

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	611	Press Mis.
Dated	4-11-1859	

B. M. 12.14

5/6

Not to be folded or roughly handled

N^o 592

From,

H. B. Underwood Esq.
Collector Sea Customs

To J. Pycroft Esq.
Chief Secretary to Government.

Sir,

The Secretary to the Civil Fund has forwarded to me copy of an order of Government N^o 619, dated 11th November 1859, passed upon a letter from the Secretary of the Civil Fund to Government dated 5th November, in which The Honorable The Governor in Council directs that copy of a letter of mine be forwarded to the Right Honorable The Secretary of State.

I have the honor very respectfully to solicit that Government will be pleased to take steps so that the Secretary of State may not pass an order on my letter to the Secretary to the Civil Fund, which merely intimated my intention to prefer a claim, until I have stated the grounds upon which my claim to a refund is preferred.

I further solicit this favor, as from the account sent to me by the Secretary to the Civil Fund, there was a balance at my credit when the rule was passed, whereas

Proceedings of the Madras Government, Financial Department,
for the month of November 1859.

No. 12. Read the following letter from Lieutenant Colonel J. J. LOSH, Military Auditor General; to the Chief Secretary to Government, Fort Saint George, dated 8th October 1859, B.

1. I have the honor to acknowledge the receipt of the Proceedings of Government, Financial Department, dated the 26th ultimo, No. 548, referring for my report a letter from the Chairman of the Chamber of Commerce complaining of the present Form of the Bond of Indemnity under which Pay and Allowances of Officers, Civil, Naval, and Military, are passed to their Agents during their absence from this Presidency.

2. There are three kinds of over-payments for which Agents are, according to the present Form of the Bond responsible to Government.

1st. For Pay and Allowances for periods subsequent to decease of Officers, drawn by the Agents in consequence of intelligence of the death of their constituent not having reached them.

2nd. For Pay and Allowances drawn by them in Madras under similar circumstances for periods subsequent to retirement from the service of Officers.

3rd. For over-payments arising from errors or oversight on the part of the paying Officers.

3. It is not of course intended by the Chamber of Commerce to solicit, on behalf of Agents, relief from responsibility for over-payments made to them under the two first heads, and the only point therefore for the consideration and decision of Government, is, whether Agents should be relieved from responsibility for over-payments arising from errors on the part of the Officers of Government.

4. Over-payments of the latter description, I would observe, must necessarily be of very rare occurrence, as the payments are invariably made at the Presidency, where in any doubtful case it is the duty of the Paymaster to submit the abstract to this Office for *Anti Audit*.

5. Inconvenience has not hitherto, it is believed, been experienced by the system at present existing, and as the Chairman of the Chamber of Commerce does not question the responsibility of Agents as regards incorrect payments made to their constituents themselves before their departure, and in adjustment of which objections are very frequently numerous, I cannot concur in the expediency of exempting Agents from their duties as such, in which capacity they should be expected to fulfil the same conditions as would have to be borne by their constituents, were they present, and in return for which responsibility they are amply remunerated.

No. 13. From J. L. LUSHINGTON Esq., Civil Auditor; to T. PYCROFT Esq., Chief Secretary to Government, Fort Saint George, dated 21st October 1859, No. 1239.

I have the honor to acknowledge the receipt of the order of Government, in the Financial Department, No. 548, dated the 26th ultimo, forwarding for my report a letter from the Chairman of the Madras Chamber of Commerce relative to the forms of Bonds of Indemnity under which the Pay and Allowances of Officers, Civil, Naval, and Military, are permitted, during their absence from the Presidency on leave, to be paid to their Agents.

2. The Forms of these Bonds I beg to observe were prepared by the Government Solicitor, and directed to be adopted in the orders of Government, in the Public Department, dated 30th January and 9th May 1844, Nos. 108 and 416, respectively, and have ever since been in use.

3. The contingencies provided for under them as stated by the Chairman of the Chamber of Commerce are the death or retirement of the absent Officer or incorrect payments to the Agents.

4. As regards the first two liabilities I beg to observe, that Indemnity Bonds are allowed expressly to supercede the necessity of Officers absent on leave, furnishing monthly life certificates which would otherwise be required to enable them or their Agents on their behalf to draw pay. Without a life certificate no payment could be made, lest the Audit Department should not become aware of a casualty by death or retirement, until some time after its occurrence, and

The Secretary states there was none.

I have the honor to be,
Sir,

Your Most Obedient Servant,

W. P. H. Stone

Collector of Customs.

W. P. H. Stone

*Proceedings of the Madras Government, Financial Department,
for the month of November 1859.*

might in the meanwhile, pass allowances which were not due to the Officer. To save the trouble of transmitting the life certificate and to guard Government against loss, the Bonds of Indemnity are now granted by Agents on account of their constituents, I submit therefore that in these cases the Bonds of Indemnity ought to be continued.

5. The Navy batta and House rent bills have lately been made payable at Calcutta, Singapore and Aden, instead of at Madras alone, as heretofore, a certificate therefore of last payment in addition to the other certificates required must for the future be produced previous to any payment being made; but even with the certificates, wrong sums may be inadvertently passed owing to the scanty information obtainable in this Office on Naval matters, for instance only a few weeks ago the rating of H. M. S. "*Retribution*" was wrongly entered in the latest Naval list in this Office which is dated so far back as the 20th March 1857. Arrangements have been made for obtaining the latest lists as they are published.

6. I have already addressed the Government of India on this subject, pointing out the risk of double and erroneous payments being made, as instanced in the case of the Burmese war batta, when bills were presented for Audit and paid both here and in Calcutta; but there was nothing to indicate to this Office, nor was it, I presume known to the Agents who presented the bills, that payment had been made in Calcutta. The Agents to whom the batta was paid under the Bonds of Indemnity were under the terms thereof called upon to refund the sums that had been paid to them, but up to this hour there is a balance of Rupees 30,133-2-0 which they decline to pay, owing I have reason to believe to the Bond being imperfect. Under these circumstances I submit the Bonds should not be dispensed with, but modified so as to be operative if need be.

7. Incorrect payments may occasionally occur without much culpability attaching to any of the Departments of Government, for instance, an Officer who has quitted the country on leave of absence, leaves his allowances for the month or few days preceding his departure to be drawn by his Agent upon information furnished by himself, and though at the time of passing these allowances there was no intentional inaccuracy on his part, by a subsequent report or from some information subsequently received either from the absent Officer's successor, or from the Head of the Department to which he belonged, it occasionally happens that a date has been incorrectly reported or some information omitted by which the Absentees Allowances are effected, and consequently a retrenchment is issued against his Agents to refund the sum over passed to them on account of the absent Officer. An instance of erroneous payments has lately occurred; an Officer before proceeding on leave, left a power of attorney with his Agent in Madras to draw his salary while absent; these allowances were drawn by them for upwards of a year; it was afterwards discovered that he had also drawn his Allowances in England: are the Agents to be held irresponsible in such cases? the Department of Government were not the only blame-worthy parties. Cases of this nature are fortunately very rare; but should they occur and the Bonds be dispensed with much discussion is likely to arise.

8. I cannot discover a single instance in which, since the introduction of the pre-audit system, the Agents have been called upon to refund any sum over-drawn on account of their constituents owing *solely* to the error of the Departments of Government for in the instances above given the recipients of the Allowances were blameworthy. It appears therefore to me that the Agents' risk has been over-estimated and that it would not be advisable to dispense with the Indemnity Bonds but rather so to modify them that sums over-paid may with certainty be recovered upon them.

No. 14.

ORDER THEREON, 4th November 1859, No. 611.

Resolved, that a copy of the above reports be furnished to the Chamber of Commerce, in reference to their Chairman's letter, of the 21st September last, and that they be informed, that, under the opinions given by the Military Auditor General, and by the Civil Auditor, the Government are not prepared to relax the conditions of the Indemnity Bonds, under which the Pay and Allowances of Civil, Military, and Naval Officers are passed to their Agents during their absence from the Presidency.

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for the month of November 1859.*

2. The Government understand the remarks of the Civil Auditor in paragraphs 5-6, and at the end of paragraph 8 of his letter, to apply to Bonds of Indemnity under which Navy batta and House rent bills are payable—on which subject he has addressed the Government of India. If however the Bonds under which Civil salaries and allowances are payable be defective or insufficient, he should again apply to this Government pointing out the defects, and how they should be remedied.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. W. J. Boyton.

Proceedings of the Madras Government

From Military Auditor General 8 Oct-1859
 From Civil Auditor — 21 Oct 1859

Order thereon 4 November/59, No. 611.

Resolved that a copy of
 the above reports be for-
 warded to the Chamber
 of Commerce, in re-
 sponse to their Chair-
 man's letter of the 21st
 Sept-Inst, and that
 they be informed, that,
 under the decision given
 by the Military Auditor
 General, and by the
 Civil Auditor, the Govt
 are not prepared to
 relax the conditions of
 the Indemnity bonds,
 under which the pay
 and allowances of
 Civil Military & Naval
 Officers are passed to

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their reports during their
absence from the Presidency
2. The first must read
the remarks of the Civil
Auditor in paras 5 & 6,
and at the end of para
8 of his letter to apply to
bonds of Indemnity in.
- on which every letter to
House and bills are
payable - one which sub.
- just he has addressed
to the Govt of India - & how.
- on the bonds under which
Civil salaries & allowances
are payable to defective
or insufficient, he ^{should} ~~may~~
again apply to this Govt
pointing out the defects
& how they should be
remedied

JPS

Charter of Commerce
Civil Auditor
Civil Auditor's file

Dispt. 10

Geo. of South & North
Financial Department

No 511

Proceedings of Court

of the New York City

J. No 572

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