

Law (1921) Department.
(~~General~~)
(Arresting)

Ordinary SERIES.

G.O. No. 975

DATED 27-6-1921

[Despatch Abstract.]

Financial irregularities—Orders passed.

BACK PAPERS.

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

FURTHER PAPERS.

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Seeth. II-9-19, 168-17-1-16

DEPARTMENT.

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Papers of the department to which the current belongs.

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Papers of other departments.

Department.	Number	Date.	Original (= O.) or spare copy (= S.O.)	Initials with date of (1) Referencer acknowledging returns of the paper concerned or (2) Despatcher to denote the return of the papers to the department concerned.

VERY URGENT.

Office of the Accountant-General, Madras,
Port St. George, the 31st of May 1921.
No. T.M.23-16-12362

W.D. Woollam, Esq.,
Offg. Accountant-General.

To
The Secretary to Government,
Law Department, Madras.

Sir,
I have the honour to invite a reference to para 3 (extract enclosed for ready reference) of the Auditor General's letter No. 950-ABA/216-19 dated the 20th May 1921 addressed to the Government of Madras Finance Department laying down the procedure to be followed before including cases of financial irregularity in my Audit Report and to forward herewith a list of irregularities relating to Provincial subjects administered in your department which I propose to include in my Audit and Appropriation Report on the accounts of this Presidency for 1920-21. I shall be much obliged if Government will find it convenient to pass orders on them by the middle of next month.

2. These cases were recently reported to Government in the Finance Department; but in view of the instructions just received from the Auditor General and referred to above, they are now separately reported to the Administrative Department concerned.

3. I also enclose for the information of Government in a separate list, a draft of certain paragraphs relating to the work of higher Audit section of my office and also certain paragraphs offering general comments on the expenditure of the year. I may explain that these comments need not be strictly regarded as appertaining to financial irregularities and that I have no desire to ask for the final orders of Government on these matters before the issue of my Audit Report by the 10th September 1921.



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

W.D. Woollam

Offg. Accountant-General.

W.D.

4 2
Extract of paragraph 3 of the Auditor General's letter
No. 950 A/A/214-19 dated the 20th May 1921 addressed to the
Government of Madras, Finance Department.

The action to be taken on the Appropriation Reports will
be dealt with in a subsequent letter. As regards the action
to be taken on the Audit Reports and on Financial Irregulari-
ties prior to their inclusion in those Reports, I trust the
Local Government will agree that cases of financial irregulari-
ty should rarely if ever be included in the Audit Report
before the Local Government has passed orders thereon. It is
most important, therefore, that financial irregularities, which
are so serious as to render it possible that they may be men-
tioned in these reports, should be brought to the notice of the
Local Government as early as possible after they are discovered
in audit. Specially is this necessary in the cases of serious
irregularities discovered at local inspections of Treasuries
and Public Works Divisions, as the transaction in respect of
which an irregularity is discovered may have taken place months
previously and further serious delay may render it difficult
to take suitable disciplinary action. I have specially in-
structed my audit officers to bring all serious financial ir-
regularities promptly to the notice of the Local Government,
and hope the Local Government ^{will take} adequate measures to expedite
orders on the cases reported to it. Cases relating to the --
provincial subjects will be reported first to the Department
of the Local Government concerned, and if the audit officer is
not satisfied with the action taken, he will report to the --
Finance Department of the Local Government. If the Local Go-
vernment ^{desire}, the Accountant-General will render reports
to the Finance Department and to the Administrative Department
simultaneously. Cases relating to Central subjects administered
by Local Governments as Agents of the Government of India will
be reported simultaneously to the Department of the Local Go-
vernment entrusted with the administration of the subject, to
the Finance Department of the Local Government and to the



3/5
to Central subjects directly administered by a Department
of the Government of India will be reported simultaneously
to that Department and to the Finance Department of the
Government of India.

(True copy).

OFFICE OF THE ACCOUNTANT-GENERAL, MADRAS,

Fort St. George, the 31st of May 1921.

No.

ENCLOSURES.

List I.

Write off of certain advances (amounting to Rs.17870)
made for the reclamation of land in Aziznagar Criminal
settlement (vide G.O.No.17 Law (General) dated 5th April
1921.

In October 1916 Government directed the Deputy Inspector General of Police, Railways and C.I.D., to inspect this settlement the progress of which was not considered satisfactory, and to report on the existing system of management (by the Salvation Army) with suggestions for the remedial measures to be adopted. The latter reported in January 1917 that it was most important to carry out the reclamation of the land at the settlement for which a grant of Rs.13,720 should be made, and that the question of treating this sum as an advance to the settlers (to whom the reclaimed land would be parcelled out) and the manner of its recovery should be left for future consideration. Before passing final orders on this report Government sanctioned interim grants of Rs.7270 between January and May 1917 to meet the immediate needs of the settlers. In their final orders, Government decided that the reclamation work was important and that a Revenue Inspector should be deputed to assist the Salvation Army Manager in getting this work done and to supervise the cultivation. The assistance to be given by Government was in the form of advances, issued by the District Magistrate from time to time to the Manager of the settlement. The District Magistrate was asked to report later, after some experience

Paper XXII at page 15 of
 G.O. 1749823.8.17 B

Paper XXXII at pp 21-24 of
 above G.O.

113 916 1-17 F
 113 916 1-17 G
 113 916 1-17 H
 113 916 1-17 I

113 916 1-17 J
 113 916 1-17 K
 113 916 1-17 L
 113 916 1-17 M

experience was gained, as to how these advances should be recovered--whether from the produce harvested by settlers or otherwise. In February 1918, the Deputy Inspector-General reported that with the grants of Rs.7270 mentioned above about 367 acres had been reclaimed and asked for a further advance of Rs.6000 for reclaiming another 430 acres. This was sanctioned in G.O.606 dated 18-3-18, as were also further sums of Rs.3000 and 1500 in G.O.s 2302 Judicial dated 11-10-18 and 2838 dated 23-12-1918. Thus on the whole, advances amounting to Rs.17,770 has been drawn by the District Magistrate for the purpose of reclamations, of which Rs.17,270 plus an addition sum of Rs.600 (sanctioned in G.O. 1657 Home (Judicial) dated 10-8-17 for the purpose of purchasing seedlings for cultivation by the settlement) had been issued to the Salvation Army who spent the whole of it except a sum of Rs.509-0-9 which with unspent balance of certain other grants were handed over by the Salvation Army to Government when they took over the management of the settlement in March 1919. The sum thus handed over was also spent by the Government Manager in the same way.

In memorandum No.1424-a-A.4 dated 18th June 1919 Government called on the District Magistrate to furnish a full report on the question of allotment of the land to the settlers, and as to what sums were advanced for various purposes- reclamation of land, cultivation, cost of seed etc., and the prospect of recovery of these amounts. The District Magistrate reported that as the Salvation Army did not make any definite distribution of the reclaimed ground among the settlers, no individual was allotted a specified piece of land for the clearance of which he might be held recoverable from him. The settlers who had no option in the matter and had to reclaim the land in common without obtaining any specific portion of it individually, could not be debited with the cost of

reclamation and "either because the land itself was bad or more probably the agricultural management was incompetent, the expenses incurred could not be recouped from the produce". "The money was spent to some extent in usefully reclaiming the land but to a greater extent in trying to raise dry crops in land unfit for the same. Grass hoppers were fed with the money." He therefore recommended writing off as irrecoverable the advances of Rs.17,870 made for reclamation of the land, but stated that the other advances which had been made for the purchase of cattle carts and implements, could be recovered in full. The write off was sanctioned by Government in G.O.17 dated 5-4-1921. It seems clear that a part of the loss to Government might have been avoided if the officers concerned had exercised greater judgment in the matter.

DOUBLE DRAWAL OF GOVERNMENT SCHOLARSHIPS BY A CORRESPONDENT OF A MISSION HIGH SCHOOL.

The Government scholarships of certain students in the C.M.S.High School, Sreevilliputhur amounting to Rs.168/- for the period from July 1919 to October 1919 were drawn twice by the Correspondent of the school first at the Ramnad Sub Treasury in December 1919 and again by inclusion in another bill presented at the Sreevilliputhur Sub Treasury in March 1920. The double drawal having been detected in this office and pointed out to the correspondent he explained that it was due to an oversight and refunded the amount into the Treasury in July 1920. The matter was reported to the Director of Public Instruction, who was requested to issue necessary orders to guard against similar mistakes in future. The Director of Public Instruction held that it was purely a mistake which was due to the change of correspondents and that it would be a sufficient remedy to issue instructions that all the bills relating to the school should be payable only at the Sreevilliputhur treasury in future. The instructions were not however considered by this office to be sufficient to guard against double drawals in future as Sub Treasury Officers were not

in a position to find out whether the scholarship for a particular period had or had not been paid already. It was therefore suggested to the Director of Public Instruction that the correspondent might be instructed to maintain such records as would readily show up to what date the scholarships had been drawn. The Director of Public Instruction has accepted the suggestion and issued necessary instructions.

PAYMENT OF RENT IN ADVANCE.

The rent for March 1921 of the Sub Registry offices detailed in the margin usually payable in April 1921 was drawn in advance in March 1921 in order to avoid a lapse of Budget provision. The Inspector-General of Registration has been informed of the irregularity and requested to arrange that it does not recur.

Kalliaeri
Uliyil
Palu8eri
Perempri
Choeli
Katacheri
Thineri

RUSH OF EXPENDITURE IN MARCH.

A special feature of this year, possibly due to pressure of work in the Secretariat Offices in consequence of the introduction of the Reform Scheme and the settlement of Budget work, was the issue during the closing days of March 1921 of a number of orders authorising grants payable in 1920-21. Between the 29th and 31st idem about 13 consolidated orders (as noted in the margin) were received and they necessitated the issue of authorisations to all the Treasury Officers and the communication of such authorisa-

No. & date of G.O.	Amount in- volved.	Date of re- ceipt in my office.
1. 403 Law (Edn) dated 16-3-1921.	Rs 1,93,378	29-3-1921
2. 429 Law (Edn) dated 19-3-1921	" 4,39,550	-do-
3. 447 Home (Edn) dated 22-3-1921	" 33,636	-do-
4. 454 Home (Edn) dated 23-3-1921	" 31,857	-do-
5. 455 Home (Edn) dated 23-3-1921	" - 155	-do-
6. 280 L & M (P.H.) dated 24-3-1921	" 25	-do-
7. 300 Finl. dated 25-3-1921	" 50,000	-do-
8. 459 Home (Edn) dated 28-3-1921	" 900	30-3-1921
9. 300 L & M. dated 30-3-1921	" 4,255	-do-
10. 320 Finl. dated 28-3-1921	" 406	-do-
11. 308 L & M dated 30-3-1921	" 2,29,000	31-3-1921
12. 309 L & M (P.H.) dated 30-3-1921.	" 10,000	-do-
13. 476 Home (Edn) dated 30-3-1921.	" 600	-do-

tions to the Presidents of District Boards and the Chairmen, Municipal Councils. About 557 letters authorising payment had to be sent from my office, a good number having had to be posted with a late fee; in a large number of cases these authorisations had to be issued direct to the Sub Treasury Officers as there was not sufficient time to follow the proper procedure of advising the Treasury Officer and leaving the latter to instruct the Sub Treasury Officers. Of the authorisations as many as

102 had to be issued by telegram either for want of time for the authorisations to reach their destination by post or in reply to the several telegraphic references asking for their issue. 8 authorisations by letters and telegrams had also to be issued on account of advances for purchase of conveyances.

Similarly, two references were received from the Board of

Revenue, Separate Revenue, on the 29th March 1921, as a result of which authorisation to the extent of Rs 2,93,431 had to be made involving 22 letter communications and 5 telegraphic communications to the Treasury Officers and Distillery Agencies.

Also four other references were received from other heads of departments (Director of Public Instruction and Surgeon-General) on the last days of March which necessitated authorisations for an aggregate sum of Rs 30,857/- by means of 6 telegrams and two letters.

One effect of this ~~xxx~~ rush of work was that in 11 cases (vide details in the attached list) double payments occurred to the

* <u>A m o u n t.</u>	<u>No. and date of the G.O. in which sanctioned.</u>	<u>Places of pay- ment.</u>	extent of Rs 26,075/- payments having been ob- tained at the Presi- dency Treasury and at the mufassal Treasury, or at the Treasury and the Sub Treasury. The
1. Rs 20,000	283 L & M (P.H.) dated 28-3-1921	Presidency Treasury and Ongole Sub Treas- ury.	
2. 1,323/-	429 Law (Edn) dated 19-3-1921	Calicut Dt. Treasury and Palghat Sub Try.	
3. "	655/- 403 Law (Edn) dated 16-3-1921	-do- -do-	
4. "	677/- 429 Law (Edn) dated 19-3-1921	Vizagapatam Dt. Treasury and Bimilipatam Sub Try.	
5. "	90/- 403 Law (Edn) dated 16-3-1921	-do- -do-	
6. "	147/- 429 Law (Edn) dated 19-3-1921	-do- -do-	
7. "	147/- 429 Law (Edn) dated 19-3-21.	Vizag. Dt. Treasury & Anakapalle Sub Try.	
8. "	102/- 403 Law (Edn) dated 16-3-1921	-do- -do-	
9. "	37/- 454 Home (Edn) dated 23-3-1921	-do- -do-	
10. "	2,853/- 429 Law (Edn) dated 19-3-1921	N. Arcot Dt. Try and Tirupathur Sub Try.	
11. "	147/- 403 Law (Edn) dated 16-3-1921	-do- -do-	

Collectors of Malabar, Vizagapatam and North Arcot have been asked to state what action of a disciplinary nature they propose to take against the Treasury Officials at fault.

Another effect was that in spite of the best efforts of my office to issue the authorisations in time, several of them reached their destination after the Treasury had closed for the

31st March 1921 and correspondence is still being conducted as to the payment of the grants in the current year. Authorisations by telegram also involved the risk of the amounts due being wrongly intimated in course of transmission by wire, though fortunately we have had no such instances among the 121 telegrams issued by my office last March.

I respectfully suggest that unnecessary correspondence and risks of double or excess payments may be obviated, if Government make it a rule not to issue any orders involving payment at Mufussil treasuries beyond the 15th March or at head quarters beyond the 25th March. The adoption of such a rule would have the effect of producing a salutary impression in the minds of subordinate officers and stimulate them to avoid a rush of expenditure merely to obviate a lapse of grants.

The procedure above suggested would naturally involve some lapses in the budget grants; this may be remedied by arranging for a regrant of lapses in the manner contemplated in Government of India (P.W.D.) No. 705 A.G. dated the 16th October 1916. Under the budget procedure introduced by the Reforms such a regrant would necessitate a supplementary vote by the Legislative Council, but this consideration should not operate to prevent the introduction of a procedure which in view of the risks that it is sought to avoid, is eminently desirable.

OFFICE OF THE ACCOUNTANT-GENERAL, MADRAS,

Fort St. George, the _____ of _____ 192 .

No.

LIST IIENCLOSURES.Higher functions of audit under the Reforms Scheme

An important change in the ^{position} ~~possession~~ of audit which has been definitely authorised under the Reforms Scheme requires Audit Officers in future to devote more time to seeing that ~~the quotation begins~~ ^{the} "general principles of legitimate finance" are adopted by the officers spending Government money or sanctioning expenditure, than in merely seeing that sundry Code rules are followed. In March 1921 a small section named "the Higher Audit Section" working directly under my orders was accordingly constituted from among the existing staff of this office with the object of bringing to the notice of the Finance Department of the Local Government any cases that may come up from time to time, of breaches of the "canons of financial propriety" or of apparent neglect of consideration of economy.

Brief particulars of important cases dealt with in the new "Higher Audit section" are furnished below:-

PURCHASE OF INDIGENOUS STORES AT RATES
IN EXCESS OF THE MARKET PRICE.

For the supply of some 23,000 pairs of sandals required for issue to Policemen during the year 1922, the Criminal -- Settlement at Pallavaram which is managed by the Salvation Army tendered at Rs.3-4-0 a pair, while the Inspector General of Prisons offered to supply Chrome leather sandals upto the sample required by the Police Department and apparently of -- similar quality at Rs.2-12-0 a pair. On the suggestion of the Inspector-General of Police, however, Government in their -- order dated 12th March 1921 placed the contract for 17,000 -- pairs of sandals at Rs.3-4-0 with the Pallavaram Settlement and the balance of 6,000 pairs at Rs.2-12-0 with the Jail De-

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Department. The order virtually amounts to subsidising the Criminal Settlement to the extent of about Rs.8,500/- (at half-a-rupee over the Jail rate on 17,000 pairs). Further if the supply were obtained wholly from the Jail Department, the net cost to Government would practically amount only to the value of the raw material or much less than Rs.2-12-0 a pair. The attention of the Local Government was accordingly invited by this office to paragraphs 103, and 117 of the Indian Stores Purchase Committees' Report (1920) and paragraph 13 (iii) of the order of the Government of India, thereon dated the 29th March 1921, and enquiry was made whether Government proposed to reconsider their order in the light of the above Government of India orders enjoining the strict application of business standards both as regards price and quality. The final orders of Government are awaited.

In this connection, the following extract of a letter dated the 26th February 1920 addressed to Government by the Inspector-General of prisons, may perhaps be of interest---

"I may state for the information of Government that sandal making for the Police Department has been one of the chief industries in the Vellore Central Jail for over half a century. The industry afforded excellent labour for convicts and provided trained prisoners with the means of obtaining suitable employment on release. A considerable number of trained chucklers and sandal makers are available both in the Vellore Central Jail and the Penitentiary, Madras and I am much averse to closing down the industry, if there is any possibility of regaining the Police Order *****

There are many sources of labour open to the Criminal Settlement at Pallavaram * * * which are not open to the Jail Department and I venture to suggest that the officers responsible for these institutions, with the expenditure of a little business-like acumen, resource and initiative could find ample and remunerative employment

being separately dealt with

Paper 539 HJ 12-3-21

employment without encroaching upon the industries of a Department that is hard put to, at all times, to find labour to employ prisoners."

General Comments
Reforms Scheme. Preliminary charges.

The preliminary charges on account of the introduction of the Reforms Scheme amounted to Rs.1,85,860/- as detailed below:-

	Headquarters	Mofassal	Total
<u>Reforms Secretariat</u>			
Officers and establishment.	64,662	..	64,662
Travelling allowance.	5,702	..	5,702
Contingencies	14,597	1,00,899	1,15,496
Total	84,961	1,00,899	1,85,860

These figures represent the cost of the Reforms Commissioner and his establishment and the charges -- connected with the elections to the new legislatures such as the printing of the electoral rolls, the purchase of ballot boxes, the batta and travelling allowance of non-officials and officials who acted as Polling Officers at the elections.

THE DECENNIAL CENSUS

Another special feature of the expenditure of the year under review related to the Census Operations. As in the Census of 1910-1911, the salaries and travelling allowances of Government Officers deputed for Census duties were debited to the ordinary provincial heads of account while all other expenses which would not have been incurred but for the Census operations including the extra cost if any involved in the chain of acting arrangements of the officers absent on Census deputations were debited as Census charges and treated as Imperial. The total extra cost thus debited to the Imperial minor head "Census" during the year was Rs.75,510/-, whereas the gross actual cost of the year's Census Operations as exhibited in the Proforma account maintained for the pur-

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purpose by the Census Officer amounted to Rs.94,825/-.

In the year 1921-22, the second year of the Census Operations, however, entire cost of ^{the} ~~the~~ actual salaries, allowances and contingencies of all the officers engaged on Census work as shown in the Proforma Account referred to above will at the end of the year be written back to the debit of the Central Government consequent on the complete separation under the Reforms Scheme of the revenues of the Local Government from those of the Central Government.

The correspondence regarding the classification of the Census charges, the audit of pay and travelling allowance, and contingent bills of Government officials and non-officials on Census duty as well as the scrutiny of monthly statements of census expenditure in the various districts of the Presidency entailed additional work on the audit office.

EXPENDITURE FOR THE AMELIORATION OF LABOUR AND THE DEPRESSED CLASSES.

An expenditure of Rs.76,322/- was incurred during the year on account of the Department of Labour which ^{was} ~~is~~ newly constituted temporarily in the first instance for a period of two years with effect from 15th October 1919 under the control of a whole time Commissioner for carrying out various schemes for the betterment of the backward classes.

The advances granted during the year through the medium of Co-operative Societies for the purchase of house sites by the depressed classes amounted in all to Rs.64,214/-.

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NOTES.

Law (Regn) Dept.

[100202C] From the A.G. to T.M. 23-16-13362 d. 31-5-21

Subject: - Financial irregularities.

Regn.

This dept is concerned with the cases of payment of rent in advance on account of certain sub-registry offices (detailed in the A.G.'s list I on page 7 C.F. and no action seems called for. There is no other matter in this file in regard to which action has to be taken in B-section. The purchase of sandals required for issue to policemen from the criminal settlement at Pallavaram instead of from gails, referred to in A.G.'s list II will be noted on in A section.

Through other sections in Law (Regn) & Edu.

Prq
1-6-21

M.V.V
2-6-21

Law General Dept
Purchase of sandals for the Police Dept

Up to the year 1918, sandals required for the Police dept were obtained from the gail dept. But in that year, the supply was discontinued owing to the inability of the gail dept to supply them in time. It was also reported that Pallavaram sandals were far superior to those made in gail. But in d.O No 539 Home (gail) dated

Vide p. 74 d.O 539 HJ
12-5-21

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in accordance with the
dated 12.3.21, ~~decision~~ decision arrived
at in the Conference on gail Industries
heads of consuming depts have been
directed to get their supplies from the gail
dept, an exception ^{however} being made in
favour of the Police dept, obtaining sandals
required by them for 1922, from the Pallavaram
settlement. The Conference has recom-
mended that, if possible, a portion at
least of the Police dept's orders for sandals
for 1922 should be placed with the
gail dept, and that a further endeavour
should be made to find an alternative
employment for the Pallavaram settle-
ment or to develop the sale of Pallavaram
sandals to the general public. Accordingly
before the ^{orders for the} contract for 1922, ~~was made~~
passed, the claims of both the gail dept
and the Pallavaram settlement, and
also the prices per pair of sandal quoted
by them, were considered. Though the
gail quotation was much lower ^{the} order
for the whole supply required, was not
placed with the gail dept, as it was not
certain that the quality of the gail made
sandal will be ^{equal to} that of
the Pallavaram settlement. To ~~be~~ ^{put this issue}
to a practical test ~~of the thing~~ a portion of
the

Res. IV p. 9. P. 1. Y.

Pallavaram P. 3.4.0 }
gail P. 2.12.0 }

G.O. 538 H.T. Copy at
12.3.21
orig. put up in another
file

19 16 2

d. 578 HJ (X)
12.3.21

p 1 CF

the contract was given to the gail dept.
It is not the intention of the Govt. that
the Palduram industries should be sub-
sidised. On the other hand the manage-
ment of the settlement was clearly given
to understand that the Govt will not make
any commitment as regards the contract
for 1923 and was advised to look for
alternative employment. If the quality
of the gail sandals is up to the standard
required by the Police, the contract for 1923
may be placed wholly with the gail dept.
No further remarks are called for, as the
Sect. Genl. does not desire formal orders
in the matter.

Alt
3.6.21

Write off of certain advances - Azignagar Sett

Please see pages 4-6, cf. The question of
the recovery of the advances was exhaustively
examined in f.o. No 17,85.4.21, and Govt.
came to the conclusion that there was
no alternative to writing off the amount.
The A.G. did not then refer to any irregular-
ity - vide his endt at page 32 of the f.o.
He, however, now says that "it seems clear
that a part of the loss to Govt. might have
been avoided if the officers concerned had
exercised greater judgment in the matter."

p 6 cf

It is perhaps the Salvation Army authorities (who were then managing the sett but have subsequently withdrawn) that the A.G. now refers to. For orders as to the action to be taken ^{with ref. to} ~~the~~ ^(and the reply to be given to the A.G.) this remark. Please see in this connexion Secy's note at page 57

A of 80. 17 & 54. 21.

Ill 36. 21

Ill 6. 6. 21

CU 36. 21

Secy.

In the judicial section we are concerned with the above 3 items. Judicial C tent of subregis of fees. Irregular but I see the A.G. has been advised. Judicial A Azimara advances. We have made exhaustive enquiries. The bulk of the money represents money spent on the land; rest wages. If we had allowed a per capita allotment the expenditure would have been heavier. The fact is that we began these settlements without clear ideas of the dimensions. I am satisfied that so far as the expenditure is concerned there is nothing improper.

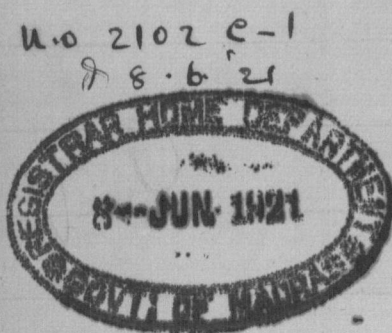
Judicial C Pallavan Sauris. The matter is under discussion but I may state at once that the difference is due to difference in quality; & apart

from the question of giving labour
to the tenant, there is not the slightest idea
of any extra for the settlement
product,

Now to Mr. P. remarks. Then
let a committee refer to H. G.

May 6/21

Edgway



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9621

pages 6 & 7 of cf.

p. 8 of cf.

Law (Edn) Dept.

The items relating to this department
are noted on below -

2. Double drawal of Govt Scholarship
by a correspondent of a mission
high school -

The D.P. has adopted the suggestion
of the A.G. & no further action is called for.

3. Rush of expenditure in March -

The A.G. remarks that orders sanctioning
subsidies in the following cases were
received late in March: -

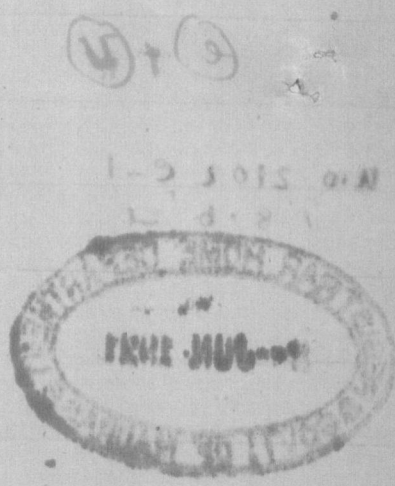
- (C) G.O. No. 403, dated 16.3.21. (raising of min. pay teachers)
- (U) " 429, " 19.3.21. (maintenance of teachers)
- (A) " 447, " 22.3.21. (Equipment of new elementary schools)
- (L) " 454, " 23.3.21. (4 rupees allowance)

- (W) G.O. No 455, dated 23.3.21.
- (ID) " 459, " 28.3.21.
- (V) " 476, " 30.3.21.

(e) + (u)

The circumstances under which most of these subsidies came to be sanctioned late in the official year ^(were special) (i) G.O. No 403 B, 16.3.21 + G.O. No 429 B, 19.3.21. ~~these subsidies~~. Recurring subsidies for maintenance of schools + for enhancement of the minimum pay of teachers are usually sanctioned in the middle of the official year. Last year, however, it was ~~decided~~ ^{proposed} that the large savings remaining with local bodies out of the previous year's grants should be taken into account in sanctioning the subsidies for that year. To this end, local bodies were asked to forward statements showing the savings out of Govt grants sanctioned in previous years. ~~These~~ These statements were received very late ^(in the year) ~~and~~ in spite of reminders from the D.P.D.'s office + in ~~many~~ many cases, they had also to be returned to local bodies for revision. This entailed delay in the distribution of grants for 1920-21. ~~G.O. No 403 B, 16.3.21 + G.O. No 429 B, 19.3.21.~~

D.P.D.'s letter, No 1505, 15.12.20



[Faint, mostly illegible handwritten text, likely bleed-through from the reverse side of the page.]

(J)
(J)
(C) 322-N. 11
25.8.21

(W)
(O)
(V)

(J)
(A)

(Signature)

p. 10 of cf.



TV

for non-recurring expenditure on the new schools might be met from the provision in the ~~last~~ last year's budget. Orders sanctioning the necessary ^{for non-recurring expenditure} grants were issued in fo. N^o 447, dated 22nd March 1921.

(iv) The subsidies sanctioned in fo. N^o 455, dated 23.3.21, N^o 459, dated 28.3.21, + N^o 476, dated 30.3.21, are small amounts + were intended to be met out of the last year's provision.

4. The delay that occurred last year in sanctioning educational subsidies is not likely to recur in future + the safeguards suggested by the A.G. in ^(if adopted) the last portion of his letter will also obviate such delays. It is for orders whether the A.G. may be informed that subsidies had to be sanctioned late in the ^{last} financial year owing to the fact that particulars relating to the ^{large} savings with local bodies had to be obtained ^{and that involved delay.} ~~these are not being delay.~~

8K
10.6.21
13/4/21

13-6-21, Draft 6th
15/6/21

A draft order is submitted for approval.

2. The purchase of bandabs for the Police

p. 11 of cf.

para 3, p. 1 of cf.

through Law (general).

Police Dept. is included in list II of the enclosures to the A.G.'s letter & the A.G. does not ask for final order ^{at present} on ~~these~~ the items included in this list.

~~through~~. Besides the question appears to be under consideration separately

17.6.21.

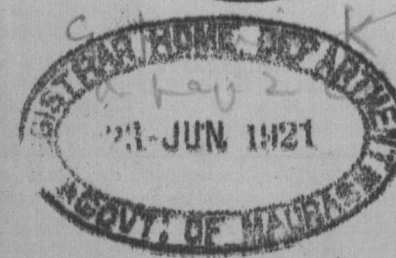
18/6/21

18/6

18.6.21

ESD No. 2710A-1
22.6.21.

File 4101B-1
22.6.21



ESD No. 2710A-1
23.6.21.

File No. 4101B-1
23.6.21

Join at orth

18.6.21

Draft for acceptance
20/6/21

File 4101B-1

Finance Dept.

Under the revised procedure relating to Audit irregularities, the administrative Depts. have to communicate their decision to the Acct. Genl, & if the A.G. is not satisfied with the action taken, he will make a further reference to this Department. The case may be perused & returned to the Law Dept.

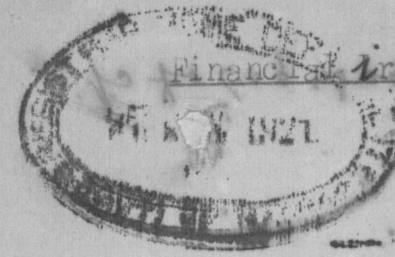
22.6.21

Law

22.6.21

May issue

15.6.21



Financial irregularities. - Orders passed.

READ AGAIN G.O. No....., dated.....191 .

” ” ” ” ” ” 191 .

READ ALSO:—

C. No. 2710, From the A. G., No. T. M. 23, dated 31-5-1921 191
16-13362

” ” ” ” , ” ” 191

” ” ” ” , , , ” 191

ORDER.

Mis.

No. 975, dated 27. 6. 1921.

With his letter read above the A.G. forwards a list of financial irregularities noticed during the year 1920-21. The Govt. have examined the cases and proceed to pass orders on the items pertaining to the Law Department.

2. Write off of certain advances
(amounting to Rs.17,870) made for the
reclamation of land in the Aziznagar
criminal settlement. -

The Government have made exhaustive inquiries into the matter. The bulk of the money was spent on the land and the rest on wages. If a per capita allotment had been sanctioned, the expenditure would have been heavier. The Govt. are satisfied that, so far as the expenditure was concerned,

pages 4 to 6 of cf.

p. 4 of N.F.

~~there~~ there was nothing improper.

3. Double drawal of Govt.

Scholarships by a correspondent of
a Mission High School.

The D.P.I. has adopted the suggestions of the A.G. for the prevention of such double drawals in future and no further instructions are called for.

4. Payment of rent in advance
in the case of certain sub-
registry offices.

The I.G. of Registration is requested to ensure that irregularities of the kind referred to do not occur in future.

5. Rush of expenditure in March.

~~Usually~~ ^{usually} recurring subsidies to local bodies for educational objects are sanctioned in August or Septr. of each year. In view ~~of~~ of large unspent balances remaining with local bodies out of previous years' grants, it was decided ~~at~~ at the beginning of last year to call on local bodies to report the amount of such balances with them and to sanction the payment of subsidies for 1920-21 after taking ~~into~~ into account such savings. In spite of several reminders, there was considerable delay in the receipt of particulars from local bodies and the final distribution of subsidies had ~~to be~~ ^{sometimes} to be ~~late~~ late in the year.

page 6 of cf.

p. 7 of cf.

page 8 of cf.

p. 8 of cf.

p. 10 of cf.

To The A.G. (9/10) ^{supd to A.G. 8/2/6}
Co the D.P.I. ^{order with extracts from I.G. of Reg.}
" " I.G. of Registration. ^{supd with Encls 8/2/6}

^{from 5/2/6}
Please to D.P.I. ^{on page 6 & 7 of cf.}
on page 8 to 10 of cf.
to I.G. ^{on page 7 of cf.}

to Finance Dept
2 1/2/21

As observed by the A.G. the delay in the issue of orders in ~~some~~ cases was also due to pressure of work in the Secretariat in consequence of the introduction of ^{the} reform scheme and the settlement of the budget.

The Government accept the proposal of the A.G. that orders involving payment of grants at maffassal treasuries should not be ~~sent~~ issued beyond the 15th March and those relating to grants payable at headquarters beyond the 25th March.

S.K. 17-6-1921.

^{18/6/21}

^{18.6.21}

^{18/6/21}



Government of Madras.

Finance department.

San 35-76 A

U.O. note No. 3215 B-1, dated the 27th July 1921.

It has been decided that the audit report for 1920-21 is not to be placed before the Public Accounts Committee for formal discussion. The Finance department will, however, place before the Committee all cases of defalcation or loss of public money and such other irregularities relating to that year as it may think fit. To consider such cases, a meeting of the Public Accounts Committee will be held in October, and the exact date will be notified later.

The departments of the Secretariat are requested to forward immediately to the Finance department all cases of financial irregularities which have been brought to their notice in the current official year and on which orders have been passed, so that the orders of the Finance Member may be taken as to which of them should be placed before the Public Accounts Committee at the next meeting.

J. M. Hooper
21-7-21

P.L. Moore
22-7-21

To all departments of the Secretariat.

San Fdn

Law (Est) Dept

The cases of financial irregularities brought to the notice of this Dept are (1) Double drawal of Govt scholarship by the correspondent of the a Mission high school.
(2) Rush expenditure

Orders on these items were issued in
 (N) No. 975 dated 27.6.1921. The file
 may be sent to the Finance Dept.

Ed "no. 3876A-1
 3.8.21

CR
 2/8/21

Finance

Recd 3821

Since 5103B
 4.8.21

Finance Dept

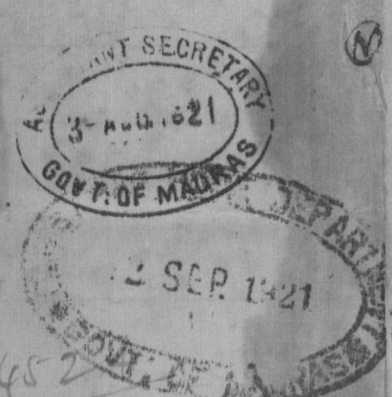
Two items of irregularities concerning Law (Con)
 Dept were brought to notice and they will be found
 at A on page 12.

Item (1). This is only an account irregularity due
 to oversight. The nature of the irregularity will be found
 on pp. 6-7 of No. 975 Law (Con) of 27.6.21. The irregularity
 viz double drawing of scholarship amount -
 has been regularised by refund of the excess amount drawn
 the DPI has issued
 4 instructions have been issued to avoid future
 occurrence of similar double drawings.

Please see page 8-10 of No. 975 Ed 3 27.6.21

Item (2). This is no irregularity; but this is likely to
 cause the occurrence of irregularities owing to the rush of
 payments in treasuries. Orders have been issued fixing the
 date after which ~~no~~ ^{no} ~~drawings~~ ^{drawings} payments of grants to
 should not be sanctioned - Para: 5 of No. 975 Ed 3
 27.6.21
 These cases need not be passed before the
 Public Accounts Committee.

3 The case may be returned to the Law (Con) Dept.



En 4452
 12.9.21
 No 5103B-1
 10.9.21

FER
 8/9/21
 CRB
 9/9/21
 Law (F) v.o.

10.9.21
 2/9/21

10.9.21
 Law (Con) Dept
 14/9/21

Government of Madras.

Finance department.



U.O. note No. 3215 B-1, dated the 27th July 1921.

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The departments of the Secretariat are requested to forward immediately to the Finance department all cases of financial irregularities which have been brought to their notice in the current official year and on which orders have been passed, so that the orders of the Finance Member may be taken as to which of them should be placed before the Public Accounts Committee at the next meeting.

J. M. Hooper
21-7-21

P.L. Moore
226 26-7-21

To all departments of the Secretariat.

Law (Secy)

Law (Secy) Dep't

The following papers may be furnished:-

- (1) Write-off of certain advances given in respect of Azhignar Satt
to 17. Law (Secy), 25.7.21
to 975. Law (Secy), 27.7.21
(Find have since been made on the subject in 20.7.21)
- (2) Purchase by police dept of sandals from the Pallavaram Satt
to 535. Home (Secy), 27.7.21
to 539. 10.3.21
to 786. Law (Secy), 7.7.21
to 1462. 22.7.21

Since 5027 B

Recd 1/8/21

Thro B.C.

29.7.21

Law (Secy) No. 2734-1

Two cases of irregularities have been reported by the Law (Gen) Dept. They are examined below.

2 Write off of Certain advances given in respect of the Aziznagar Settlement: Attention is solicited to the correspondence & notes in G.O. 770 Fin: of 28.7.21. It will be seen therefrom that though an expenditure of Rs 17,870 had to be written off as unprofitable there were certain extenuating circumstances in the case viz:

① but for the expenditure incurred on the land & wages, the expenses of maintaining the settlers would have been heavier &

② that the expenditure on the land itself was not altogether lost & that some assessment is already expected & Aziznagar may become a small revenue village.

It is for orders if in view of the above & the fact that no disciplinary action was considered necessary against any of the officers concerned, the case should be

plante

XVII

3
referred to the Public accounts
Committee

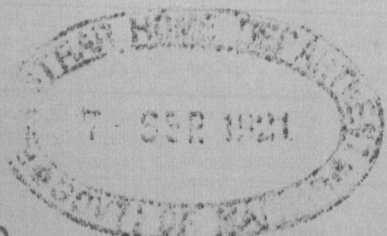
3. Purchase by the Police Dept.
of Sandals from the Pallavaram
Settlement. The irregularity
in question is set out in the
AG's letter at pp 1-2 of G.P. 786 M
Law (Genl) 3 7-7-21. The issue
raised was whether it was
necessary to place ^{part of the} orders for sandals
with the Pallavaram Settlement
paying a higher cost than what
would be necessary if the whole
order was given to the Tail Dept.
The circumstances in which it
became necessary to place orders
with the Settlement are fully stated
in the note at pp 1-4 of Notes to
G.P. 786 Law (Genl) 3 7-7-21. It will
appear therefrom that there was
no intention to subsidize the
Settlement & that the higher
price offered was due to the higher
quality of the material supplied.
The AG seems to have been
satisfied with the explanation.
- vide his letter N. 8 12/46) 5 of
22-7-21 (Heg A). There does

4 32
not appear to have been any
irregularity necessitating reference
to the Public accounts Committee.
It was a matter of administrative
necessity.

4. If the case in para: 2
ante should be referred to the Com-
mittee, the Law Genl Dept may
be requested to print & supply to the
Dept. 20 copies of relevant Cor-
respondence relating to the irregularity
for supply to the members & for record.
Generally speaking it will be necessary
to print ① the ^{facts relating to} irregularity as pointed
out by the AG ② Explanation of the
head of the Dept. or Officers concerned
③ remarks of the administrative
Dept. thereon & ④ orders finally issued.

CRS
4/9/21

Do not think either of these cases
need be reported to the P. A. C.



Im. No. 5027 B-1
7.9.21

Ag 3310 A
9.21

Law (Genl) v.s.

AS

SL
8/9/21

PR
8/9/21

May be logged & put away

Secy
8/9/21
8/9

Law (Genl) Dept

When given for copying _____
 When copied _____
 When examined _____
 When signed _____

192

AGAIN G.O. No. _____
 192

DATED

SECRET No.

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT A A A A A A A

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

AS NOT FILLED UP, BRING WANT FOR DESPATCH
 IN ORIGINAL.

N.B.—

- A = Copy in full.
- B = Not to be copied.
- P = Copy abstract only.
- Q = Copy heading only.