honour to acknowledge the receipt of G.O., R. No. 50, Ecclesiastical, dated 5th May 1897, and to state that I have had two interviews with the Rev. C. H. L. Wright—one on the 5th and the other on the 24th May. On the latter occasion I examined, in the presence of the Chaplain, Colonel Liardet, one of the present Lay Trustees, and the Deputy Collector, the books now in court, with other papers in possession of the Chaplain, in order to make sure that I had quite understood the explanation the Chaplain had given in the previous interview as to the system of accounts and the mode of supervision.

2. The system nominally followed was that ordered by the Venerable Archdeacon Warlow (with, I believe, the approval of the Government and the Accountant-General) in 1882. I attach a copy of the directions issued, and would merely observe that there is no doubt that it was taken for granted that the Chaplain would keep the accounts himself, or that if entries were made by the clerk, those entries would be personally supervised by the Chaplain himself.

3. In this case no entry was made in the ledger by any one between April 1st, 1896, and March 31st, 1897, but even with this if the Chaplain had himself with ordinary care checked every receipt and disbursement with the bank books, vouchers and other papers, the defalcations could not have taken place. Even if such examination had been put off to the end of the month, four hours' steady work would have enabled the Chaplain to see how matters stood.

4. The supervision, if such it can be called, was practically entirely worthless. The bank book was not made up for nine months. When money was sent by the Chaplain to the bank he did not check the bank book to see that the money supposed to be paid in by the clerk was really paid in. In this way it is reported that Rs. 1,195-9-4 failed to reach the bank.

Disbursements were made partially by cheques made payable to the Chaplain. These cheques were cashed by the clerk and he was directed by the Chaplain to pay with the money various bills, etc. The Chaplain did not see that vouchers were brought by the clerk to prove the payment of all the sums supposed to have been paid. In this way it is reported that Rs. 203-6-0 have gone.

In the case of cemetery fees, a receipt from the treasury is given whenever the fee is paid. The Chaplain did not see that such receipts were produced, and Rs. 302-8-0, supposed to have been paid into the treasury by the clerk, were not paid.

The Government grants for establishment, etc., and for St. Stephen's girls' school were drawn by the clerk on bills signed by the Chaplain and were supposed to be paid into the bank by the clerk. The Chaplain did not, however, check the bank book to see that the grants were paid in, and Rs. 119 have disappeared under this head.

Thus by giving money to the clerk to be paid into the bank and not checking such payments, by giving him money to pay bills and not seeing that there were vouchers, by giving him money to pay cemetery fees and not seeing that treasury receipts were produced, by giving him the Government grants to pay into the bank and not checking the bank book to see that the grants were paid in, every facility was given by the Chaplain to the clerk to make away with the chaplaincy funds.

5. The cash book was kept by the clerk, it was not checked by the Chaplain as to receipts or disbursements. As an illustration of what occurred, while examining the books to see the system and the supervision, I among other matters took one month's receipts and looked at the sum that should have been entered under Government grants as received (Rs. 17), it was not entered at all, although it had been received. I then called for that month's account as laid before the Lay Trustees. This account was in the handwriting of the clerk. There the clerk had entered the amount as if it had been really entered in the cash book. He had doubtless done this knowing that an omission of this kind would have attracted attention; but as it was not entered in the cash book, he was free to make away with the money. The Chaplain, however, had not discovered this.

6. A monthly statement drawn up by the clerk was laid on the table. It was signed by the Chaplain and countersigned by the Lay Trustees, but the Chaplain did not check the receipts or disbursements, and accepted as correct all that the clerk chose to put down.

7. I have the honour to point out to Government that this is not a case of occasional mistakes, or occasional lack of supervision. The loss of the money had been caused by great neglect and carelessness continued throughout the whole financial year. I asked the Rev. C. H. L. Wright to tell me when during the whole year he had really examined his accounts to see whether they were correct, and he told me he had not done so at all.

8. The question as to whether the Chaplain alone or the Church Committee is responsible for the loss of the money will have to be considered by Government. In 1882, when I discovered that a considerable sum of money had disappeared during the chaplaincy of the Rev. F. G. Lys, and when the accounts

were examined by an officer sent up by the Accountant-General, the Government held that the Rev. F. G. Lys was responsible and directed him to make good the money. I venture to think that the decision of Government was right and for this reason. The money when received does not go into the hands of the Lay Trustees, and the money when drawn from the bank does not pass through their hands. All that as an almost universal rule occurs is that one of the Lay Trustees, with the Chaplain, counts the offertories. The money is then placed in the safe and comes into the charge of the Chaplain; other money does not come within the cognizance of the Trustees even to this extent. It is undoubtedly the duty of the Chaplain, as the executive officer of the committee, to see that these moneys are duly cared for. Again when the money is drawn from the bank the Trustees have nothing to do with it. It passes either to the Chaplain or to some person authorized by him to receive it. Again it seems to me clearly his duty to see that the money is properly used and that vouchers are duly filed.

9. The question of what amount of supervision is to be exercised is an open one. The Trustees of Ootacamund did not examine the bank book or vouchers. They did not consider it their duty to do so. They accepted the monthly statement as signed by the Chaplain as correct, and believed they were entitled to consider that he had checked the receipts and disbursements and found them correct. Although it would undoubtedly be better if Trustees would examine bank book and vouchers, yet there is no doubt that as a rule Trustees consider that they are entitled to believe that a Government officer of the standing of a Chaplain has examined and found correct any statement of accounts he himself signs. I enclose for easy reference a copy of the Lay Trustee rules.

10. The Rev. C. H. L. Wright's defence of his neglect is contained in the final paragraph of page 2 and page 3 of his letter of the 26th April (No. 95), herewith returned. I forward, however, an extract of a letter, bearing on the subject, dated 29th May 1897, marked A. With reference to paragraph 3 of that extract, I have the honour to state that Mr. A. S. Cowdell, without knowing what the Chaplain has said in writing to me, says: "In the present instance the Chaplain must have known of the gross negligence of the clerk, but out of good nature shielded him and kept back this information from the committee, probably believing that he would be able to get the work finished before the annual audit and then that all will (*sic*) come right. I often as a friend and adviser discussed the clerk and his duties and advised his removal, but even then these breaches of duty were not brought to my notice. I was only told that he was slow and procrastinating."

11. I have the honour to ask that Government will be pleased to consider the advisability of ordering that all Chaplains and Clergymen receiving Government grants shall have their accounts audited annually by an auditor unconnected with the Church Committee, and that when sending the annual financial return to the Bishop's office a copy of the auditor's report shall be attached. I have long advocated such a plan, but it will never be carried out unless a definite Government order is issued. I have known Lay Trustees even to decline to accede to the Chaplain's request that it should be done, partly on the ground it was not necessary and partly on the ground of expense. It seems to be that, so far as accounts are concerned, Chaplains should be dealt with as all other Government officers, that they should be obliged to have their accounts audited and that they should be made to understand that Government will not permit negligence and carelessness with reference to public church funds.

Enclosures.

From the Rev. C. H. L. WRIGHT, M.A., Chaplain of Ootacamund, to the Venerable the Archdeacon of Madras, Bishop's Commissary, etc., dated Ootacamund, 26th April 1897, No. 95.

I have the honour to report to you that there have been serious defalcations in the funds of this chaplaincy in the past official year 1896–97 to the extent of *Rs. 1,820–7–4*, as reported by the auditor Mr. D. Campbell. His official report is in the hands of the police, but the following is the substance of it.

The total loss is made up as follows:—

	Rs.	A.	P.
(1) Sums received and not lodged in the bank	1,195	9	4
(2) Amount drawn by cheques for payment of bills not paid and subsequently grouped with other items and drawn again	203	6	0
(3) Cheques for encashment for payment of cemetery fees into Government treasury cashed but retained by the clerk	302	8	0
(4) Amount of Government grants for establishment and for St. Stephen's girls' school drawn by the clerk on bills signed by the Chaplain but not paid into the bank ..	119	0	0
Total ..	1,820	7	4

The following appear to be the methods by which the frauds have been perpetrated as reported by the auditor:—

(1) Destroying chalans and counterfoils and not taking the money to the bank.

(2) Getting cheques for sums payable to tradesmen and others, when several small sums are lumped together on one cheque made payable to the Chaplain, endorsed by him and handed to the church clerk for payment of the various items, the money was drawn from the bank but not paid, the church clerk reporting that he had the receipts. The bills were again presented altered as to amount by current items and recommended by the clerk for payment who reported that he had checked the items and found them correct.

(3) Cheques for payment of cemetery fees were drawn in the name of the Chaplain, endorsed by him and sent for encashment to the bank by the clerk to be paid by him into the treasury, the money was drawn from the bank by the clerk but not paid into the treasury.

(4) Cashing treasury payment orders and not bringing the money to the Chaplain for payment into the bank; when the money was asked for, it was produced and paid in, but if it slipped the Chaplain's memory it was retained.

I have to regret very deeply the carelessness in supervision and misapplied confidence that these defalcations indicate, but in extenuation would point out that the church clerk had been the trusted servant of the church during the tenure of several Chaplains from whom he had received excellent characters.

That he had been reported on favourably at the previous annual audits by a professional auditor.

That the same method of book-keeping was pursued as had been followed according to rule in the past, and it was thought that the system was such as would prevent fraud.

That every month the clerk prepared and presented a balance sheet in due form to the Church Committee at their monthly meeting to be signed by them and posted on the church door, his word being taken that everything was in order.

My attention has only just been called to a letter which Major-General Tillard, C.B., wrote when he was Lay Trustee to the Bishop's Chaplain in September 1895. This letter substantiates various charges then brought against Mr. I. Stephens, the church clerk. It is true I have been told that such a letter was written and I wrote to the Bishop's Chaplain asking for it and the various vouchers and bills, but was told these papers had been mislaid and could not be found. I was certainly not led to believe that the charges had been substantiated. Had I been told what they were, I should have been on my guard. I thought that they were largely prompted by the personal *animus* that existed between the Chaplain (then) and the Lay Trustee.

I took over charge only on the 14th of February 1896 and the accounts were audited at the end of March, the auditor's report being generally favourable. Certain vouchers were among the missing papers that had been sent to the Bishop.

As soon as the fraud was discovered, I reported the matter to the committee and, in consultation with them, reported the defalcation to the District Magistrate and by his order placed the matter at once in the hands of the police who have apprehended the clerk and are now making out a case against him with a view to his immediate prosecution.

As I reported to you, Mr. I. Stephens, the clerk, brought a sum of Rs. 400 towards the deficiency and promised to pay up the balance. I received this money unconditionally and at once reported the matter to the Church Committee, by whose order I then lodged the money in the bank to the credit of the account of the Chaplain and Lay Trustees.

There is further a bond of Rs. 500 executed by the church clerk Mr. I. Stephens and his brother Mr. D. Stephens jointly and severally. If the case or if dishonesty is proved against the church clerk, this may be available.

There is also a sum of Rs. 50, the clerk's pay for March, which has been withheld.

As soon as the defalcation was discovered, I suspended the church clerk Mr. I. Stephens, and by order of the Church Committee have dismissed him as from the date of his suspension, viz., April 3rd, subject to your sanction and approval. May I ask you to confirm this order of dismissal.

A.

From the Rev. C. H. L. WRIGHT, M.A., Chaplain of Ootacamund, to the Venerable the Archdeacon of Madras, in charge of the Diocese, dated Ootacamund, 29th May 1897.

* * * * *

I beg, however, very respectfully to submit that I have cause for complaint in that I have been kept in the dark as to certain serious charges brought against the church clerk by the Lay Trustee at that time, Major-General Tillard, C.B., in September 1895 or about that time, and officially communicated in a report to the Bishop's Chaplain. This report I asked for twice in letters to the Bishop's Chaplain.

Had I known what that report contained, I should have been placed on my guard and would not have continued to treat the church clerk with that amount of confidence with which he had been treated by my predecessors in office.

At least the second Lay Trustee who was then in office and must have known something of what had taken place, should have warned me; his failing to do so placed me at a serious disadvantage. It is true he spoke to me on the subject, but only so as to lead me to believe that the matter was a personal one between this Lay Trustee and the Chaplain then, and into any personal feeling I naturally did not wish to enter.

Dr. Durham, when handing over charge, gave the highest testimony to the efficiency and honesty of the church clerk.

* * * * *

From the District Magistrate of the Nilgiris, dated 8th July 1897, No. 1026.

Abstract.—Submitting copy of the Appellate Court judgment in Regina *v.* Isaac Stephens, late clerk of St. Stephen's Church, Ootacamund.

From the Ven'ble the Archdeacon of Madras, dated 4th Aug. 1897, No. 3759.
" " " " 30th Sept. " " 3920.

Order—No. 26, Ecclesiastical, dated 12th February 1898.

The foregoing papers relate to the defalcations in the funds of the St. Stephen's Church which occurred during the year 1896-97. Towards the close of the year discrepancies were discovered between the church accounts at the Bank of Madras and the books maintained by the Church Committee. An audit was made and it was found that a large sum of money, amounting to nearly Rs. 2,000, was unaccounted for. Suspicion pointed to the church clerk, who was at once placed under suspension; he was subsequently convicted of criminal breach of trust and is at present undergoing a sentence of imprisonment.

2. It remains to consider on whom the responsibility rests for the condition of affairs which rendered possible the clerk's acts of dishonesty and permitted them to remain so long undetected. The Rev. C. H. L. Wright, the Chaplain, in reporting on the defalcations, has explained some of the methods in which the frauds were committed. Money was from time to time entrusted to the clerk for the payment of tradesmen's bills, but the bills were not paid, the receipts were never asked for by the Chaplain or by the committee, and when the same bills were again presented they were paid without question. Treasury orders were frequently handed to the clerk to be cashed, but the money was in some instances not brought to the Chaplain. Again, it was usual, when paying cemetery fees to the credit of Government, for the Chaplain to draw a cheque for the amount due and hand it to the clerk with instructions to cash it at the bank and lodge the money to the credit of Government in the local treasury. In several cases the money was drawn but no corresponding payment was made into the treasury. The treasury receipts not being inspected by the Chaplain or by the committee, the frauds remained undiscovered.

3. From these examples it is clear that many opportunities for dishonesty were afforded to the clerk by the entire absence of supervision over him and by the extraordinary carelessness of the Chaplain in dealing with money matters. But apart from his responsibilities in these respects, Mr. Wright is shown to have been guilty of completely neglecting the rules for the maintenance of church accounts laid down for his guidance. The instructions drawn up in 1892 by Archdeacon Warlow were clear, and if followed should have been sufficient effectually to prevent the defalcations which took place. But, as is pointed out by the Venerable the Archdeacon, those instructions were drawn up on the assumption that the accounts prescribed would be maintained by the Chaplains themselves or under their supervision. In the present instance not only was this not the case, but the ledger, one of the books which should have been regularly kept, was left unwritten throughout the year. For the carelessness and neglect of duty thus exhibited, Mr. Wright has been punished by transfer from Ootacamund.

4. In explanation of the very great confidence imposed on the church clerk, Mr. Wright points out that the latter had been the trusted servant of the church during the tenure of several Chaplains, from whom he had received an excellent character. Mr. Wright complains that he was, until quite recently, allowed to remain in the dark with regard to certain charges of dishonesty brought against the church clerk in 1895 by Major-General Tillard, one of the Lay Trustees. Whether these charges were established or not need not now be discussed; but the Government considers that Mr. Wright has good ground for complaining that Mr. Cowdell, one of the Lay Trustees, who was cognizant of Major-General Tillard's charges, failed to put him on his guard or to suggest that the clerk's honesty had at one time been suspected.

5. Turning to the question of the recovery of the amount lost, His Excellency the Governor in Council observes that of the total sum a comparatively small portion, viz, Rs. 302-8-0, was the property of Government, the remainder belonging to the church fund with which the Government is not directly concerned. Mr. Wright will be directed to make good the amount of Government money lost. The question of recovering the whole or any part of the remainder will be left for disposal to the Right Reverend the Bishop. Into the question of the responsibility of the Church Committee it is not proposed to enter. That is a matter which may properly be considered in dealing with the question of making good the money lost to the church fund.

6. His Excellency the Governor in Council considers that more complete and stricter rules for the maintenance of church accounts should be at once drawn up. He also agrees with the Venerable the Archdeacon that an annual audit of those accounts is highly desirable. The Venerable the Archdeacon and the Accountant-General will be requested in consultation to prepare and submit to Government draft rules dealing with these matters. There should be little difficulty in arranging in the mufassal for the audit of church accounts by an officer employed in the local treasury. Whether a similar audit should be enforced in the churches in the Presidency town and, if so, what arrangements should be made for conducting it is a matter for consideration. The Government further considers that the circumstances of the present case render it advisable that the rights and duties of Lay Trustees should be more clearly defined, and the Venerable the Archdeacon will be requested to give the matter his attention and to submit to Government his proposals for effecting this object.

(True Extract.)

A. T. ARUNDEL,
Chief Secretary.

To the Right Reverend the Bishop.
" Venerable the Archdeacon.
" Accountant-General.

Exd. J. Henricus.

Copies of Letters to the Bishop & Chaplain & Visitors

Jerusalem Vicarage

26. June 97

My Dear Mr. Gore

I send on referring to the Letter book - That the Closing portion of my letter to the Ven.ble the Archdeacon dated May 29th 97 was sent on the day I thought they should be taken into account

- with reference to Mr Cowell, in a letter of his dated April 21st 97 - Requesting Counsel to say what if any Trustees make a Declaration regarding the Church - it is resented - by the Chaplain

"a very notable outlaw

The Records some Difficulties, with
out, in Reference to the Method of
the Same Clerks, such as Entries
of Payments not actually made,
which Rests in the Discretion
of the Trustees

- That some Clause that
Mr. Cowell was well aware of
that had passed at Mr. Lillands
enquiry & of the Evidence the Case
was strong & thinks he can one of
the Trustees of the Funds ought
to have attended on the Dismissal
of the Church Clerk or at least
have Evidence out of Court

- That it absolutely ordering
Places in Record in the Funds
the Succeeding Chapleins - Non
from the Trustees - of any Dishonesty
or Suspected Dishonesty

on the Other hand - the Records
- most Entirely Contain the
Whole Character & honesty of the
Church Clerk Accountant;
he - Officially termed in the minutes
of the Church Committee, & Trustees
Minutes in the Same way that his
Predecessors had done - the Re
cepts of Checking Vouchers that
the Rents Thing would be Checked
at the annual audit of the
Official Condition

- That Notwithstanding Objections
Funds has been stored against
the Church Clerk in a Court
Order by Summons - The
Prosecution being Conducted by
the Sol. Prosecutor - the Ch
Church Clerk being Confined
for a long Term of Imprisonment

That the Indictment - the Order
by the Chief Justice of Calcutta
Confirmed in Appeal - the Appeal
to the Privy Council - the Appeal
to Court - the Chaplain
when the Widow of a Clergyman -
Clerk in Holy Orders & Vicar
& Curate in any Archdeacon -
the Bank Receipt - the Year
Ostensible Natives, & Person
Conviction Attorney - Annuitant
Thief - the Bill the Matter
to an Ordinary Different Article
& Thief - Check Warrant
Act Ostensible Land the Con-
veyance Accordance by Negligence
of Curate to Appearance
Ordinary

Reference
Ordinary Year
Church Register

Copy of letter from Major General Tillard, CB.
giving reasons for his resignation of Lay Trusteeship

Cocalavroek 20. VIII. 95

My dear Dace,

I had been wondering whether I ought to give reasons for any resignation of my appt as Lay Trustee and your letter of yesterday came to make my course clear to me.

You are aware, I think, that the conduct of the services at St Stephens distressed me; the beautiful service which obtained under Williams' administration has disappeared; the singing has terribly deteriorated; the congregation is diminishing; there is a want, if I may say so of reverence somehow observable

But it is not on these accounts that I wish to sever my connection with the Church management At our monthly meetings I make suggestions which are not attended to. I make complaints which are practically ignored Last year Mr Wolfe gave a sum of money to refloor St Thomas' Church, that sum was distributed among irregularly added to the general fund of the church and after last Sunday week Rs 250 were still owing to the contractor. Six weeks ago Rs 500 were owing and I urged strongly that the money should be paid without further delay. Mr D agreed but a month afterwards I found that a month only had been paid Hospital Sunday was held 6 or 8 weeks ago At a meeting of the Committee held on the

the 5th inst I brought to notice that I had been asked why the sums collected at St Stephens' and St Thomas' churches had not been handed over to the Hospital Committee, that collected at the Roman Catholic chapel and the Unions Evangelistic Hall having been paid the day after the collection. Dr: D. gave me to understand that the money would be at once paid - but 12 days subsequently I received another representation that the money was still unpaid.

I have been dissatisfied with the accounts for many months past. At our last committee meeting I found that sums had been entered in the cash account as paid which had not been paid - and monies collected were kept in hand instead of being paid into the Bank at once.

There is no "balance sheet" to show the financial position - it is stated in the printed sheet attached to the cash account book that by totalling up that book the exact state of the accounts can be ascertained at any time. But this is not so. I may be hopelessly in debt and yet have a large sum of money in hand through not nearly sufficient to pay my debts and the cash book does not show the liabilities of the church. Supposing the accounts had been submitted a couple of months ago there might have been a cash balance of say £100 which would have been perhaps considered satisfactory - but half of that sum was due for flooring St Thomas'

Church

church which would have been no where shown in the accounts.

I may be wrong in my opinion that our assets are not equal to our liabilities - that the church is in debt and is utilising money subscribed for a specific purpose to meet general expenses.

Again, I have time after time urged that the church should be kept clean. Nearly every sunday I have received complaints on this point - I have more than once asked that fresh tickets should be placed in lieu of the dirty torn bits of paper which at present disfigure the pews: I have urged that the grounds should be kept tidy; but promises have not been followed by any action the fact is that Mr Stephens, the clerk, has private work which prevents him from dedicating much of his time to his legitimate duties and the care of the church is left to a large extent to untrustworthy men, with the result that the books are stolen the cashbox is tampered with and the incumbent is forced to preach a sermon and the incumbent is forced to preach a sermon deprecating these deeds taking as his text "my house shall be called a house of prayer, but ye have made it a den of thieves".

I wrote to Dr D last Saturday to urge him again to pay the hospital collection to the hospital and at the same time I informed him that I should at once resign any appt as

Can

Lay trustee I feel convinced that we could not hereafter work together usefully and I therefor do not think that I should reconsider my wish to resign my appointment.

I am,

Yours sincerely

sd. D. A. Tillard

To

The Rev. W. Wace M.A.

Chaplain

(1) Extracts from letter addressed to the Bishop's Chaplain by me on the 12 September 1895

In continuation of my letter of the 6th inst it is now my duty, as I have had an opportunity of inspecting the books &c. relating to the accounts of St Stephens' Church, to submit some further remarks for the consideration of the Bishop of Madras

(2) It will be remembered that on the 2nd of last month I said that I, in my capacity as lay trustee had been dissatisfied with the state of the accounts of the Church for many months and I made three three statements.

(1) "At our last committee meeting (5th inst) "I found sums had been entered in the "cash account as paid which had not been "paid."

(2) "Monies collected were kept in hand "instead of being paid into the bank at once"

(3) "I may be wrong in my opinion or "that our assets are not equal to our "liabilities, that the church is in "debt, and is obtaining moneys subscribed "for a specific purpose to meet personal "expenses"

(3) With reference to the first statement, Dr Buchanan in his letter of the 24th ult, says the Clerk "laid on the table a bill for Rs 20 or Rs 30 "for church wine which had been entered in the

the cash book and not paid. If fraud were intended the bill would scarcely have been produced. It was laid on the table before it was asked for. The clerk then explained that Spencer & Co had charged credit rates".

The actual facts I believe to be these. We were examining the entries in the cashbook for the month of July. I asked to see the receipt for Spencer & Co's bill for Rs 24-14-6 entered as paid on the 20th July. The clerk said it had not been paid. I then emphatically asked if he really intended to say that he had made this entry of payment although the payment had not been made, and on receiving an affirmative reply, I asked to see the receipt of the next entry of payment made, viz Messrs Oakes & Co Rs 24-14-9.

The clerk said this also had not been paid. He produced the bill and asked to be allowed to explain that payment had been delayed because credit rates had been charged. As to this, I may, in passing, refer to Mr Durlacher's remark that Rs 3 were subsequently taken off the bill. The sum of Rs 24-14-9 was drawn from the bank on the 6th August, the balance of Rs 2-10-9 has not so far as I can ascertain, been recredited in the above accounts. This is in all probability an oversight, but it is a proof of carelessness.

(4) I will refer to the accounts for July last in detail; on the 4th July a cheque for Rs 455-12-6 was issued to meet the following items:-

Poor allowance for July	Rs 35--
Establishment for June	127-0
St Thomas' — do —	18-8
Salary of cemetery boy — do —	5--
" " Female room boy do.	3--
Oil & candles — do —	14-4-6
Poor school ast. & dinner grant	106-2
Contingent expenses in July	15--
Salary of organist — June	80-0
" " Clerk — "	28-0
Mats for school children	6-10
Books for poor school	14-4
St Thomas' church contingent expenses	3-0
	Rs 455-12-6

The distribution of this money was left to the clerk, and all the above items are entered in the cash book as having been paid on the 4th July. But there is no date to show when the establishment, &c in organist &c were paid for there are no signatures in the acquittance roll in proof of payment.

On the 20th July another cheque for Rs 153-4-3 was issued for the following items:-

Dr coal society	Rs 6	As Ps 8 0
Watts bill	6	11 0
Spencers bill of May	52	3 6
Oakes & Co's bill	24	14 9
Girls' school	7	1 0

Carried

Parish library for binding books 21-7-0

St Thomas' Church 7-15-0

Church extension association 24-8-0

Rs 153-4-3.

and all the items are entered in the cash book as having paid on the 20th July, though as a matter of fact 6 of them were not paid till the following month, 3 of them amounting to Rs 85-13-3 not till the 6th of August, on which date another cheque, which had been issued on the 3rd august, was cashed.

(5) I may refer here to Dr. Durham's suggestion. I can only think that finnal "Tillard is aiming at leaving the church clerk "dismissed".

I was aiming at nothing of the kind. My aim has been to make him do his work and see that the accounts are correctly kept. Mr Stapleton pointed out to me yesterday that as soon as a cheque is given to him he is bound to show in the accounts that he has received the money. Whatever the system of accounts may be, nothing can justify an entry under the head of expenditure, of a payment on a certain date which is not made till a subsequent date. Moreover the Chaplain, not the clerk, is responsible for the payment; and when an entry of payment is made in the cashbook

a voucher for such payment should be laid before him. But month after month sums of Rs 500 or Rs 600 have been left to the clerk to distribute and there has apparently been no supervision to insure that the money has been properly distributed.

(6) I must now refer to the second statement mentioned in para 2 of this letter.

Dr. Durham said in his letter of August 24:-

"The offertories were lodged in the bank, as all other monies are, the day after the collection".

He directly traverses my statement - has Tillard has month after month brought to notice at the Church Committee meetings that money has been unduly detained before being lodged in the bank; and so late as the meeting held on Augt 5th he again urged the necessity of keeping little or no money in the vestry. I have drawn up a tabular statement showing the sums paid into the bank according to the bank book and the monthly receipts according to the cashbook since Nov. 1st 1894. The number of payments into the bank which have been made each month will be seen at a glance. There certainly has been no regularity in the successive payments. The total amount collected up to the end of August was Rs 3994-7-6 and of that paid into the bank Rs 8695-7-3 the difference of Rs 300 (about) may be due to certain payments having been made by

cont'd

cash and not by cheque, to which I shall refer directly.

If the account is carried up to date, it will be seen by a statement I procured from the bank yesterday that a much larger sum has been deposited than the cashbook shows to have been collected.

Rs 588-8-8 having been deposited during the first nine days of this month and Rs 214-3-8 only collected during that period. There was a deposit of Rs 186-15- on the 26th Augt, since which date Rs 374-9-8 only have been according to the cashbook, collected.

There is nothing to show whence the further sum of Rs 213-13 (the difference between Rs 588-8-8 and Rs 374-9-8) has been derived.

All payments have not been made by cheque, but sums have sometimes been taken out of the chest to meet urgent expenses. For instance the money required for the pro or dinner in December 1894 was so taken and the amount (Rs 68-12-0) was included in a cheque on 1 Janry. 1895. I have not been able to trace how this was adjusted, i.e. what became of the Rs 68-12-0 thus drawn in January.

Again Rs 52-14-4 were paid on March 12th by each from chest for books which arrived by V.P.P. from Calcutta. This sum was included in a cheque issued on 9th April. What was done with it?

Again there are entries in the cash book under date 23d April of four payments to different societies, amounting to Rs 105, and this sum does not appear in any cheque issued. It may have been paid out of the chest; if it was not so paid the amounts may still be due to the societies. There is very probably an easy explanation of all this, but it proves complication —

Extract from letter by funeral Tillard, C.B., Lay Trustee of St Stephens' Church to Rev. W. Wace, of Bishop's Chaplain

Ecclesiastical Department,
Bp. Arthur's
Chaplain's
Cornwr.
Madras, August 4th 1897.

3759.

From

The Venerable W. Wes
ton Elwes, m.a.,

To

Archdeacon of Madras,

The Honorable
The Chief
Secretary
to Government.

Sir,

I have the
Memorandum No
honor to state with reference to
July 6th 1897, the
1388, Ecclesiastical Department,
of the Bishop's
I find, after having the records
office searched, and making cer-
tain enquiries, th
that in the absence of the Right
Reverend the Bish
of Madras, his late Chaplain
the Right Reverend
Bishop Morley, and his present
Chaplain the Rev
erend C. H. Pelly, I am unable to
give the informa
tion called for in the Memorandum
until I receive an
answer to a letter I addressed
to the Bishop sev
eral mails ago.

2. Letters wr
itten by Major General Jillard, C.B.
in 1895, were fu
nd before the Bishop, but were
I believe dealt w
th by the Bishop of Madras,
and the late Gove
rnor (with whom the Bishop
directly communic
ated and who I believe had inter-
views with the
Reverend Dr. Durham and General
Jillard) more a
question of Diocese between
Dr. Durham and
General Jillard, than as a question
of accounts.

3 The ques
tion of accounts was however more

Fairlawn
27th June

Dear Bird,

I have just got back from
visiting the Japan yesterday &
& & &. I herewith forward. I
think you must have misunderstood
what Bishop said. You must have
never seen or heard of these letters
before the latest Devil-possessed &
Correspondence! You will see that
he has sent me a recent date
from, but has made a copy of
them for the Home Board. They is
a necessity for obeying
the mandate of Rome
and nothing else? Be
sure to return? Believe me

Not communicated then
at the time the decree be heard
in order that the mat.
might be at once inquired into
Why was they not communicated
& Wright? Why, in fact, were such
frame charges hurled? Was the
acting Register chaplain at
the time, & remark there what
was done with the documents &
why they were withdrawn, &c.
The certificate from letter of H. B.
Gs are very incomplete. & the
true copy of certain letters
statements & &c. were enough

& statement not, Immediately
more. Surely the original
be traced & produced: if not,
not?
Hurbell's ignorance — plea of
ignorance — Jean absent-hearted
— sent my letters were sent &
seen. See the enclosed with green
leaf written 4 days after I sent
my letter of 12th Dec last. I kept
a copy of my letter & would have
forgot the date but it is quite certain
before, but it is quite certain
that either Dace or I forwarded that
to Rhein. Probably Dace with
another sent directly there I
believe was taken —
Yours ever
J. A. Tennant

Brookeb
16 Feb 1

Rec'd Communicated 8 Dec
at the time the answer to the
Bishop's letter was sent in order that the matter
might be at once inquired into
Why were they not communicated
& Wright? Why, in fact, were such
grave charges hushed? Since
acting Visitor, Chaplains at
the time, I must know what
was done with the documents &
Why they were withheld. &c.
The extracts from letter of 12 Dec
"95" are very incomplete. I ha
no copy of certain tabular
statements the Bishop sent

ECCLESIASTICAL DEPARTMENT,
Blair R.do C
~~TEYNAMPET,~~
~~Madras,~~ Connoor, August 4th 1897.

No. 3759.

From

THE VENERABLE W. WESTON ELWES, M.A.,

Archdeacon of Madras,

To

The Honorable
The Chief Secretary
to Government.

Sir,

I have the honor to state with reference to Memorandum No. 1388, Ecclesiastical Department, July 6th 1897, that I find, after having the records of the Bishop's Office searched, and making certain enquiries, that in the absence of the Right Reverend the Bishop of Madras, his late Chaplain the Reverend Bishop Morley, and his present Chaplain the Reverend C. H. Pelly, I am unable to give the information called for in the Memorandum until I receive an answer to a letter addressed to the Bishop several mails ago.

2. Letters written by Major General Tillard, C.B. in 1895, were placed before the Bishop, but were I believe dealt with by the Bishop of Madras, and the late Governor (with whom the Bishop directly communicated and who I believe had interviews with the Reverend Dr. Durham and General Tillard,) more as a question of dispute between Dr. Durham and General Tillard, than as a question of accounts.

3 The question of accounts was however never

or less dealt with, as the Bishop's
to the Bishop that the accounts were

4. I do not know the whole
that was taken by the Bishop, but
the Bishop had an interview with
I have no doubt letters were writte
There are no copies of such lette

5. I can, in the absence of
in paragraph 1 of this letter,
of copies of letters &c, gave, am
the Bishop, no explanation a
-ance of the letters.

6. The probability is, th
wished the matter to be kept as
be, the Bishop kept almost al
place, put them away securely,
to lay hands upon them when
for General Gillard's letter, b
be found on the Bishop's retu
I had handed over to me on the s
-fidential letter from the late

Your

A

No. 3759.

From

THE VENERABLE W. WES

To

The Honorab
The Chief

Sir,

I have the
Memorandum No
July 6th 1897, th
of the Bishop's
-tain enquiries
Reverend the Bish
the Right Reverend
Chaplain the Rev
give the informa
until I receive a
to the Bishop sev

2. Letters w
in 1895, were pre
I believe dealt w
and the late Gove
directly communic
-views with the
Gillard,) more a
Dr. Durham and
of accounts.

3. The ques

CUR

No. 3920.

From

THE

To

The Hon

Sir,

In continu
4th August 1897
No. 1388, Eccl.
I have the hono
Madras writes
as follows:—

"With re
in continuatio
have only my
-shop Morley
between Dr.
place he cann
subject."

but he appa

(1) that he
Stephens
(2) that he
return

"With re
Government
answers are

CURRENT NO

ECCLESIASTICAL DEPARTMENT,

Coonoor, 30th September 1897.

No. 3920.

From

THE VENERABLE W. WESTON ELWES, M.A.,

Archdeacon of Madras.

To

The Honorable
The Chief Secretary
to Government.

Sir,

In continuation of my letter No. 3757 dated 4th August 1897 and with reference to Memorandum No. 1388, Ecclesiastical Department, 6th July 1897, I have the honour to state that the Bishop of Madras writes to me under date September 1st 1897 as follows:—

"With reference to your letter of July 13th and in continuation of mine of 25th August 1897 I have only my own memory to rely upon. The Bishop Morley was not with me when the dispatch between Dr. Durham and General Tillard took place he cannot throw any material light on the subject."

but he remarks

(1) that he "never knew that statements against Stephens were substantiated" and

(2) that he "saw the correspondence after his return."

"With regard to the three enquiries which the Government have desired you to send me, my answers are to the best of my recollection

(1)

(1) General Tillard's charges against the Clerk Stephens in conjunction with charges against Dr. Durham and against inferior Church servants were brought to my notice.

(2) Two-fold action was taken:-

(a) The letter containing the charges was referred to Dr. Durham who found an inconsistency in it and charged the General with falsehood. The General explained and I considered the explanation satisfactory and prefaced Dr. Durham to accept it but he persistently refused and carried his case to the Governor who not wishing to deal officially with the case disposed of it in communication with me. It was decided that Dr. Durham should be transferred. General Tillard resigned the Trusteeship.

(b) The Church accounts were examined together with the Auditor's report. Mr. Wace took part in the examination and could give more minute information if desired. The result I believe was that there was found to have been irregularity but not defalcation.

Dr. Durham continued in the Chaplaincy for four or five months longer as it was not till then that a favorable opportunity occurred for removing him to Wellington. In that interval nothing special was brought to my notice.

(3). I kept the Tillard and Durham correspondence

in a separate packet in the left hand
drawer (as I usually sit) of my library
table at Madras - I think Mr. Oliver
could find it."

2. With reference to the Bishop's letter, I have the honor to state that the papers have been found in the place mentioned in the Bishop's letter and that I have them in my possession.

3. From what I remember of the case I feel (Sure) that at the time it was not considered that any dishonesty or defalcation was proved against Stephens - When the Bishop sent the papers to me I remember that the question on which he wished for my opinion was not concerning any defalcation or dishonesty on the part of the Clerk, but as to what should be done with reference to the personal question between General Dillard and the Reverend Dr. Durham.

I have the honor to be,
Sir,
Your most obedient servant,
W. Wesley Elwes
Archdeacon of Madras.

C no 1984322, Docs to be connected with Fo. Nos 91 Estt/12-298

CONFIDENTIAL

CONFIDENTIAL.

C No 1484 32 Dos Vc connected with Fo. No 96 Ecl D 12 - 295

Ecclesiastical (1897) Department.

CURRENT No. 130

CHIEF SECRETARY
-4 JUN. 1897
GOVERNMENT OF MADRAS

From The Ven: Fr. Isaias Elias M.A.
Archdeacon of Madras
in charge of the Diocese

Order

No. 3638

Dated June 3
Received 4 June 97
Registered 4 June 97
Enclosures 4
Spare copies

SUBJECT.

Forwarding the report called for in G.O. R. No 50 Ecclesiastical Department dated 5th Mar 1897 & recommending Church Fund Applications

Please see the letter dated 5/6/97

BACK PAPERS.

G.O.	No.	Department	Date.
for R	50	Eccl	5-5-97
	49		4-5-97
Eccl papers of 82 & 83 re			
order, church defect			

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Issued to Chaplains in 1892

General Directions

1. The Chaplaincy accounts should consist of two books, viz a Cash book & Ledger.

2. In the Cash book should be entered on the left-hand side all receipts for each month and on the right-hand side all disbursements. This book should be made up at the end of the month & a balance struck. A totaling of this book at any given moment would give the financial position of the funds of the Chaplaincy as a whole

3. In order to make the Annual Financial Return for the Bishop, the items in the Cash-book (or what has hitherto corresponded to it) are usually filled out under their separate headings at the end of the year & added up. We propose that this operation should not be performed at the end of the year on loose slips of paper, but month by month on separate pages of another book. This book shall be called the Ledger, and shall have an Index to facilitate reference. There should be page references from Cash-book to Ledger & vice versâ

4. In some cases it may be a convenience to keep more books than two. There should be no objection to this provided they are considered supplementary and do not interfere with the full & complete record of the Cash-book and Ledger.

5. These books should be produced by the Chaplain whenever required for the inspection of the Bishop or any person authorized by the Bishop to inspect them.

Sgd G. Warlow
Archdeacon

1st April 1882.

Memorandum of Instructions to be pasted inside the Ledger.

1. In this book the items from the Cash-book are selected month by month, & entered under their respective headings - the receipts and disbursements of each heading being on opposite pages.

2. It would be convenient, as a rule, to have the same headings as those printed on the Bishop's Annual Financial Returns, though of course additional headings may be used if necessary. The totals of such headings would be entered on the Financial Returns in one of the blank spaces provided for that purpose.

3. The sums of all the Balances in the Ledger at the end of every month should be equal to the Balance in the Cash-book. Thus the correctness of the accounts may be tested from time to time, for which purpose a pencil should be used, and the figures subsequently erased.

4. As soon as possible after the
31st March the Columns of figures
under each heading should be added up
& the totals thus produced are the amounts
to be entered in the Bishop's Returns
under their respective heads.

5. In all cases of doubt refer to the
Archdeacon.

(Sd) G. Marlow
Archdeacon.

True Copy
F. Jessie Elves
Archdeacon's Clerk

Common
June 1. 97

1897
Each Item
Entire No. 1
Rs. 130

Rules relating to the Office and Duties of Lay-Trustees in the Diocese of Madras.

I.—Two Lay-Trustees are appointed to each Chaplaincy or station where there is property belonging to or held in Trust for the Church of England.

II.—(1) At Civil stations, or Joint Civil and Military stations, the Senior Civil Servant should be appointed a Trustee, provided that he is a communicant of the Church of England, and has no objection to hold the office. At Military stations the Officer Commanding the Cantonment or Garrison under the same provisos. When these officers are unwilling to hold the office the officer next in seniority (Civil or Military as the case may be), if qualified as above, should be nominated.

(2) When the Trustee thus appointed is not a gazetted officer in Government service, he shall vacate office on Wednesday in the next Easter week; but shall be eligible for re-appointment, provided no gazetted officer is qualified and willing to accept office.

III.—(1) The second Trustee may be any communicant resident at the station. He will hold the appointment for one year from the Wednesday in Easter week, having been previously nominated by the Chaplain and approved by the Bishop; and will be eligible for reappointment.

(2) If he vacate office between Easter and Easter, the person appointed in his place will vacate on Wednesday in the next Easter week, but be eligible for re-appointment.

IV.—When the office of either Trustee is vacant, the Chaplain should report the circumstance to the Lord Bishop for the information of Government, and at the same time nominate a duly qualified person to fill the vacancy.

V.—The duties of the Trustees are in many respects similar to those of Church Wardens in England. They are appointed to see that the Church and Church-yard, or Cemetery,* are kept in good order and repair, to provide for the preservation of the property belonging to the Church, to present to the Bishop or Archdeacon, either on their visitation or immediately by letter, whatever is wrong or irregular on the part either of the Chaplain or the congregation, and to aid and assist the Chaplain in the performance of his duties.

* *Vide* Rules relating to Burial-grounds, dated *Fort St. George*, 29th October 1866.

VI.—During the absence of the Chaplain or other licensed Clergyman, one of the Lay-Trustees is, in ordinary cases, the proper person to read the service and a sermon on Sundays, and to take charge of the Register and other books connected with the Chaplaincy.

N.B.—It is to be borne in mind that Lay-Trustees have no power to interfere in the *administration* of Divine Service, but merely to represent to the Ecclesiastical authorities whatever they may deem objectionable. Their office in this respect is one of observation and complaint, not of control.

VII.—The Lay-Trustees, in conjunction with the Chaplain or Minister, form a Committee of management on all Church matters, and should meet for business once in each month, or oftener if necessary. The assignment of seats in Church, and (in places where they are authorised) the collection and disbursement of pew rents, the management of school and charity funds, should be supervised and arranged by the Committee at their meetings.

VIII.—All indents, letters, proceedings, and other papers emanating from a Church Committee are to be signed by both the Lay-Trustees (unless for special reasons, which are always to be assigned), as well as by the Chaplain; and all indents, letters, &c., received or sent are to be entered in a correspondence book distinct from that of the Chaplain, and should be produced for examination at meetings of the Committee.

IX.—The Chaplain or Officiating Chaplain or Minister present, as a mark of respect due to religion in the person of its Ministers, presides at all meetings of the Committee of management and signs all proceedings and letters as President, and the two Lay-Trustees in the order of their relative rank.

X.—The Church Committee are responsible that no alteration is made whether in the Church or Church-yard without representing the matter to the Archdeacon, who will, except in matters of trifling importance, bring it before Government for their sanction.

XI.—When any addition, alteration, or improvement to a Church or other Ecclesiastical building is considered necessary, or when any new building is required, the subject should be brought with full explanation to the notice of the Bishop, who, if approved by him, requests the Archdeacon to submit the same for the consideration and orders of Government, on whose approval the necessary plans and estimates (if not previously furnished) are called for from the Public Works Department.

XII.—All ordinary repairs to Ecclesiastical buildings in the provinces, the cost of which does not exceed Rs. 50, are effected, and all trifling articles within the same limit are supplied on the direct application of the Church Committee in the provinces by the District Executive Engineer, and at the Presidency by the Barrack Master. Contingent charges for the supply of matting, blinds, and other articles of a similar kind necessary for each Chaplaincy, not exceeding Rs. 50 per annum, will be entered in a contingent bill, which should be submitted for the approval of the Archdeacon.

S. Stephen's Church,
OOTACAMUND,
26 April 1897.

No. 95

FROM

THE CHAPLAIN OF
OOTACAMUND.

TO The Venble W W Gleeson M.A
Archdeacon of Madras
Bishop's Commissary &c.

Venble Sir,

I have the honour to report to you that there have been serious defalcations in the funds of this Chaplaincy in the past official year 1896-97 to the extent of Rs 1820 in ₹. 4 as reported by the auditor Mr. O Campbell his official report is in the hands of the police but the following is the substance of it.

The total loss is made up as follows

(1)	Sums received & not lodged in the Bank	1195.	9. 4
(2)	Amount drawn by cheques for payment of Bills, not paid & subsequently pumped with other items & drawn again	203.	6. 0
(3)	Cheques for encashment for payment of Cemetery fees into government treasury Cashes but retained by the Clerk.	302.	8. 0
(4)	Amount of government grants for Establishment & for St Stephens girls School drawn by the Clerk on bills signed by the Chaplain but not paid into the Bank	119.	0 0
	Total Rs.	1820.	7. 4

The following appear to be the methods by which the frauds have been perpetrated as reported by the auditor

(1) Destroying Chalans & counterfoils & not taking the money to the Bank

(2) Getting cheques for sums payable to tradesmen & others when several small sums are grouped together on one cheque made payable to the Chaplain, endorsed by him & handed to the Church Clerk for payment of the various items the money was drawn from the Bank but not paid the Church Clerk reporting that he had the receipts the bills were again presented attended as to amount by current items & recommended by the Clerk for payment who reported that he had checked the items & found them correct

(3) Cheques for payment of Cemetery fees were drawn in the name of the Chaplain, endorsed by him & sent for encashment to the Bank by the Clerk to be paid by him into the Treasury - the money was drawn from the Bank by the Clerk but not paid into the Treasury

(4) Cashing Treasury payment orders & not bringing the money to the Chaplain for payment into the Bank - When the money was asked for it was produced & paid in but it slipped the Chaplain's memory - it was blamed

I have to regret my reply the Auditors in supervision & misapplied confidence that these defalcations indicate but an examination would point out that the Church

Clerk had been the trusted servant of the
Church during the tenure of several Chaplains
from whom he had received excellent Characters

That he had been reported on favourably
at the previous annual audits by a profession
-al auditor

That the same method of book keeping was
pursued as had been followed according to rule
in the past - And it was thought that the
system was such as would prevent fraud

That every month the Clerk prepared a
printed a balance sheet in duplicate to
the Church Committee at their monthly meeting
to be signed by them & posted on the Church
door his word being taken that every thing
was in order

- My attention has only just been called
to a letter which Major Gen.l Tillard C.B
wrote when he was Lay Trustee to the
Bishops Chaplain in September 1895
This letter substantiates various charges
then brought against Mr. Stephens the
Church Clerk - It is true I have been
told that such a letter was written &
I wrote to the Bishop's Chaplain asking
for it & the various vouchers & bills, but
was told these papers had been mislaid
& could not be found - I was certainly
not led to believe that the charges had
been substantiated - had I been told
what they were ~~I think~~ I should have
been on my guard - I thought that
they were largely prompted by the personal

minutes that existed between the Chaplain (then) & the Lay Trustee

I took over charge only on the 14th of February 1896 & the accounts were audited at the end of March the auditors report being generally favourable - certain vouchers were among the missing papers that had been sent to the Bishop

- As soon as the fraud was discovered I reported the matter to the Committee & in consultation with them reported the defalcation to the District Magistrate & by his order placed the matter at once in the hands of the police who have apprehended the Clerk & are now making out a case against him with a view to his immediate prosecution

- As I reported to you Mr. Stephen, the Clerk brought a sum of Rs 400 towards the deficiency & promised to pay up the balance I received the money unconditionally & at once reported the matter to the Church Committee by whose order I then lodged the money in the Bank to the Credit of the account of the Chaplain & Lay Trustees

- There is further a bond of Rs 500 executed by the Church Clerk Mr. J Stephen & his brother Mr. D Stephen jointly & severally - if the case of dishonesty proved against the Church Clerk this may be enacted.

There is also a sum of Rs 50 the Clerks pay for march which has been withheld

As soon as the defalcation was discovered I suspended the Church Clerk Mr. J Stephens & by order of the Church Committee have dismissed him from the date of his suspension viz April 3rd

I regret to you sanction & approval may I ask you to confirm this order of dismissal

I have the honour to be
Reverend Sir
Your most obedient Servant
C K Strickett

27

ARCHDEACONRY OF HOBART

A

Ootacamund 29th May 1897.

From

The Reverend C. H. L. Wright, M. A.
Chaplain of Ootacamund.

To

The Venerable W. Weston Elwes, M. A.
Archdeacon of Madras
In charge of the Diocese.

Venerable Sir,

× × × ×

I beg however very respectfully to submit that I have cause for complaint in that I have been kept in the dark as to certain serious charges brought against the Church Clerk by the Lay Trustee at that time Major General Tillard, C. B., in September 1895 or about that time and officially communicated in a report to the Bishop's Chaplain, this report I asked for twice in letters to the Bishop's Chaplain.

Had I known what that report contained I should have been placed on my guard and would not have continued to treat the Church Clerk with that amount of confidence with which he had been treated by my predecessors in office.

At least the 2nd Lay Trustee who was then in office and must have known something of what had taken place should have warned me, his failing to do so placed me at a serious disadvantage, it is true he spoke to me on the subject but only so as to lead me to believe that the matter was a personal one between this Lay Trustee and the Chaplain then, and into any personal feeling I naturally did not wish to enter.

Dr Durham when handing over charge gave the highest testimony to the efficiency & honesty of the Church Clerk.

× × ×

I have &c

(Trust Extract) (Signed) C. H. L. Wright
Chaplain of Ootacamund

1897
Ecclesiastical Dept.
Enclos. No 1
To
C. No. 93

Ecclesiastical Department
Coonoor 3rd June 1897.

No. 3638.

From

The Venerable W. Weston Elwes, M. A.
Archdeacon of Madras
In charge of the Diocese.

To

The Honorable
The Chief Secretary
to Government

Sir,

I have the honor to acknowledge the receipt of Government Order R No. 50, Ecclesiastical Department, dated 5th May 1897, and to state that I have had two interviews with the Reverend E. H. L. Wright, one on the 5th and the other on the 24th May. On the latter occasion I examined in the presence of the Chaplain, Colonel Liardet one of the present Lay Trustees and the Deputy-Collector, the books now in Court, with other papers in possession of the Chaplain, in order to make sure that I had quite understood the explanation the Chaplain had given in the previous interview, as to the system of accounts and the mode of supervision.

2. The system nominally followed was that ordered by the Venerable Archdeacon Warlow (with the concurrence of the Government and the Accountant General) in 1852. I attach a copy of the directions issued, and would merely observe that there is no doubt that it was taken for granted that the Chaplain would keep the accounts himself, or that if entries were made by the Clerk, those entries would be personally supervised by the Chaplain himself.

3. In this case no entry was made in the Ledger by anyone between April 1st 1896 and March 31st 1897, but even with this if the Chaplain had himself with ordinary care checked every receipt and disbursement with the Bank Books, Vouchers and other papers, the defalca-

Lt Ross

-tions could not have taken place - Even if such examina-
-tion had been put off to the end of the month, four hours
steady work would have enabled the Chaplain to see how
matters stood.

4. The supervision, if such it can be called was practically entirely worthless. The Bank Book was not made up for nine months. When money was sent by the Chaplain to the Bank he did not check the Bank Book to see that the money supposed to be paid in by the Clerk was really paid in. In this way, it is reported that Rupees 195.9.4 failed to reach the Bank.

Disbursements were made partially by cheques made payable to the Chaplain. These cheques were cashed by the Clerk and he was directed by the Chaplain to pay with the money various bills etc. The Chaplain did not see that vouchers were brought by the Clerk to prove the payment of all the sums supposed to have been paid. In this way it is reported that Rupees 203.6.0. have gone.

In the case of Cemetery Fees, a receipt from the Treasury is given whenever the fee is paid. The Chaplain did not see that such receipts were produced, and Rupees 302.8.0. supposed to have been paid into the Treasury by the Clerk were not paid.

The Government grants for Establishment etc and for St. Stephen's Girls' School were drawn by the Clerk on bills signed by the Chaplain and were supposed to be paid into the Bank by the Clerk. The Chaplain did not however check the Bank Book to see that the grants were paid in and Rupees 119.0.0 have disappeared under this head.

Thus by giving money to the Clerk to be paid into the Bank and not checking such payments: by giving him money to pay bills and not seeing that there were vouchers, by giving him money to pay Cemetery Fees and not seeing that Treasury Receipts were produced by giving him the Government grants to pay into the Bank and not checking the Bank Book to see that the grants were paid in, every facility was given by the Chaplain to the Clerk to make away with the Chaplaincy Funds.

5. The Cash Book was kept by the Clerk, it was not checked by the Chaplain as to receipts or dis-
-bursements

-bursements. As an illustration of what occurred, while examining the books to see the system and the supervision among other matters took one month's receipts, and looked at the sum that should have been entered under Government grants as received (17 Rupees) it was not entered at all, although it had been received. I then called for that month's account as laid before the Lay Trustees. This account was in the handwriting of the Clerk. There the Clerk had entered the amount, as if it had been really entered in the Cash Book. He had doubtless done this, knowing that an omission of this kind would have attracted attention. But as it was not entered in the Cash Book, he was free to make away with the money. The Chaplain however had not discovered this.

6. A monthly statement drawn up by the Clerk was laid on the table. It was signed by the Chaplain and countersigned by the Lay Trustees, but the Chaplain did not check the receipts or disbursements and accepted as correct all that the Clerk chose to put down.

7. I have the honor to point out to Government that this is not a case of occasional mistakes, or occasional lack of supervision. The loss of the money has been caused by great neglect and carelessness continued throughout the whole Financial year. I asked the Reverend C.H.L. Wright to tell me when during the whole year he had really examined his accounts to see whether they were correct, and he told me he had not done so at all.

8. The question as to whether the Chaplain alone or the Church Committee is responsible for the loss of the money, will have to be considered by Government. In 1852, when I discovered that a considerable sum of money had disappeared during the Chaplaincy of the Revelend F.G. Lys, and when the accounts were examined by an officer sent up by the Accountant General, the Government told that the Reverend

J. G. Lys was responsible and directed him to make good the money - I venture to think that the decision of Government was right and for this reason - The money when received does not go into the hands of the Lay Trustees, and the money when drawn from the Bank does not pass through their hands - All that as an almost universal rule occurs is that one of the Lay Trustees with the Chaplain counts the offertories. The money is then placed in the safe and comes into the charge of the Chaplain, other money does not come within the cognizance of the Trustees save to this extent - It is undoubtedly the duty of the Chaplain, as the Executive Officer of the Committee to see that these monies are duly cared for - Again when the money is drawn from the Bank the Trustees have nothing to do with it - It passes either to the Chaplain or to some person authorized by him to receive it - Again it seems to me clearly his duty to see that the money is properly used and that vouchers are duly filed -

9. The question of what amount of supervision is to be exercised is an open one - The Trustees of Ontaca- -nand did not examine the Bank Book or vouchers - They did not consider it their duty to do so - They ac- -cepted the monthly statement as signed by the Chap- -lain as correct, and believed they were entitled to consider that he had checked the receipts and dis- -bursements and found them correct - Although it would undoubtedly be better if Trustees would examine Bank Book and vouchers, yet there is no doubt that as a rule Trustees consider that they are entitled to believe that a Government Officer of the standing of a Chaplain has examined and found correct any statements of accounts he himself signs - I enclose for easy reference a copy of the Lay Trustee rules.

10. The Reverend C. H. A. Wright's defence of his

his neglect is contained in the final paragraph of page 2 and page 3 of his letter of the 26th April (1895) (herewith returned). I forward however an Extract of a letter, bearing on the subject, dated 9th May 1897, marked A. With reference to paragraph 3 of that Extract, I have the honor to state that Mr. A. P. Cowdell, without knowing what the Chaplain has said in writing to me says "In the present instance "the Chaplain must have known of the gross negli- "gence of the Clerk but out of good nature shielded "him and kept back this information from the "Committee, probably believing that he would be "able to get the work finished before the annual "audit and then that all will (sic) come right. I often "as a friend and adviser discussed the Clerk and his "duties and advised his removal, but even then these "breaches of duty were not brought to my notice - I "was only told that he was slow and procrastinating."

11. I have the honor to ask that Government will be pleased to consider the advisability of order- -ing that all Chaplains and Clergymen receiving Government grants shall have their accounts audit- -ed annually by an auditor unconnected with the Church Committee, and that when sending the An- -nual Financial Return to the Bishop's Office a copy of the Auditor's report shall be attached. I have long advocated such a plan but it will never be carried out unless a definite Government Order is issued - I have known Lay Trustees even to decline to accede to the Chaplains request that it should be done, partly on the ground it was not necessary, and partly on the ground of expense - It seems

seem to be that so far as accounts are concerned Chaplains should be dealt with as all other Government officers, that they should be obliged to have their accounts audited and that they should be made to understand that Government will not permit negligence and carelessness with reference to Public Church Funds.

I have the honor to be,
Sir,
Your most obedient servant,

H. Jesse Elves
Archdeacon of Madras
In charge of the Diocese.

22

[C. / 9]
500—15-2-97.

(189) Department.

D. O. No.

From

D. O. Submitted that the official reports may be awarded.

T. H. A. Fremenhuse Esq

We have called for a copy of the Official Judgement

No.

Yr. 27/97 Yr. 27/97

Dated 5th June 1897

Received —

Registered 9th —

Enclosures

Spare copies

SUBJECT.

Stating that the Chuncha Chief has been found guilty and sentenced on each count to nine months R.I. & Rs: 100 fine &c. —

5a

The Govt Pleaders official communication has not yet apparently been received by the collector

5a

Pleaders fee [illegible]

4-5-97 [illegible]

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

chaplaincy funds.

B.

(1) Hon. Mr. Grose C.I.E.
(2) Hon. Sir Henry Blair K.C.I.E.
(3) H.E. The Governor

Mr. Dwight has examined Mr. Campbell's accounts for Coonoor finish work, & I think he will be transferred from Ootacamund at once, having come 2 months ago his two years term. With regard to his question whether he will pay for any work done by him or for any of it or does he depend on the Bishop's salary see A

21/5/97 vide A

There will be an audit of all church accounts as before work as proposed by the Archdeacon, & funds instructed shall be made use of as regards the keeping of church accounts. See note at the end.

This should not be dispensed with in any case. Every Chr. Layman in his office should do the work gratuitously

[illegible]

The first question is Who is to repay the money? It seems from the Lay Trustees' Rules the whole Church Council is responsible - The rule is not as clear as it might be, but the words I have underlined in the Rule seem to mean from the Lay Trustees. All I can do is to look to the Chaplain - This for the Chaplain to deal with his fellows in the Church Council. I therefore think that the Govt can only say that the Chaplain must repay, & no one else.

The Hon'ble Mr. Grose thinks that a Resolution should [illegible] this proceeding by

FOR ORDERS.

The Venerable the Archdeacon submits his report, called for in G.O., No. 50, Eccl., dated 5th May 1897, regarding the defalcations in the funds of St. Stephen's Church, Ootacamund.

The current sets forth

(a) the total sum missing

(b) the modus operandi of the clerk

(c) the Archdeacon's views regarding the responsibility for the defalcations, and

(d) recommendations for future rules regarding audit of Church accounts.

(a) The total sum missing, as reported by the Chaplain is Rs. 1,820-7-4. This is said to be the result arrived at by Mr. D. Campbell, who was apparently at one time Head Accountant in the Nilgiri Collectorate, but is now in the Govt. Quinclogist's Office. He described himself before the Deputy Magistrate as a certificated auditor (with a certificate from the Commissioner for U.C.S. Examinations) (vide "Madras Mail" dated 21st May/97). He has audited the Church funds for four years. It may perhaps therefore be taken for granted that his calculations are correct. At the same time it appears from the correspondence relating to the somewhat similar defalcations in 1882 that the same Mr. Donald Campbell's audit was found to be useless and untrustworthy. Orders are solicited as to whether, with

20 No 182

Nilgiri Collector's Office,

Ootacamund, 5 June 1897.

CHIEF SECRETARIAT
GOVERNMENT OF MADRAS
JUN 1897

My dear Price,

The Church Clerk has been found guilty in respect of each of the three selected counts, and sentenced on each to nine months R. I. and Rs. 100 fine, in default

three months more.

The Govt. Pleader could come to me officially as to proceeding further on other counts, as well as for forgery committed in the defence. My present view is that the results of appeal should be awaited; when if the Sentence is confirmed, we should prosecute further for the forgery alone.

Yours Sincerely
H. Tremenheere

Concluding paras of letter
from the Chaplain of Portadown
to the Ven^ble The Archdeacon of
Dublin dated 29th May 1897

" I would further respectfully
protest against the announce-
ment of my transfer at the time
when the case of the Church
Clerks is being tried in the Local
Court, as the decision of Government
& its award of punishment to
myself may possibly bias the
judgment of the Magistrate who
is trying the Case " — as a fact
can be proved when necessary & that
at first then proposed by Mr. Ledwich
Chairman of Local Committee for the
Diocese —

" I beg respectfully to claim
that these things should be

N° 6 91
2 98

Portadown
26th June 97

My dear Mr Green.

Enclose
Copies of Gen^l Hillard's
Letters

— I may say that
during my tenure of the
Chaplaincy on no single
occasion have I failed to
send all monies received
to the Bank — though on
two occasions they have
been forcibly & violently stolen
on the way.

I have paid all

Please forgive my worrying you with all these details & I know you would much rather be busy [illegible] of work

I am really grateful to you for sending me on your last [illegible] opportunity of explaining matters

With your Kindly return the Copies of Jas. Bellard's letters when they are done with if not required

Believe me

Yours Sincerely

C. H. Reeves

26. June 1897

Dear Mr. Reeves

I found your note awaiting me on my return to Durban I have just received the books from Col Lucas's they were with him many Cheques

According to the Cash book on June 1st the Balance was £1370.12

to this was included the Amt advanced by me £ 566.11.3

Official Outstanding Charges } 566.11.3

Deducting this therefore we have 803.5.11

- Not included against them are Conveyance for the 6 Treasury Horses

X £ 302 8 less £ 113.8 Maize Subsequently = £ 189.00

Shoeing. Not owed them 18 May but not been paid Subsequently about £20 0 0

£ 309.0.0

June 3 1857

My dear Rose.

The man in a Tope[illegible]
tells me he is afraid the wet
weather will delay the work.
I enclose bills which were taken out.
of the cartouch were taken out.
I also counted the only 20 shrapnel
the boys to Capt Lowe 23:
which I think is correct
Yours sincerely
[illegible]

My dear Rose.

On Friday when
Tillard came to the meeting I
asked him if he had seen
copy of the letter which he
had written to the Bentinck
Chaplain when the row
took place with Deshaus.
I also asked him about the execution
as to whether Cowdell knew

GOVERNMENT OF MADRAS

My dear Sirs,

These papers refer
to Mrs Wright's case

They reached me yesterday
afternoon.

As the Tides has passed me
& Blair & is probably with H.E.
I send them on to you

May add nothing to what
is already before us, but they
elucidate some points.

Yours sincerely
J Grose

1/7/57

The Chamberlain's Solicitament 2.7.97

A A

2nd July 1847.

My Dear Mr Grote

- I am
informed by a Barrister
at Coimbatore who heard
the judgment in the
appeal of the Sessions
Court - on behalf of the
late Church Clerk D.
Stephens that - it is
favourable to me - in that -
it does not endorse wholly
Mr Stephens with respect

of Supervision
to Carleton Terr
inserted in The Judgment of
The Dy Magistrate

I have not as yet been
able to get a copy, as soon
as I can do so I will
forward it — If the Judgment
of the Dy Magistrate is taken
into consideration at Lewes
only fair That the Sessions
Court Judgment should
be perused before a Final
Decision is arrived at
Please forgive my troubling
you in this matter
I am

With Kind Regards
Believe me
Sincerely Yours
Chas Bagshaw

Sir Conan Doyle's letters to Mr. Wace, the Archbishop Chaplain
of the 20.8.95 | To be returned. originals returned. Copy kept.
& 12.9.95 |
and Mr. Wright's three letters (one of the 26.8.95)

26.8.95

Dear Sir,

I have in my other
letter sent the Winchester affair
Mr. has kindly undertaken me.
Yours faithfully
A. Conan Doyle.

2.9.95

B.

(1) Hon. Mr. Grose C.I.E.

(2) Hon. Sir Henry Bliss, K.C.I.E.

(3) H.E. the Governor

Mr. Wright's long continued neglect calls for condign punishment, & I think he should be transferred from Ootacamund at once, thereby losing some 7 months of his two years term. With regard to the question whether he shd pay simply the sum which some how or other is short, or whether he shd be dismissed, see notes below.

27/6/97 vide A

Mattie shd be an audit of all church accounts & for months & reported as proposed by the Archdeacon; & fresh instructions shd be issued as regards the keeping of church accts. See note at the end.

This should not be difficult to carry out. Every Chh. Committee in the Diocese should do the work perfectly well.

The first question is Who is to repay the money? It seems true that under Rule VIII of the Lay Trustees' Rules the whole Church Council is responsible - the rule is unbusinesslike as it might be, but the words I have underlined in the Rule seem to me to cover the case. The Govt. has however, no control over the Lay Trustees. All it can do is to look to the Chaplain - this for the Chaplain to deal with his fellows in the Church Council. I therefore think that the Govt. can only vide D.O. at p.

say that the Chaplain must repay, if anyone.

The Hon'ble Mr. Grose thinks that a decision

a watchful eye

about this is proceeding by

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(a) The total sum missing, as reported by the Chaplain is Rs. 1,820-7-4. This is said to be the result arrived at by Mr. D. Campbell, who was apparently at one time Head Accountant in the Nilgiri Collectorate, but is now in the Govt. Quinologist's Office. He described himself before the Deputy Magistrate as a certificated auditor (with a certificate from the Commissioner for U.C.S. Examinations) (vide "Madras Mail," dated 21st May/97). He has audited the Church funds for four years. It may perhaps therefore be taken for granted that his calculations are correct. At the same time it appears from the correspondence relating to the somewhat similar defalcations in 1882 that the same Mr. Donald Campbell's audit was found to be useless and untrustworthy. Orders are solicited as to whether, with

reference to the question of making good the amount lost, Mr. Campbell's audit should be accepted, or whether any further examination is required.

(b) With regard to the manner in which the defalcations occurred, the Archdeacon reports that there was no supervision worth the name by the Chaplain. The Bank book was not made up for nine months and it was never looked at by the Chaplain to see if sums which the clerk was supposed to have paid in to the bank had actually been credited. Owing to this laxity Rs. 1,195-9-4, which should have been paid into the bank was retained by the clerk.

The practice in paying small bills was for the Chaplain to draw a cheque for an amount which would meet several. The cheque was given to the clerk who was supposed to cash it and pay the bills. The receipts which he should have brought back were never asked for or checked by the Chaplain. Hence the clerk neglected to pay Rs. 303-6-0 in small bills. It appears from the evidence in Court that when later the same bills were again presented to the Chaplain (probably entered merely "to account rendered" without any details) he allowed himself to be persuaded that they were correct, without any search for the previous receipts.

How extraordinary was the credulity of the Chaplain may be seen from the account given by him before the Dy. Magte. of the incident relating to one of Messrs. Spencer's bills. It appears that Messrs. Spencer wrote a somewhat curt letter in March last asking for payment. The Chaplain was "annoyed" to find that the bills had not been paid since July. He asked the clerk Stephens to explain and the latter said that no bills had been received. The Chaplain found that this was untrue, the covers in which the bills had been enclosed having been received and signed for by the clerk. The Chaplain in his own words "thought it strange that these accounts were unpaid and asked the accused to examine the items of the total and see if there were vouchers for earlier payments. Accused replied that the account was correct", and the bill was paid. The clerk's falsehood about the receipt of the bills having never been explained. The cash book was not looked at to see if Messrs. Spencer had been paid since July, nor were the counterfoils of old cheques examined. These letters were in the custody of the accused.

The clerk was entrusted with cheques for cemetery fees, to be cashed at the Bank, & the money to be paid into the Treasury. The Chaplain never checked the receipts granted by the Treasury, and thus Rs. 302-8-0, Govt. money, supposed to have been paid into the Treasury was misappropriated.

The Chaplain was accustomed to draw a bill for the Govt. grant for St. Stephen's girls' school, and give it to the clerk with instructions to

(Madras Mail, d/ 29-5-97) D.

draw the money at the Treasury and lodge in it in the bank. The vouchers not being checked the clerk drew Rs.119-0-0 which he failed to pay into the Bank.

(c) The system of accounts nominally in force was that ordered by Archdeacon Warlow in 1882. Its principles were approved by Govt. in G.O. No. 71, Eccl. (E) dated 12th April 1883. Chaplains are requested to keep at least two books, a cash book and a ledger. The former is to be made up every month and a balance struck and items from the cash book are to be entered in the ledger under their appropriate headings each month.

It seems plain, as pointed out by the Archdeacon, that it was taken for granted that the accounts would be kept by the Chaplain himself and not by a clerk or at any rate that the Chaplain would personally supervise and check the entries.

In this case no entry was made in the ledger between April 1st 1896 and March 31st 1897. There was therefore distinct disobedience of rule (1) of the Archdeacon's directions for keeping the accounts which should be posted in the legder prescribing monthly entries.

The cash book was kept by the clerk and never checked by the Chaplain. The monthly statement of receipts and disbursements prepared by the clerk and laid before the Lay Trustees was signed by the Chaplain without any check although in at least one instance

In regard to these and the preceding item it is not plain why it should be necessary actually to draw the money from one part of the bank and pay it in at another. The Archdeacon might, it is submitted, be caused to do so by a cheque transfer

Vide copy of instructions with explanation F

I owe from an entry in Mr Wright's diary, that he had been informed the Archdeacon had the Bank was not to be charged but only warned. This proceeding has been, I find, confirmed at Hyderabad for 10 years.

of the Bishop's office are pressing with the Archdeacon who should be called on to supply the required info. On receipt of this the question can be considered what should be done to the person who took no action on Mr. Villard's letters, whoever it was.

But I cannot see that the answer to this question affects the other questions of the extent of Mr Wright's liability or the propriety of deferring a decision thereon — Stephen's defalcations were brought about simply & solely by Mr Wright's unreadiness; and, though one may feel very sorry for him and may severely condemn those persons through whose fault he put him in his fraudulent position & do do, I cannot see that their neglect in any degree justifies — He neglected his prescribed duty and the ordinary precautions which every man of the attorney takes in the conduct of his own affairs, and he must take the consequences.

Then there is the question if Mr Wright is to pay, should he pay the whole amt of the defalcations? Well, there defalcations are (1) of the sum of Rs 302-8-0, the property of Govt and (2) of certain sums held in trust by the Chaplain for the Church or for the congregation but not Govt — As to the first sum, there is no doubt he must pay — As to the second, I don't think it is proper to say that he should pay more than was in view taken in Mr Lyon's case. The Govt left the question of his liability to the Bishop. The Bishop decided

that he should pay so much
this method was invoked
the aid of the secretary was
sary out his decision,
which was accordingly given
(vide 8vo 189 and 60
23.12.82 30.3.83)
I consider that this precedent
should be followed.

29/6/97

part 5 of Mr
Cowan's

Mr Wright could not produce
the Cash book
& Ledger when called before
the Committee on the three occasions
as to monthly accounts
but 3 are compared together, the
Church committee ought to

G.O no 60 rec
d 20-3-83 &
have asked the chaplain to
arrange for him to do same;
but they could not be ex-
pected to see the Yearbook

JG

Mr Wright has also
never they were produced,
but that the Church Committee
never expressed them

JG

I have only the above 3 have
been the certified copy of Mr
Wright deposition. The original
the Ledger never was produced
or asked for at the Monthly
meetings, & that no Vouchers
have ever called for him. It is
evident from Rev Tilleard's
letter of 12.9.95 that he
sometimes called for Vouchers
when he was Treasurer.

JG

part 6 of the letter
No 185 ad L

a casual examination of it with the cash book would have revealed discrepancies. The Archdeacon in submitting to Govt. the question as to whether the Chaplain or the Church Committee is responsible for the loss of the money, quotes ~~that~~ the case of the Rev. Mr. Lys who in 1882 was ordered to make good the sum lost under somewhat similar circumstances at St. Stephen's.

The Archdeacon is of opinion that though it would be a good thing if the Lay Trustees would carefully examine the books and vouchers yet they were clearly entitled to accept as correct the statement signed by a Govt. Officer of the standing of the Chaplain. It appears therefore from this, and from the rest of the Archdeacon's report, that he considers the chaplain responsible for the losses and not the Lay Trustees.

When in 1882 the same question arose the views of the Lay Trustees were asked and were recorded in a minute. It was pointed out that the rules regarding accounts are sent by the Bishop to the Chaplain, and not to the Trustees and that the Chaplain cannot be compelled by the Committee to obey those rules. The most the trustees could do would be to report to the Bishop "but without good ground they could not with propriety examine into his (the Chaplain's) conduct". This view the Bishop accepted as correct, and in accordance with the rules relating to

Lay Trustees. Under No. VII of those rules the management of school and charity funds &c. is to be in the hands of the Committee, but there is nothing to make it the duty of the lay trustees to verify the accounts, or to refuse to accept the Chaplain's signed statement of the money in his charge.

Granting that the Lay Trustees are not liable, the question of the degree of responsibility of Mr. Wright comes up for consideration. Mr. Wright admits that he never checked or examined the accounts and he pleads guilty to carelessness of supervision and misplaced confidence. He urges that the clerk had been the trusted servant of the church for some time and that at previous audits things had been found quite right by a professional auditor (Mr. Campbell). He further says that the Rev. Dr. Durham in handing over charge gave a good account of the clerk.

The Chaplain complains that he has been kept in the dark regarding certain charges brought against the clerk Stephens in 1895 by General Tillard. He knew, he says, that there had been some correspondence and he asked the Bishop's Chaplain twice for the letters, but he never received them as they had been mislaid. He was certainly not led to believe that the charges had been substantiated. He adds that "the 2nd Lay Trustee (Mr. Cowdell) who knew all the facts should have warned me; his failing to do so placed me at a serious disadvantage: it is true he spoke to me on the subject but only so as to lead me to believe that the matter was a personal one between this Lay Trustee and the Chaplain there". There is some conflict between this and Mr. Cowdell's statement in a letter to the Archdeacon " The Chaplain must have known of the gross negligence of the clerk, but out of good nature shielded him and kept back this information from the Committee, probably believing that he would be able to get the work finished before the annual audit". . . . "I often as a friend and adviser discussed the clerk and his duties and advised his removal, but even then these breaches of duty were not brought to my notice and I was only told that he was slow and procrastinating".

The charge brought by Mr. Cowdell against the Chaplain of "keeping back information" is a serious one and there is on record nothing to justify it. It seems quite plain however that the Chaplain through his extraordinary carelessness is responsible for the whole amount lost. Orders are requested as to whether he should be called upon to make good the deficiency. It is submitted that it is not necessary, as in the case of Mr. Lys, to call upon him to show cause why he should not be ordered to pay.

With regard to the amount of money actually lost, it is reported by Mr. Wright that he has in hand Rs.400 paid to him by the clerk Stephens towards the deficiency, and also Rs. 50 being Stephen's arrears of pay. There is further a bond for Rs. 500 entered into by Stephens and his brother, jointly and severally and the amount of it may be recovered. This would leave according to the Chaplain's account Rs. 370-7-4 to be made good.

(d) In conclusion the Archdeacon recommends that all Chaplains and Clergymen receiving Govt. grants should have their accounts audited annually by an auditor unconnected with the Church Committee, and that when sending the Annual Financial Return to the Bishop a copy of the auditor's report should be attached.

He points out that unless a Govt. order to this effect is passed no real audit is likely to be made. It is submitted that this recommendation may be accepted. The present accounts should, it would seem, be quite sufficient provided of course that all vouchers, counterfoils, &c. are kept by the Chaplain, and not, as in the present case, left to the tender mercies of the clerk, and provided also that the checks provided by the Archdeacon's circular are carried out.

H.H.
23/6/97

NB. This file has been delayed while the files of the Madras Mail have been obtained from the Examiner

[G. 26 p]
500—6-11-96.

H. E. THE GOVERNOR.
THE HON'BLE MR. BLISS, C.I.E.
THE HON'BLE MR. GROSE, C.I.E.

SUBJECT.

FOR ORDERS.

This is a clear case of absolute and utter neglect of the commonest precautions with regard to the accountings for money belonging to the Church Funds and do not see how the Lay Trustees can under the rule be held responsible for the money embezzled. The only ground on which they could be is that they with the Chaplain signed the monthly accounts. I do not see however that the rule requires this. I am not sure what the legal force of signing the accounts would under such circumstances be, but I am under the impression that I have seen it ruled that a person who undertakes a duty which the law or rules or orders does not require him to perform renders himself legally liable for the results of the want of due care and caution in the performance of that duty. If this be the case Trustees and Chaplain are liable for the amounts embezzled but it would work very hardly if they could be compelled by legal process to do so.

Such however the case may be there cannot be the slightest doubt of the Lay Trustees having been guilty of gross negligence in not seeing that the accounts were properly audited by the Chaplain and in not insisting on the production of the vouchers and counterfoils. This 7 months did not have elapsed since the clerk of the Church Committee had embezzled Rs. 400 of the Church funds and yet they did not take any steps to see that the accounts were properly audited. Under the circumstances I think that the Lay Trustees should be fined Rs. 100 each and the Chaplain Rs. 50 and that they should be informed that if they do not within one month from the date of this order pay the amounts into the Treasury they will be sued for the same in the Civil Court. I do not think that the Chaplain should be held responsible for the loss of the money as he was not in charge of the Church Funds and had no control over the clerk. He should however be fined for his carelessness in not seeing that the accounts were properly audited by the Lay Trustees and in not insisting on the production of the vouchers and counterfoils. I do not think that the Lay Trustees should be fined more than Rs. 100 each as they did not benefit by the embezzlement and were only guilty of gross negligence in not seeing that the accounts were properly audited by the Chaplain and in not insisting on the production of the vouchers and counterfoils. I do not think that the Chaplain should be fined more than Rs. 50

[G. 26]
500—23-11-06.

~~H. E. THE GOVERNOR.~~
~~THE HON'BLE MR. BLISS, C.I.E.~~
~~THE HON'BLE MR. GROSE, C.I.E.~~

SUBJECT.

FOR ORDERS.

case of a subordinate we know the Church Trust.

In connection he said that his King have only up the whole amounts Pentagyled would be in any way unfair. Coupled however with the proposal of an unfinished transfer the Bp on a horse which he had taken for two years and which I was told by them he had been able to double only at a sacrifice and with the disgrace which being incurred twice his present appeal before his brother bishops, would be a very serious one.

In which further Kemp said "Serve him right".

There is a doubt for consideration and that is whether it would not be advisable to bring before the next Chaplains a case that the accounts of the Church should be thoroughly overhauled by some one from the Accountants Office.

From the correspondence in 1882 it would appear that the accounts of Mr Campbell, then proper, were in a state of confusion, and a thorough overhaul by a competent person from the Accountants Office would not be amiss now. His books are likely enough all right, but it would be well if the work were entrusted by an impartial outsider.

I may mention that from what I hear Stebbing is soon to be

[illegible] Bench from 1st Feb.

[illegible] 1898

[illegible] Bombay

[illegible] Bombay

[illegible] Bombay

[illegible] Equity Order Register Book [illegible]

2. The assignment of the Life Insurance mentioned in Order
of [illegible] 1870.

3. That Mr Wright should be held liable for the
premiums belonging to Scott.

4. That the premiums belonging to the Church should
be kept up by the Parish to be dealt with.

5. That the proceedings have ceased as to Scott's Executors
& Mr Wright should pay interest be entitled after as
(a) assuming how much the fund bears;
(b) seeing the Insurance Fund pass hereunder as to
Mr's cancellations;
(c) ascertaining whether the Church (Stephens)
security fund is paid.

6. It should be ascertained how it was Genl. Talbot's
assuming letters were never sent shown to Mr Wright
but I agree with the hon. Sir H. Elton that the
remarks of that enquiry should not affect Mr
Wright's liability.

7. The Parliamentary enquiry that letters should be
two summons against the other Executors & accounts
should be avoided. The draft enquiry be assented not
by the Office of the Treasury Deputy Collector from
the Draft.

8. It should be respectfully advised by Counsel to say
Power exists already the right and Direction under
any Trust Deed the Executors is with any very rare
& interest but nothing should by Institute today.

H. C.P.

2 Aug 69

But case not dispute
Since I wrote the 20th,
the C.S. to - day.
JF
20/2/71

Note for the Chief Secretary

The orders on the note below direct that Stephens security bond should be sent to the Govt Solr, or that he should be consulted as to the probable solidity of the plea that the Rs 400 already paid as well as the Rs 50 stopped from the clerks pay must be taken in part satisfaction of the bond.

It The Govt Solr has further noted that the Govt Solr should be told that properly the surety had when the bond was executed and also when it is shown he is supposed to have assigned

There is no definite information available on these points. H.H. has noted at (Mysore) Ste (Stephens brother) may go through the Residency Court." C.S. remarked at that Stephens himself is said to have transferred the whole of his property to his sister, but this is all that there is to go upon. Others are requested to [illegible]

I have drawn [illegible]
Hands to endorse
this [illegible]

information required by Mr.
the Sec. is to be obtained.
Probably nothing but the
last superficial enquiry
as to the property which
the Clerk's brother had
at the time was made
when the bond was executed.
He is not exactly a surety in
that the clerk himself
is jointly bound.

J.K.
24/7/97.

The only way in which
we can get the Rector
to write to the Collr. I think
would be that you should
write to the Collr. saying that
the Rector had
called on the Bank manager
and that he had
been informed that
the bond was not signed
by the Collr. and that
he would therefore
be glad if the Collr.
would write to the
Rector requesting him
to call upon the
Collr. at the Bank
for the purpose of
signing the bond.

J.K.
26.7.97

Do 26.7.97

My dear Mr. Wright.

I enclose herewith the copies of General Talbot's letters dated 20-8-95 and 12-9-95 which the Hon. Mr. Fraser has directed to be returned to you.

Mr. 5/7/97

Yours truly,

C.H.L. Wright.
Chaplain of Potsdam.

Note:

Mr. Fraser's orders, with last page but two of the last for orders. Copies have been made.

J.K.
5/7/97

[G. 1.6.97—15-12.]

DEPARTMENT.

Papers to be read in proceedings :—

Again G.O., dated 189 , No.

Again G.O., dated 189 , No.

Current No. of 189 , dated , from

" " " 189 , " , "

" " " 189 , " , "

ORDER.

2ⁿᵈ reference to para 11 of his letter no 3638 d. 3ʳᵈ June 1897 His Ven^ble the Archdeacon will be requested to report whether in connection with the letters written by Rev^d J. Island C.B. in 1895, regarding the accounts of St Stephen's Church, were brought to the notice of the R^t Rev^d the Lord Bishop.

(2) What action, if any, was taken in consequence of those letters;

and (3) Whether any explanation is forthcoming as to the disappearance of the letters from the records.

(Sgd) [illegible]
5/7/97

No 1388 B 6 July 97

O.M.

His Venble the Archdeacon
5/7/97

A.V.
5/7/97

(N)

Ord. No 1389 dy 6th July 97

FROM ORDERS.

In the reference to G.O.R No
47 Bal Ecclesiastical, d. 4-5-97,
the District Magistrate Nilgiris,
will be requested to obtain
& submit a copy of the
judgement of the Appellate
Court in the case mentioned
in that G.O. C. S.
(from CS's order)
AK.
5/7/97.

DM. the Nilgiris
Desp 8/7/97

Ecclesiastical (1897) Department.

CURRENT No.

CHIEF SECRETARIAT
-8 JUL. 1897
GOVERNMENT OF MADRAS

From The District Magistrate
The Nilgiris

Order

No. 6026

Dated 8th July 1897

Received 9-7-97

Registered

Enclosures One

Spare copies

SUBJECT.

Submitting copy of the
Appellate Court Judgment
in "Regina Vs Isaac Hepkins"

Two covers - replies to memos 1388 & 1389.

Rev
9/7/97

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date

APPEAL No. 26 OF 1897.

In the Court ~~of the~~ Sessions Court Coimbatore ~~District Magistrate~~ ~~District~~.

The 24th day of June 1897.

PRESENT:— G. T. Mackenzie Esquire, ~~Magistrate~~ Sessions Judge.

JUDGMENT IN CRIMINAL APPEAL No. 26 OF 1897.

From what Court the appeal is preferred ... Dy. 1st class magistrate Nilgiris

Number of the case in that Court ... C. C. No 11 of 1897

Number of the Appeal ... ... Criminal Appeal No 26 of 1897

Name and description of the Appellants ... Accused, Isaac Stephens.

The sentence and law under which it was imposed in the Lower Court ... } On three counts, nine months rigorous imprisonment and to pay a fine of Rs 100 on each count, in default of payment of fine, three months' further rigorous imprisonment Section 408 I.P.C.

Whether confirmed, modified or reversed, and if modified, the modification ... } Confirmed Nil.

DATE OF					
Presentation.	Filing.	Notice issued by Court to appear.	On which Appellant ordered to appear.	Hearing.	ORDER.
11.6.97	14.6.97	14.6.97	24.6.97	24.6.97	24.6.97

THIS appeal coming on for hearing ~~before me~~; upon perusing the petition of ~~appellant~~ Copy of the judgment appealed against in accordance with this Court's order dated 14th June 1897 and the record of the ~~evidence and proceedings, and upon duly considering the same~~ after hearing the arguments of Mr. Sidney Counsel for the appellant and of the Public Prosecutor of Nilgiris in support of Conviction, ~~the following order:—~~ the Court delivered the following:—

Judgment

Judgment.

This is an appeal against the decision of the Deputy magistrate of Ootacamund in Case N°11 of 1897 on his file.

2 The accused, Isaac Stephens, was the clerk of Saint Stephens' Church at Ootacamund. He has been convicted under Section 408 of the Penal Code and has been sentenced to twenty seven months rigorous imprisonment and a fine of Rs 300, or in default to three months further rigorous imprisonment.

3 The evidence shows that although Mr Wright, the Chaplain of Ootacamund, and his two lay trustees met each month to pass the accounts of the Church there was little check over the accused and, especially, that vouchers were not called for to show that sums entered as disbursed had reached their destination.

4 On April 1st 1897, this church committee thought that they had a balance of more than Rs 600 to their credit in the Bank of Madras at Ootacamund, but found that their account was overdrawn by more than Rs 300. Accused was suspended on April 2nd and the accounts were looked into. To make good the deficiency, accused paid Rs 400 and the Chaplain Mr Wright paid Rs 566, but the Archdeacon would not permit the matter to rest there and Accused was placed before the Magistrate.

5 The procedure in operating on this account of St. Stephens Church with the Bank was that cheques were

signed

signed by the Chaplain and one lay-trustee. The accused prepared these Cheques for signature and usually himself drew the money at the Bank.

6. The prosecution selected three items on which Charges were framed and a conviction has been obtained.

7. The first item is Rs 51 Cemetery fees. I understand that this sum has to be remitted to the Treasury under Rule VII of the Cemetery Rules — which will be found on page 1012 of the Asylum Press Almanack. A cheque was drawn for Rs 81 which included this sum and something else. Accused cashed the cheque at the Bank. The Rs 51 ought to have been paid into the Treasury with a Chellan, but this has not been done. The defence is that accused after cashing the cheque handed the money to Mr. Wright.

8. The 2nd item is Rs 17 3/4 due to messrs Spencer and Co. This amount for payment to messrs Spencer was included among other items in the Counterfoil of a cheque which accused cashed, and the money ought then to have reached Messrs Spencer, but it never did. The defence is the same that accused after cashing the cheque handed over the money to Mr. Wright, but as regards this item the case against accused is very strong. Mr. Manning of Messrs Spencer & Co. spoke to accused about these unpaid monthly bills and getting nothing from accused, brought the matter to the notice of the Chaplain. Mr. Wright then called upon accused for an explanation whereupon accused replied that he would look into the Cash book and denied that Mr. Manning had spoken to him about the unpaid bills.

9 The third item is Rs 7 2 due to a Mohomedan tradesman for Cassocks supplied. The money was drawn on cheque from the Bank by accused but it did not reach the tradesman. The defence here is the same that the money was paid to Mr. Wright.

10. Accused was defended by Mr Sidney, whose main contention is, that this money must have been taken either by accused or by the Chaplain. He does not suggest that Mr. Wright deliberately took this money but he does contend that Mr. Wright was so very lax in his management of his own and of the churchs' money matters that this money may have melted away without Mr. Wright being conscious of the deficit. At least there is only the word of one man against the word of another.

12 In support of this line of defence the learned Counsel referred to many points in his very lengthy Cross-examination of Mr. Wright in the Lower Court. The accused had high

testimonials

testimonials from the former Chaplains and Mr. Wright seems to have entirely hoisted him. The knowledge which accused acquired of Mr. Wrights' methods enabled accused to instruct his Counsel to inflict on Mr. Wright a very searching Cross examination, which I have carefully perused, but I see nothing in it that can, in the least, induce me to doubt Mr. Wrights' testimony that this money did not reach his hands but was in the hands of accused for disbursement. Also, a perusal of the written exhibits shows clearly that Mr. Wright was ready to call for explanations so soon as he found that things were wrong and that accused was shifty and evasive. Counsel lays stress upon the point that accused himself brought to notice that the account was over drawn. It seems to me that he did so because the fact could no longer be hidden.

12. There can be no doubt that accused is guilty. I confirm the conviction and sentence and dismiss the appeal.

(Sd) C. T. Mackenzie
Sessions Judge.

(True copy)

[illegible]
For District magistrate
The Nilgiris

Ootacamund
8th July 1897

Ecl
1
170

Hm
8/7/97

G.
9
500—15-2-97.

DISTRICT MAGISTRATE'S OFFICE,

JUDICIAL DEPARTMENT.

Ootacamund, 8 July 189 7.

No. 1226

FROM

J. M. A. Fremenhaere, Esq, I.C.S.,
DISTRICT MAGISTRATE, The Nilgiris

To

The Chief Secretary to the
Government of Madras
Ecclesiastical Dept.

Sir,

Referring to Government Memorandum No. 1389 Ecclesiastical dated 6th instant, I have the honour to submit a copy of the Judgment of the Appellate Court in "Regina vs Isaac Stephen".

I have the honour to be,
Sir,
Your most obedient Servant,

[illegible]
for District magistrate

Hm
8/7/97

G.
9
500—15-2-97.

(1897) Department.

D. O. No. 396

From

D. O.

The Lord C. H. L. Wright

No.

Dated 20 July 1897

Received 21 " " "

Registered 22 " " "

Enclosures one.

Spare copies

SUBJECT.

Forwarding a statement from the audit reports of St. Stephens Church funds.

Rl. 1 T Mia.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

The following is a final report of the Auditor concerning the defalcations of St. Stephen's Church Funds tabulated in consultation with J.Forster Esq Agent of the Bank of Madras Ootacamund.

Total amount embezzled R.1405--0--1
made up as follows.

Shop bills paid more than once.....R.		303--6--0
Grave Fees stolen		415--8--0
Govt. Grants to Church drawn & stolen		119--0--0
Govt. Grant to School		50--8--0
Money stolen in cash on way to Bank	616-10--1.	1405-0-/
Deduct amount returned by Stephens 400-0-0		
,, one months pay withheld 50-0-0		450-0-0
Total loss to Church Fund		955-0-/

Against this there is the security bond for R.500 the amount~~ing~~ recovered on a/c of this bond in whole or in part, will have to be deducted from the total loss. The 3 charges on which Stephens has been actually convicted amount to R.140-12-0 made up as follows-

Cemetery or Grave fees	R.51--0--0
Spencer & Co's bills	17-12--0
Mahomed Oomar Sait's bill	72--0--0
	140-12--0

Actual amount of Cemetery fees paid in during the year to the Church Fund vide Annual return to Government.....447-0-0

Paid into Treasury vide vouchers amount now owing to Government. 113-0-0
334-0-0

20-viii -97.

(Signed) C H L Wright

Chaplain of Ootacamund.

[G. / 9]
500—16-2-97.

(189 7) Department.

D. O. No. 377

From

J. H. A. Tremenheere Esq. a/c C.S.

D. O.

No.

Dated 21 - 7 97

Received —— " ——

Registered 22 —— " ——

Enclosures

Spare copies

SUBJECT.

Stating that the High Court has admitted Late Church Clerk Stephens revision petition and he has instructed the Govt. Pleader to oppose on the 29th inst.

The Chief Secretary to Government

20th July 1897.

RECEIVED 21 JUL 1897

CHIEF SECRETARIAT

Dear Mr. Gross

The enclosed tabulated statement from the auditor's report was made out yesterday by the auditor in consultation with the agent of the Bank & Mr. Cross myself

- It is valuable & yet I do think with my own I must - the decision of Govt. will soon be finally announced

- Apologizing for all the trouble I have given you & thanking you for all your kindness

Believe me

Yours sincerely

Chas Kipling.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Ecclesiastical (1897) Department.

CURRENT No. 198

Confl C No 234

CHIEF SECRETARIAT
5 AUG 1897
GOVERNMENT OF MADRAS

From The Venble W Weston Elwes
Archdeacon of Madras

Order

No. 3757

DO No. 597

Nilgiri Collector's Office,
Ootacamund, 21 1897

CHIEF SECRETARIAT
21 JUL 1897
GOVERNMENT OF MADRAS

My dear Prince,
The High Court have admitted late Church Clerk Stephens revision petition on the one point of reduction of Sentence.
The hearing is for 28th July. I have instructed the Government Pleader to oppose.
Yours Sincerely
H. Tremenheere

Dated August 4th 1897
Received 5th August 1897
Registered 5th August 1897
Enclosures —
Spare copies —

SUBJECT.

Re Memorandum No 1588 &c. Department dated 6 July 1897

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Ecclesiastical

[G. 73] 2,000—25-11-07

Canc. 170 & 198

"Issued in accordance with" Minute of 13.

AG 9th 843

and passage marked

NOTE FOR THE C.S.

Submitted for perusal of Ven. Archdeacon Collis (Canc. no 198)

The references of M' have now been answered - but Stephens has appealed to the High Court - and further Hons have all agreed on L' that the amount which Govt loses will be repaid if this Order for Rs 500 returned in Stephens bond is rescinded. No further step can therefore, at present be taken, towards declaring how much the Crown's money is, until the probable ultimate of this bond is decided. At present the Department has been referred to D.O (part of M') for information as to Stephens further appeal.

H.K.
9/8/07

Confidential

CHIEF SECRETARIAT,
D. O.
No. 356
Dated, 5-8-1897

D-O

Sept 25/1897

My dear Irenachere

Sr. is at present considering his validity of and his chances of recovering upon a security bond executed in 1890 by Stephens, late clerk of St Stephen's church, and his bro Daniel Stephens, binding themselves jointly & severally to pay the sum of Rs 500 in the event of dishonesty on the part of the former. It is rumoured that Mr bros have disposed of their property, and that Daniel Stephens intends, if any attempt to recover on the bond is made, to have recourse to the insolvency Courts. Before referring the point for a legal opinion Sr desires to ascertain, if possible, that property Daniel Stephens had when the bond was executed in October 1890, if he has acquired the and also when & to whom he has since disposed of the same, & also what he has done with the proceeds. He has done so

[illegible] Kindly
[illegible] please take enquiries & let me have an early reply. Daniel Stephens is described in this bond as clerk to Messrs Cordell & Masterton: he is still, I believe, in the Masterton office.

HD
29/7/97

HV.
29/7/97

[illegible]

[illegible]

[illegible]

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

[G. / 9]

500—15-2-97.

Ecd (189) Department.

D. O. No. 679

Confl Co no 252

From

J. H. A. Tremenheere Esq
Jcs

D. O.

D.O. No. 643

Nilgiri Collector's Office,

Ootacamund, 9 Aug 1897.

No.

RECEIVED CHIEF SECRETARY 9 AUG. 1897 GOVERNMENT OF MADRAS

My dear Secy,

The High Court has dismissed Stephens' petition for mitigation of Sentence.

Yours Sincerely

H. Tremenheere

Dated 19th
Received 20th
Registered 21st
} August 1897

Enclosures -

Spare copies -

SUBJECT.

Information regarding the property possessed by Daniel Stephens brother of clerk Stephens implicated in the Ootacamund Church defalcation case

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Ecclesiastical (1897) Department.

Confidential

CURRENT No. 322

Order

From
The Venble W. Weston Elwes
Archdeacon of Madras
In charge of the Diocese

No. 3920

Con c 2852 No 679

Nilgiri Collector's Office,

Ootacamund, 19th August 1897.

CHIEF SECRETARY 20 AUG. 1897 GOVERNMENT OF MADRAS

My dear Price,

In your note of the 5th instant You enquire what property Daniel Stephens had in October 1890.

Search in the Registration office has prevented me from replying sooner.

It cannot be discovered that he owned any property then.

Dated 30th Sept 1897.
Received 1 Oct 97.
Registered
Enclosures
Spare copies

SECRETARY TO GOVERNMENT 1 OCT. 1897 LOCAL & MUNICIPAL DEPARTMENT

SUBJECT.

Ootacamund Chaplaincy
Defalcations

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

4 Enc.

I may add however that he has now two Rs. 25 shares in the Ootacamund Deposit & Loan Society.

As Secretary of that and of the Ootacamund Permanent Mortgage & Building Society he draws a Salary of 55 Rs pm; & he draws a similar Salary from Messrs Whittaker &

In 1895 his brother bought for Rs. 67 A.C. 10 of land in Vasiky for which a title deed has been issued. In 1896 he bought A.C. 21.95 in Kurkal, but still owes 963 Rs. of the purchase money.

This is all I can learn.

Yours Sincerely

H. Trenchard.

If Scarcity if you do not know him

CHIEF SECRETARIAT.
D. O. No. 460
Dated, 1-11-1897

To the Ven. the Archdeacon of M.

D.O. 31-11-97

Dear Mr Elwes

With reference to the final audit of the accts of St Stephen's Church Ootacamund, submitted direct to the Hon. the Chief Com on the 20th Oct. 1897, I have the honour to request that you will be good enough to obtain for submission to the Govt before passing orders on the case, the Auditor's signed report on a certified copy of it.

The final audit submitted by the Chief Com is not signed by the auditor, nor certified as a true copy by the Chief Com as it is therefore technically defective.

HA 29.10.97

MSC 28/X/97

To The Ven W. W Elwes Archdeacon } Despd 1-11-97

Registration makes transmission more secure; but the Post Office is not responsible for loss unless the article is insured. Currency notes or a part of a Currency note must be registered. Coin, jewels, &c., must be insured. An article may be insured up to Rs. 500 at a Branch Office and up to Rs. 1,000 at other offices. Postage and registration fee (2 annas) must be prepaid in stamps. Sender should write his name and address in lower left-hand corner of envelope. Acknowledgment of delivery of a registered letter or parcel can be obtained by sender on *prepayment* of 1 anna in stamps, or an attested copy of addressee's receipt can be obtained at any time within six months on payment of 3 annas.

☞ The public are recommended to use the cloth-lined, embossed registration envelopes available at every Post Office. The price of these envelopes covers registration fee, but not postage.

Date stamp of Office of Despatch

[G. 10]
100—29-7-96.

Revd (189) Department.

D O. 829

~~CURRENT~~ No.

Confidential No. 374

Submitted to the P.S. with reference to his note of 27/10/97.
MLP
11/XI/97

From
The Ven W. W. Elwes
Archdeacon
Madras.

Order

CHIEF SECRETARIAT, F. C.
No. 501
dated 24-11-1897

No.

Dated 10 "Nov 1897

Received 10 " "

Registered 10 " "

Enclosures 4

Spare copies.

SUBJECT.

Forwarding the balance Sheet of St Stephen's Church Ootacamund for the year ending 31st March 1897 together with some other papers connected with the Church defalcations

Auditor

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Receipts	Amount	
Opening balance	78	15
Offertories	7348	12
Pew Rents	2863	
Subscriptions for charitable purposes	755	2
Feunds collected with objects assembled in		
Church	1369	8
Cemetery Fees	111	8
Collected by Chaplain for Bench of Mercy	1099	8
Government grants for Church	204	..
" " for School	110	8
School fees	31	2
Grave fees	447	..
Rents &c	139	5 4
Total Receipts	13999	6 4
	14780	5 5

The Balance per Cash Book on 31st ult. is due to the Government Grant to the School having been omitted to be credited in the

Collaccounts
7th July 1897

Accounts for the year ending 31st March 1897.

Expenditure	Amount.		
Parish Poor	391	4	..
Organist and Choir	1235	4	..
Miscellaneous Church Expenses	4436	4	1
Parish School	1381	1	9
Christian Knowledge Society	368	5	8
Society for Propagation of the Gospel	24	7	
Church Missionary Society	1540	2	7
Additional Clergy Fund	96	13	6
Cemetery fees	529	..	..
Aid to parochial objects	230	8	..
Aid to non parochial objects	3674	3	6
Cemetery Improvement	110	8	
	14017	14	2
Closing Balance	762	7	3
	14780	5	5

1897 at Rs. 712 2 8, the difference of Rs. 50. 4 4 was carried down 28th February 1897 Cash Book.

(Sd) Donald Campbell
Auditor

Ootacamund,

8th July 1897.

To

Revd.C.H.L.Wright,

Chaplain,

Ootacamund.

Dear Sir,

In accordance with your letter of the 7th Instant, I enclose a Balance Sheet.The total deficit has been Rs. 1983-15-4 ,but as the Bank deficit of Rs. 395-2-9 and Cheque unashed at the time aggregate Rs. 491-9-3 and as these cannot be regarded as embezzled,though forming portion of the deficit,this sum ought to be eliminated;leaving Rs.1492-6-1 to represent sum embezzled.The mode in which the fraud was practised was abstracting challans and not lodging sums in the Bank;abstracting grave fees intended to be lodged to Government;misappropriating Government grants intended to be credited to Church funds in the Bank,and keeping back sums intended for payment to tradesmen.and then including these in such subsequent claims so as to form different sums and thus avoid suspicion and evade detection .

The Cash Book Balance on 31st March last was Rs. 748-7-5;and assuming that the embezzlement did not take place,this sum would be increased to the extent of the sum embezzled of Rs. 1492-6-1 or would have been Rs. 2204-13-4.

I am,

Dear Sir,

Yours faithfully,

(Signed) Donald Campbell,

Auditor.

Minute by auditor

The offertory by 28th March 1897 of Rs: 87-6-0 have been omitted from the Cash book tho' lodged in the Bank. This would make the Cash Balance on 31st March 1897 Rs: 799-12-3.

(Signed) D. Campbell
Auditor
19-10-97

Colomb Balance ——— 712-12-3

I certify that the above Balance is correct according to the figures in the Book. However defalcations have been traced to the Church Clerk Rs/a total of Rs: 1405-0-1 made up as follows:-

Grave fees stolen —— Rs.		415-8-0
Shop bills paid more than once		203-6-0
Govt. grants to Church		119-0-0
—— " —— to School		50-8-0
Money stolen Cash		616-10-1
		1405-0-1

(Signed) D. Campbell
Auditor
19-10-97

D.O. Archdeacon's Office
Jeynampeh
10th November 1897.

CHIEF SECRETARIAT
10 NOV 1897
GOVERNMENT OF BURMA

Dear Mr. Arundel,

With reference to your D.O. of 1st November 1897, I now enclose the balance sheet of St. Stephen's Church, Ootacamund, for the year ending 31st March 1897, signed by the Auditor Mr. Campbell, and a letter from the Auditor to the Revd. C. H. L. Wright, explaining the defalcations, dated 8th July 1897. These two are originals.

2.

1776

The facts as regards the Grave Fees & Cemetry Fees are very confused.

(i) In the Rev. Mr. Wright's letter No 95 of 26th April 1897 the amount of Cemetery Fees defalcated is placed at Rs 302. 8. 0.

(ii) In his letter of 26th June 1897 to the Hon. Mr. Grose, the Revd Mr. might mentions "Cemetry fees due to Treasury stolen Rs 302. 8 ... less Rs 113. 8. 0 paid subsequently = Rs 189"

(iii) In his statement dated 20.VII.97 the Revd Mr. Wright includes in the amount embezzled "Grave Fees stolen Rs 415. 8. 0" and states that the

Actual amount of Cemetery Fees paid in during the year & the Church Fund was ——— Rs 447. 0. 0

Which Paid into Treasury
according to Vouchers ——— 113. 0. 0

Amount now owing to first — 334

(iv) In the extract from the Cash Book signed by the Revd Mr. Moulders the "Grave fees stolen" are placed at Rs 415. 8. 0

(v) In the Church Balance sheet for

auditor and dated 7th July 1892
the following items occur:—

Receipts

Cemetery Fees ——— 111-8-0
Grave Fees ——— 447-0-0.

These entries are however seemingly valued as the Auditor apparently based the Church Books which are unreliable—

The rules on pages 1011 et seq of the Anglican Press Almanacks do not make any distinction between Cemetery Fees & Grave Fees.

The whole subject must, it is said, be cleared up first by the Archdeacon and it seems advisable before coming to a final decision as to the loss suffered by Govt to consult the Advt. Genl.

Currie
22.11.92

JMA
22.11.97

Expenses

Cemetery
Cemetery Fees — 529 — —

447 - 0

Note for C.S.

With reference to this letter of 17/11/97 an addition was made to the note for orders - but on second thoughts this is returned herewith the Archdeacon may be asked to clear up the meaning of the accounts. A draft D.O. is likewise returned.

JMA
13/12/97

SECRETARIAT,
SECRETARIAT,
No. D. C.
Dated, No. 189.
Entered, 189.

My dear Archdeacon.

The accounts which you enclosed with your D.O. of the 10th ult. were required in order to ascertain exactly the amounts of (1) Govt money, and (2) Church funds lost through the defalcation of the late clerk of St Stephen Church. They do not however supply sufficient data for any definite conclusion on the subject. Will you therefore kindly obtain further information with a view to clearing up the following points.

The sum lost by Govt. consists of the Grave fees received by the Chaplain and paid into the Treasury. The Auditor's memo states that the amount of grave fees stolen was Rs 415-0-1. The balance sheet shows that Rs 447 was received on Grave fees, but it does

has paid to Govt. The
Ledger is rendered more complicated
rendered ~~Compound~~, this
fact that on the receipt
side of the balance sheet
there is no item "Grave
fees" ~~or~~ nor "Cemetery
fees", on the Expenditure
side 'Grave fees' do not
appear. ~~Finally~~ In the
Statement sent Mr Wright
sent to Thirlton he fixes
on July 20th Rs 447 is
shown as the amount of
"Cemetery fees" received
Will you kindly procure the necessary information
~~Explanation~~ ~~Their~~ to clear the matter up.
~~items also are not~~
~~right~~.

Mr. Wright in his
Statement of July 20th (a
copy of which is enclosed)
states that he paid into
the Treasury Rs 113 out of
the Cemetery fees received,
which therefore only Rs
334 is still due to Govt
Rs 415-0-1 having
been stolen it is not plain
how this amount last figure
falls below that sum.

Explanation on this points.
The matter referred to by
Mr. Wright, a copies of them,
might be submitted, with
necessary & special report
of the audit showing exactly
the amount which Govt has
lost should be obtained.

I enclose the accounts
forwarded with your D.O.
kindly return them with
your reply.

MK 22.11.97

MK
13/11/97

To

The Ven W.P. Alves,
Archdeacon of Madras

with four enclosures to be
acted with reply and copy of
Mr Wrights statement of 20-7-97

Despd 24-11-97

is distinguished from the Church fund

160—29-7-99.

Ecel (189) Department.

D. O.

~~CURRENT~~ No.

Confidential No. /

From

The Venble W. W. Elwes

Order

No.

Dated 28th December 1897.

Received 1st January 1898.

Registered 4th January 1898.

Enclosures 4 enclosures to D.O 827/97 and copy of auditors report re St Stephens church, noted and two new enclosures.

Spare copies.

SUBJECT.

Forwarding copy of a letter from the chaplain of Ootacamund to the Venble the Archdeacon, together with other papers regarding St Stephens' Church defalcation

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Copy of letter from the Chai[illegible] of 26, dated 7th December 1897 to the Venerable the Arc[illegible] Madras:-

In reply to your letter No. 4095 of the 3rd instan[illegible] I. I have very carefully gone through the church accounts with Mr.D.Campbell the auditor with the following result.

2. The total amount of defalcations is 2004-15-4 made up as follows:-

	Rs. A. P.
Amount certified in cash book...	1405- 0-1
Offertory 28th March 1897(see Cash Book)	67- 6-0
Debit balance carried over to 1st April.	512- 9-3
	2004-15-4

This sum is the 1933-15-4 mentioned by the auditor in his abstract+ 21 Rs. a cheque not presented on the 31st March.

3. Of the above sums, the amount of 415-8-0 was due to Government on account of grave fees. In the Annual Financial statement compiled from the cash book, 447 Rs. are shown as credited on account of grave fe s.

But of this amount,31-8-0 were paid as fe s for digging graves, and are not therefore the property of Government.

During the year cheques to the amount of 415-8 were actually drawn, but stolen by Stephens. He did however pay in a sum of Rs. 113 just before he was arrested. The receipt for this sum is attached. The total amount therefore due to Govt. on account of grave fees is now 303-8-0.

4. Stephens refunded to the Church 400 Rs. and his pay for one month 50 Rs. was also seized.

To this must be added the 113 Rs. paid by him on account of grave fees.

There have also been paid by members of the congregation towards the amount due to the church sums amounting to 400 Rs.

This leaves

	Rs A P
Due by Mr.Wright to Government	303-8-0
,, to Church funds	738-7-4
	1041-15-4
Refunded by Stephens... ...	363-0-0
Paid by members of the congregation.	400-0-0
	2004-15-4

Abstract of total deficit in Church Accounts for 1896-97.

	L	As	Ps
Amount of first challan misappropriated	185	0	0
Amount of Second do	187	2	6
Amount of third do	157	6	7
School fees, offertory &c not credited 3rd May and 16th July 1896	16	1	0
Offertory of 30th March 97 not credited in Cash Book.	87	6	0
Special donation to Church funds on 18th April 1897 not lodged in the Bank	71	0	0
Nilgiri News Account	16	12	0
L.A. Press	23	3	0
Spencer & Co.'s Account	51	6	0
Oakes & Co.	2	0	0
Grave fees	415	8	0
Government Grants	119	0	0
Mahomed Oomar	110	1	0
	1441	14	1
Grant to School in February 1897	50	8	0
	1492	6	1
Bank deficit	395	2	9
Cheque not cashed of Mahomed Sultans at the time	96	6	6
	1983	15	4

Original

Chalan for payment of money into the Treasury at Cuttacamund No 1521, date 3/3/1897.

By whom paid	On what account	Amount			To the Head of Credit
		Rs.	a	p	
Chaplain Ooty	Cemetery fees	113	"	"	Cemetery fees.
	Total	113	"	"	

Rupees One hundred & thirteen

Received Rupees One hundred & thirteen

Copy

The following is a final report of the Auditor concerning the defalcations of St Stephen's Church Funds tabulated in consultation with J. Forster Esqr, Agent of the Bank of Madras. Oolacamund.

Total amount embezzled Rs 1405 - 0 - 1
made up as follows -

Shop bills paid more than once	Rs 203 - 6 - 0	
Grave fees stolen	415 - 8 - 0	
Govt grant to church drawn & stolen	119 - 0 - 0	
Govt grant to school	5 - 0 - 8 - 0	
Money stolen in Cash on way to Bank	616 - 10 - 1	1405-0-1
Deduct Amount returned by Stephens	400 - 0 - 0	
" one months pay withheld	50 - 0 - 0	450-0-0
Total loss to Church Fund		955-0-1

Against this there is the security bond for Rs 500
The amount recovered on account of this bond, in whole or in part, will have to be deducted from the total loss.

The 3 charges on which Stephens has been actually convicted amount to Rs 140 - 12 - 0 made up as follows

Cemetery or Grave fees Rs 31 -		
Spencer & Co's bills	17 - 12 - 0	
Mahomed Omer Saib's bill	72 - 0 - 0	
	140 - 12 - 0	

Actual amount of cemetery fees paid in during year to the Church Fund Vide annual return to Govt Rs 144 [illegible]

Paid into Treasury Vide Vouchers		113
amount now owing to Government		331

Archdeacon's Office,
TEYNAMPET,
Madras, Dec 20 1897.

Con. No 1918

29. HT.

1. JAN. 1898

CHIEF SECRETARY TO GOVERNMENT OF MADRAS

My dear

With reference to your D.O. of the 24th ult. I enclose herewith letter from the Rev. C. H. Malden which asks that I may give the information he requires.

2. The enclosures to your letter are returned.

Yours
F. Moses Elias

[G. / 25]
1,000 -22-11-07.

Ecclesiastical Department

C. No. 130, D° 482, C no 170, D° 596, 597
C no 198, D° 643, 679 C no 322, D° 827
and D° C no 1 of 98.

SUBJECT:

1 His Excellency The Governor.
2 The Hon'ble Sir Henry Bliss, K.C.I.E.
1 The Hon'ble Mr. Grose, C.I.E.

St: Stephens Church defalcations.

FOR ORDERS.

V'

In accordance with the notes at V orders have not issued on the St: Stephens Church defalcations pending the receipt of the information referred to in paragraph 5 of H.E. the Governor's note d/2nd July 1907. That information has now been obtained.

(a) It was decided (vide the orders at V) that Mr. Wright should be held liable for the sum lost to Govt., the question as to the repayment of the Church money stolen being left to the Bishop for decision. A somewhat lengthy correspondence with the Archdeacon has been rendered necessary in order to ascertain precisely the amount of Govt. money stolen. The sum × was orginally stated to be Rs.502-8-0 vide Mr. Wright's letter No.05, d/26th of April 1907. In June 07 it was reduced to Rs.180, but in the statement of account d/20th July 1907, it was said to be Rs.534. The matter has now been made plain. The total amount of grave fees received was

Rs.

× which consists allopathi of Cemetery fees.

copy at L 2

Rs.447, vide Balance sheet signed by the Auditor. Deducting Rs.115, paid into the treasury by Stevens on the 1st of April vide Vouchr before J, and Rs.31-8-0 being the amount paid for digging graves, which is not creditable to Govt., the total amount of Govt. money lost amounts to Rs.302-8-0. This sum it is submitted Mr. Wright may be called upon to pay, the decision as to the balance being left to the Bishop.

(b) Copy of the judgment in St: Stephens Appeal is at X. It will be seen that the Dt. Judge has not commented upon Mr. Wright's carelessness.

(c) With regard to the clerk's bond, the Church Committee asked for the opinion of the Govt. Solicitor as to its validity. The latter was of opinion that the whole amount of the bond could be recovered. With a view to ascertain the chance of recovering on it, Mr.Tremenheere was asked to try and discover what property Daniel Stephens (the clerk's brother) had. His reply (at R) states that there is nothing to show that Stephens owns any property except two Rs.25 shares in the Ootacamund Deposit and Loan Society. He however draws salaries aggregating Rs.110 per mensem. The bond has been returned to the Church Committee; what steps have been taken to recover on it is now known.

The question of laying down fresh rules for keeping church account and of defining more clearly the rights and duties of the Lay Trustee may, it is submitted, be separately dealt with, the Archdeacon's views being first obtained. Orders regarding the annual audits of the accounts of all churches (to be conducted in mofussil districts under the orders of the Treasury by: Collector) may perhaps issue. Orders are solicited whether a similar audit should be prescribed for churches at the Presy. If these are to have their accounts audited, the Archdeacon should, it is submitted, be asked to see to it in communication with the Acct. Genl.

There remains the question as to why the suspicions against Stephens during Mr: Durham's incumbency were never mentioned to Mr. Wright. The Archdeacon's letter clearly explains the circumstances as far as the Bishop is concerned. All that can be said is, it is submitted, that Mr.Wright was somewhat badly treated, especially by Mr. Cowdell, in not being put on his guard.

11/1/98

I think in consideration of all the circumstances Mr. Wright might be let off portion of the amount of surcharge (Rupees) say - Rs100 -

I am sorry he is not to pay the whole amt. In fact he has already been punished that he should be punished

I agree with the Hon. Sir J. Bhore. Let Wright have the benefit of the doubt.

D.I.No.356, d/5-8-97

D.O. 679 of 1897

The Archdeacon can be asked for his views before other action is taken.

14.1.98

C.No.522 at

This will be distinctly stated in the G.O.

17/1/98

14.1.98

St: Stephens' Church Defalcations

(FROM ORDERS)

Agm:
60 — 26/8/97 (P)
72 — 28/9/97 (P)

C. L. 130 (P)(a)
170 (P)
198 (P)
322 (P)

ORDER №268/12-2-98

P.S The foregoing papers relate to the defalcations in the funds of the St: Stephens' Church which occurred during the year 1896-97. Towards the close of the year discrepancies were discovered between the Church accounts at the Bank of Madras and the books maintained by the Church Committee. An audit was made and it was found that a large sum of money, amounting to nearly Rs.2,000, was unaccounted for. Suspicion pointed to the Church clerk who was at once placed under suspension; he was subsequently convicted of criminal breach of trust and is at present undergoing a sentence of imprisonment.

2. It remains to consider on whom the responsibility rests for the condition of affairs which rendered possible the clerk's acts of dishonesty and permitted them to remain so long undetected. The Reverend C.H.L.Wright, the Chaplain, in reporting on the defalcations has explained

explained some of the methods in which the frauds were committed. Money was from time to time entrusted to the clerk for the payment of tradesmen's bills, but the bills were not paid, the receipts were never asked for by the Chaplain or by the Committee, and when the same bills were again presented, they were paid without question. Treasury orders were frequently handed to the clerk to be cashed, but the money was in some instances not brought to the Chaplain. Again, it was usual when paying cemetery fees to the credit of Govt. for the Chaplain to draw a cheque for the amount due and hand it to the clerk with instructions to cash it at the Bank and lodge the money to the credit of Govt. in the local treasury. In several cases the money was drawn but no corresponding payment was made into the treasury. The treasury receipts not being inspected by the Chaplain or by the Committee, the frauds remained undiscovered.

3. From the above examples it is clear that many opportunities for dishonesty were afforded to the clerk by the entire absence of supervision over him and by the extraordinary carelessness of the Chaplain in dealing with money matters. But apart from his responsibilities in these respects Mr. Wright is shown to have been guilty of completely neglecting the rules for the maintenance of church accounts laid down for his guidance.

The instructions drawn up in 1892 by Archdeacon Warlow were clear, and if followed should have been sufficient effectually to prevent the defalcations which took place. But, as pointed out by the Archdeacon, the instructions were drawn up on the assumption that the accounts prescribed would be maintained by the Chaplains themselves or under their supervision. In the present instance not only was this not the case, but the ledger, one of the books which should have been regularly kept, was left unwritten throughout the year. For the carelessness and neglect of duty thus exhibited Mr. Wright has been punished by transfer from Otacamund.

4. In explanation of the very great confidence imposed on the church clerk, Mr. Wright points out that the latter had been the trusted servant of the Church during the tenure of several Chaplains, from whom he had received an excellent character. Mr. Wright complains that he was until quite recently allowed to remain in the dark with regard to certain charges of dishonesty brought against the church clerk by Major General Tillard one of the Lay Trustees in 1895. Whether these charges were established or not need not now be discussed; but the Govt. considers that Mr. Wright has good ground for complaining that Mr. Cowdell, one of the Lay Trustees, who was cognizant of Major General Tillard's charges, failed to put him on his guard or to suggest that the clerk's honesty had at one time been

suspected.

5. Turning to the question of the recovery of the amount lost, H.E. the Governor in Council observes that of the total sum a comparatively small portion, viz. Rs.302/8 was the property of Govt.; the remainder belonging to the Church fund with which the Govt. is not directly concerned. Mr. Vright will be directed to make good the amount of Govt. money lost, but the question of recovering the whole or any part of the remainder will be left ~~with a former order~~ for disposal by the Rt. Reverand the Bishop. Into the question of the responsibility of the Church Committee it is not proposed to enter. That is a matter which may properly be considered in dealing with the question of making good the money lost to the Church fund. ~~In the case of Govt. money, H.E. the Govt. in Council considers that he may properly look to the Chaplain to make good the deficiency.~~

6. H.E. the Governor in Council considers that more complete and stricter rules for the maintenance of church accounts should be at once drawn up. He also agrees with the Ven'ble the Archdeacon that an annual audit of these accounts ~~recommended by the Archdeacon~~ is highly desirable. The Ven: the Archdeacon and the Acct. Genl. will be requested in consultation to prepare and submit to Govt. draft rules dealing with these matters. There should be little difficulty in arranging in the

the Emissal for the audit of Church accounts by an officer employed in the local treasury. Whether a similar audit should be enforced in the Churches in the Presy. town and if so what arrangements should be made for conducting it is a further matter for consideration. The Govt. considers that the circumstances of the present case render it advisable that the rights and duties of late Trustees should be more clearly defined and the Ven'ble the Archdeacon will be requested to give the matter his attention and to submit to Govt. his proposals for effecting this object.

H.M. (from orders)
2/2/98 H.M. 3.2.98
To the Rt. Rev'd the Bishop
The Ven'ble the Archdeacon.
The A.G.

Government {1898} of Madras.

ECCLESIASTICAL.

Proof Subd to Govt for approval
Vclus
12/1/98

Read. } *1898.* *Enclosures*

Regd. } *Spare copies*

G.O., No. 24, 12th February 1898.

FEBRUARY.

St Stephen's church ootacamund
on the subject of
Passing orders regarding the defalcations that took place in _____ during 1896-1897, requesting the Venble the Archdeacon and the Accountant General to prepare and submit to Govt draft rules for the maintenance and audit of church accounts, and requiring the Venble the Archdeacon to make proposals for clearly defining the rights and duties of Lay

GOVERNMENT OF MADRAS.

ECCLESIASTICAL DEPARTMENT.

Read—again the following papers :—

G.O., R. No. 50, Ecclesiastical, dated 5th May 1897.

Abstract—

Requesting the Venerable the Archdeacon to examine and report on the system of accounts kept in St. Stephens Church, Ootacamund.

G.O., No. 60, Ecclesiastical, dated 26th August 1897.

Abstract.—Communicating, for opinion to the Government Solicitor, certain papers regarding the property possessed by Daniel Stephens, brother of Isaac Stephens, the church clerk implicated in the Ootacamund St. Stephen's Church defalcation case.

G.O., No. 72, Ecclesiastical, dated 28th September 1897.

Abstract.—Communicating to the Venerable the Archdeacon, in charge of the Diocese, opinion of the Government Solicitor regarding the recovery of the amount of a certain bond executed by Isaac Stephens, the clerk implicated in the St. Stephen's Church defalcations, and his brother Daniel Stephens.

Read—also the following papers :—

From the Venerable W. WESTON ELWES, M.A., Archdeacon of Madras, in charge of the Diocese, to the Chief Secretary to Government, dated Coonoor, 3rd June 1897, No. 3638.

I have the honour to acknowledge the receipt of G.O., R. No. 50, Ecclesiastical, dated 5th May 1897, and to state that I have had two interviews with the Rev. C. H. L. Wright—one on the 5th and the other on the 24th May. On the latter occasion I examined, in the presence of the Chaplain, Colonel Liardet, one of the present Lay Trustees, and the Deputy Collector, the books now in court, with other papers in possession of the Chaplain, in order to make sure that I had quite understood the explanation the Chaplain had given in the previous interview as to the system of accounts and the mode of supervision.

2. The system nominally followed was that ordered by the Venerable Archdeacon Warlow (with, I believe, the approval of the Government and the Accountant-General) in 1882. I attach a copy of the directions issued, and would merely observe that there is no doubt that it was taken for granted that the Chaplain would keep the accounts himself, or that if entries were made by the clerk, those entries would be personally supervised by the Chaplain himself.

3. In this case no entry was made in the ledger by any one between April 1st, 1896, and March 31st, 1897, but even with this if the Chaplain had himself with ordinary care checked every receipt and disbursement with the bank books,

vouchers and other papers, the defalcations could not have taken place. Even if such examination had been put off to the end of the month, four hours' steady work would have enabled the Chaplain to see how matters stood.

4. The supervision, if such it can be called, was practically entirely worthless. The bank book was not made up for nine months. When money was sent by the Chaplain to the bank he did not check the bank book to see that the money supposed to be paid in by the clerk was really paid in. In this way it is reported that Rs. 1,195-9-4 failed to reach the bank.

Disbursements were made partially by cheques made payable to the Chaplain. These cheques were cashed by the clerk and he was directed by the Chaplain to pay with the money various bills, etc. The Chaplain did not see that vouchers were brought by the clerk to prove the payment of all the sums supposed to have been paid. In this way it is reported that Rs. 203-6-0 have gone.

In the case of cemetery fees, a receipt from the treasury is given whenever the fee is paid. The Chaplain did not see that such receipts were produced, and Rs. 302-8-0, supposed to have been paid into the treasury by the clerk, were not paid.

The Government grants for establishment, etc., and for St. Stephen's girls' school were drawn by the clerk on bills signed by the Chaplain and were supposed to be paid into the bank by the clerk. The Chaplain did not, however, check the bank book to see that the grants were paid in, and Rs. 119 have disappeared under this head.

Thus by giving money to the clerk to be paid into the bank and not checking such payments, by giving him money to pay bills and not seeing that there were vouchers, by giving him money to pay cemetery fees and not seeing that treasury receipts were produced, by giving him the Government grants to pay into the bank and not checking the bank book to see that the grants were paid in, every facility was given by the Chaplain to the clerk to make away with the chaplaincy funds.

5. The cash book was kept by the clerk, it was not checked by the Chaplain as to receipts or disbursements. As an illustration of what occurred, while examining the books to see the system and the supervision, I among other matters took one month's receipts and looked at the sum that should have been entered under Government grants as received (Rs. 17), it was not entered at all, although it had been received. I then called for that month's account as laid before the Lay Trustees. This account was in the handwriting of the clerk. There the clerk had entered the amount as if it had been really entered in the cash book. He had doubtless done this knowing that an omission of this kind would have attracted attention; but as it was not entered in the cash book, he was free to make away with the money. The Chaplain, however, had not discovered this.

6. A monthly statement drawn up by the clerk was laid on the table. It was signed by the Chaplain and countersigned by the Lay Trustees, but the Chaplain did not check the receipts or disbursements, and accepted as correct all that the clerk chose to put down.

7. I have the honour to point out to Government that this is not a case of occasional mistakes, or occasional lack of supervision. The loss of the money had been caused by great neglect and carelessness continued throughout the whole financial year. I asked the Rev. C. H. L. Wright to tell me when during the whole year he had really examined his accounts to see whether they were correct, and he told me he had not done so at all.

8. The question as to whether the Chaplain alone or the Church Committee is responsible for the loss of the money will have to be considered by Government. In 1882, when I discovered that a considerable sum of money had disappeared during the chaplaincy of the Rev. F. G. Lys, and when the accounts were examined by an officer sent up by the Accountant-General, the Government held that the Rev. F. G. Lys was responsible and directed him to make good the money. I venture to think that the decision of Government was right and for this

reason. The money when received does not go into the hands of the Lay Trustees, and the money when drawn from the bank does not pass through their hands. All that as an almost universal rule occurs is that one of the Lay Trustees, with the Chaplain, counts the offertories. The money is then placed in the safe and comes into the charge of the Chaplain; other money does not come within the cognizance of the Trustees even to this extent. It is undoubtedly the duty of the Chaplain, as the executive officer of the committee, to see that these moneys are duly cared for. Again when the money is drawn from the bank the Trustees have nothing to do with it. It passes either to the Chaplain or to some person authorized by him to receive it. Again it seems to me clearly his duty to see that the money is properly used and that vouchers are duly filed.

9. The question of what amount of supervision is to be exercised is an open one. The Trustees of Ootacamund did not examine the bank book or vouchers. They did not consider it their duty to do so. They accepted the monthly statement as signed by the Chaplain as correct, and believed they were entitled to consider that he had checked the receipts and disbursements and found them correct. Although it would undoubtedly be better if Trustees would examine bank book and vouchers, yet there is no doubt that as a rule Trustees consider that they are entitled to believe that a Government officer of the standing of a Chaplain has examined and found correct any statement of accounts he himself signs. I enclose for easy reference a copy of the Lay Trustee rules.

10. The Rev. C. H. L. Wright's defence of his neglect is contained in the final paragraph of page 2 and page 3 of his letter of the 26th April (No. 95), herewith returned. I forward, however, an extract of a letter, bearing on the subject, dated 29th May 1897, marked A. With reference to paragraph 3 of that extract, I have the honour to state that Mr. A. S. Cowdell, without knowing what the Chaplain has said in writing to me, says: "In the present instance the Chaplain must have known of the gross negligence of the clerk, but out of good nature shielded him and kept back this information from the committee, probably believing that he would be able to get the work finished before the annual audit and then that all will (*sic*) come right. I often as a friend and adviser discussed the clerk and his duties and advised his removal, but even then these breaches of duty were not brought to my notice. I was only told that he was slow and procrastinating."

11. I have the honour to ask that Government will be pleased to consider the advisability of ordering that all Chaplains and Clergymen receiving Government grants shall have their accounts audited annually by an auditor unconnected with the Church Committee, and that when sending the annual financial return to the Bishop's office a copy of the auditor's report shall be attached. I have long advocated such a plan, but it will never be carried out unless a definite Government order is issued. I have known Lay Trustees even to decline to accede to the Chaplain's request that it should be done, partly on the ground it was not necessary and partly on the ground of expense. It seems to be that, so far as accounts are concerned, Chaplains should be dealt with as all other Government officers, that they should be obliged to have their accounts audited and that they should be made to understand that Government will not permit negligence and carelessness with reference to public church funds.

Enclosures.

From the Rev. C. H. L. WRIGHT, M.A., Chaplain of Ootacamund, to the Venerable the Archdeacon of Madras, Bishop's Commissary, etc., dated Ootacamund, 26th April 1897, No. 95.

I have the honour to report to you that there have been serious defalcations in the funds of this chaplaincy in the past official year 1896-97 to the extent of *Rs. 1,830-7-4*, as reported by the auditor Mr. D. Campbell. His official report is in the hands of the police, but the following is the substance of it.

The total loss is made up as follows:—

	Rs.	A.	P.
(1) Sums received and not lodged in the bank	1,195	9	4
(2) Amount drawn by cheques for payment of bills not paid and subsequently grouped with other items and drawn again	203	6	0
(3) Cheques for encashment for payment of cemetery fees into Government treasury cashed but retained by the clerk	302	8	0
(4) Amount of Government grants for establishment and for St. Stephen's girls' school drawn by the clerk on bills signed by the Chaplain but not paid into the bank ..	119	0	0
Total ..	1,820	7	4

The following appear to be the methods by which the frauds have been perpetrated as reported by the auditor:—

(1) Destroying chalans and counterfoils and not taking the money to the bank.

(2) Getting cheques for sums payable to tradesmen and others, when several small sums are lumped together on one cheque made payable to the Chaplain, endorsed by him and handed to the church clerk for payment of the various items, the money was drawn from the bank but not paid, the church clerk reporting that he had the receipts. The bills were again presented altered as to amount by current items and recommended by the clerk for payment who reported that he had checked the items and found them correct.

(3) Cheques for payment of cemetery fees were drawn in the name of the Chaplain, endorsed by him and sent for encashment to the bank by the clerk to be paid by him into the treasury, the money was drawn from the bank by the clerk but not paid into the treasury.

(4) Cashing treasury payment orders and not bringing the money to the Chaplain for payment into the bank; when the money was asked for, it was produced and paid in, but if it slipped the Chaplain's memory it was retained.

I have to regret very deeply the carelessness in supervision and misapplied confidence that these defalcations indicate, but in extenuation would point out that the church clerk had been the trusted servant of the church during the tenure of several Chaplains from whom he had received excellent characters.

That he had been reported on favourably at the previous annual audits by a professional auditor.

That the same method of book-keeping was pursued as had been followed according to rule in the past, and it was thought that the system was such as would prevent fraud.

That every month the clerk prepared and presented a balance sheet in due form to the Church Committee at their monthly meeting to be signed by them and posted on the church door, his word being taken that everything was in order.

My attention has only just been called to a letter which Major-General Tillard, C.B., wrote when he was Lay Trustee to the Bishop's Chaplain in September 1895. This letter substantiates various charges then brought against Mr. I. Stephens, the church clerk. It is true I have been told that such a letter was written and I wrote to the Bishop's Chaplain asking for it and the various vouchers and bills, but was told these papers had been mislaid and could not be found. I was certainly not led to believe that the charges had been substantiated. Had I been told what they were, I should have been on my guard. I thought that they were largely prompted by the personal *animus* that existed between the Chaplain (then) and the Lay Trustee.

I took over charge only on the 14th of February 1896 and the accounts were audited at the end of March, the auditor's report being generally favourable. Certain vouchers were among the missing papers that had been sent to the Bishop.

As soon as the fraud was discovered, I reported the matter to the committee and, in consultation with them, reported the defalcation to the District Magistrate and by his order placed the matter at once in the hands of the police who have apprehended the clerk and are now making out a case against him with a view to his immediate prosecution.

As I reported to you, Mr. I. Stephens, the clerk, brought a sum of Rs. 400 towards the deficiency and promised to pay up the balance. I received this money unconditionally and at once reported the matter to the Church Committee, by whose order I then lodged the money in the bank to the credit of the account of the Chaplain and Lay Trustees.

There is further a bond of Rs. 500 executed by the church clerk Mr. I. Stephens and his brother Mr. D. Stephens jointly and severally. If the case or if dishonesty is proved against the church clerk, this may be available.

There is also a sum of Rs. 50, the clerk's pay for March, which has been withheld.

As soon as the defalcation was discovered, I suspended the church clerk Mr. I. Stephens, and by order of the Church Committee have dismissed him as from the date of his suspension, viz., April 3rd, subject to your sanction and approval. May I ask you to confirm this order of dismissal.

A.

From the Rev. C. H. L. WRIGHT, M.A., Chaplain of Ootacamund, to the Venerable the Archdeacon of Madras, in charge of the Diocese, dated Ootacamund, 29th May 1897.

* * * * *

I beg, however, very respectfully to submit that I have cause for complaint in that I have been kept in the dark as to certain serious charges brought against the church clerk by the Lay Trustee at that time, Major-General Tillard, C.B., in September 1895 or about that time, and officially communicated in a report to the Bishop's Chaplain. This report I asked for twice in letters to the Bishop's Chaplain.

Had I known what that report contained, I should have been placed on my guard and would not have continued to treat the church clerk with that amount of confidence with which he had been treated by my predecessors in office.

At least the second Lay Trustee who was then in office and must have known something of what had taken place, should have warned me; his failing to do so placed me at a serious disadvantage. It is true he spoke to me on the subject, but only so as to lead me to believe that the matter was a personal one between this Lay Trustee and the Chaplain then, and into any personal feeling I naturally did not wish to enter.

Dr. Durham, when handing over charge, gave the highest testimony to the efficiency and honesty of the church clerk.

* * * * *

From the District Magistrate of the Nilgiris, dated 8th July 1897, No. 1026.

Abstract.—Submitting copy of the Appellate Court judgment in Regina *v.* Isaac Stephens, late clerk of St. Stephen's Church, Ootacamund.

From the Ven'ble the Archdeacon of Madras, dated 4th Aug. 1897, No. 3759.
" " " " 30th Sept. " " 3920.

Order—No. 26, Ecclesiastical, dated 12th February 1898.

The foregoing papers relate to the defalcations in the funds of the St. Stephen's Church which occurred during the year 1896-97. Towards the close of the year discrepancies were discovered between the church accounts at the Bank of Madras and the books maintained by the Church Committee. An audit was made and it was found that a large sum of money, amounting to nearly Rs. 2,000, was unaccounted for. Suspicion pointed to the church clerk, who was at once placed under suspension; he was subsequently convicted of criminal breach of trust and is at present undergoing a sentence of imprisonment.

2. It remains to consider on whom the responsibility rests for the condition of affairs which rendered possible the clerk's acts of dishonesty and permitted them to remain so long undetected. The Rev. C. H. L. Wright, the Chaplain, in reporting on the defalcations, has explained some of the methods in which the frauds were committed. Money was from time to time entrusted to the clerk for the payment of tradesmen's bills, but the bills were not paid, the receipts were never asked for by the Chaplain or by the committee, and when the same bills were again presented they were paid without question. Treasury orders were frequently handed to the clerk to be cashed, but the money was in some instances not brought to the Chaplain. Again, it was usual when paying cemetery fees to the credit of Government for the Chaplain to draw a cheque for the amount due and hand it to the clerk with instructions to cash it at the bank and lodge the money to the credit of Government in the local treasury. In several cases the money was drawn but no corresponding payment was made into the treasury. The treasury receipts not being inspected by the Chaplain or by the committee, the frauds remained undiscovered.

3. From these examples it is clear that many opportunities for dishonesty were afforded to the c rk by the entire absence of supervision over him and by the extraordinary carelessness of the Chaplain in dealing with money matters. But apart from his responsibilities in these respects, Mr. Wright is shown to have been guilty of completely neglecting the rules for the maintenance of church accounts laid down for his guidance. The instructions drawn up in 1892 by Archdeacon Warlow were clear, and if followed should have been sufficient effectually to prevent the defalcations which took place. But, as is pointed out by the Venerable the Archdeacon, those instructions were drawn up on the assumption that the accounts prescribed would be maintained by the Chaplains themselves or under their supervision. In the present instance not only was this not the case, but the ledger, one of the books which should have been regularly kept, was left unwritten throughout the year. For the carelessness and neglect of duty thus exhibited, Mr. Wright has been punished by transfer from Ootacamund.

4. In explanation of the very great confidence imposed on the church clerk, Mr. Wright points out that the latter had been the trusted servant of the church during the tenure of several Chaplains, from whom he had received an excellent character. Mr. Wright complains that he was, until quite recently, allowed to remain in the dark with regard to certain charges of dishonesty brought against the church clerk in 1895 by Major-General Tillard, one of the Lay Trustees. Whether these charges were established or not need not now be discussed; but the Government considers that Mr. Wright has good ground for complaining that Mr. Cowdell, one of the Lay Trustees, who was cognizant of Major-General Tillard's charges, failed to put him on his guard or to suggest that the clerk's honesty had at one time been suspected.

5. Turning to the question of the recovery of the amount lost, His Excellency the Governor in Council observes that of the total sum a comparatively small portion, viz., Rs. 302-8-0, was the property of Government, the remainder belonging to the church fund with which the Government is not directly concerned. Mr. Wright will be directed to make good the amount of Government money lost. The question of recovering the whole or any part of the remainder will be left for disposal to the Right Reverend the Bishop. Into the question of the responsibility of the Church Committee it is not proposed to enter. That is a matter which may properly be considered in dealing with the question of making good the money lost to the church fund.

6. His Excellency the Governor in Council considers that more complete and stricter rules for the maintenance of church accounts should be at once drawn up. He also agrees with the Venerable the Archdeacon that an annual audit of those accounts is highly desirable. The Venerable the Archdeacon and the Accountant-General will be requested in consultation to prepare and submit to Government draft rules dealing with these matters. There should be little difficulty in arranging in the mufassal for the audit of church accounts by an officer employed in the local treasury. Whether a similar audit should be enforced in the churches in the Presidency town and, if so, what arrangements should be made for conducting it is a matter for consideration. The Government further considers that the circumstances of the present case render it advisable that the rights and duties of Lay Trustees should be more clearly defined, and the Venerable the Archdeacon will be requested to give the matter his attention and to submit to Government his proposals for effecting this object.

(True Extract.)

Chief Secretary.

To the Right Reverend the Bishop.
" Venerable the Archdeacon.
" Accountant-General.

Exd. J. Henricus.

[G. / 75]

100—19-8-98.

NOTE FOR THE UNDER SECRETARY.

The original papers connected with St Stephen's Church case are subd. The G.O. has issued. orders are solicited as to whether (1) the papers flagged A, B, C & E and F should be put in a cover sealed and kept with the orgl &c and (2) the papers flagged G H, J K L & M may be returned to the Venerable the Archdeacon with a D.O. If it is decided to return them the following draft is subd for approval.

7th March 1898.

My dear Elwes,

Herewith I return some of the original papers connected with St Stephen's Church defalcations [which are no longer required]

Submitted that if these are returned copies may be kept with orgl &c.

GO
7/3/98

[expunging which leave the rest]

GO
7/3/98

To The Ven W W Elwes
Archdeacon of Essex

GO
7/3/98

Draft of Letter to Ch

Veltus

8

First copy sent to Press

Returned for signature.

Despatched in print.

Number of Order
required

{ Order complete
{ Letter only.
{ Order complete with Letter

30

Head Office C.O., N.Z.
19

dated

Cheque No.

Amount £

Acknowledged on C. No.

Name of Government

Name of Correspondent

Old Account now closed.

Account to be opened under style of Government
or Company.

Amount £

A on Patent file.
P on Note to be printed.
T on Patent printed only.
Q on Letter heading only.