

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 59-60 Press
Mis.

Dated 14. 2, 1860

B. no. 5-7

12/13

Not to be folded or roughly handled

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*Proceedings of the Madras Government, Financial Department,
for the month of February 1860.*

No. 5. Read the following letter from W. WATERFIELD, Esq., Acting Civil Auditor; to T. PYCROFT, Esq., Chief Secretary to Government, Fort Saint George, dated 25th January 1860, No. 85.

With reference to the Orders contained in the Proceedings of the Madras Government No. 4, dated the 4th instant, I beg to state that Mr. Palmer's abstracts were passed in the Audit Office before payment, and that though the original mistake was in Mr. Reade's instructions, it certainly ought to have been detected at the time in this Office.

On looking over the old papers of the case however, I perceive that Mr. Palmer resigned a situation of more than 50 Rupees to accept that of Acting Postmaster, which no doubt he would not have done, but for his faith in the stability of the arrangements made by Mr. Reade. This may afford good grounds for Government to accede to his claim as a special case.

But I must beg earnestly to protest against the opinion expressed by Government that sums disbursed on pre-audited abstracts cannot be retrenched unless there was some error or misrepresentation in the abstract, such as could not have been detected at the time by the Audit Department.

Such cases are, I am sorry to say, not unfrequent, especially with an establishment scarcely yet conversant with the rules of the pre-audit system. The error is frequently detected on the submission of the next month's abstract or by comparison with a similar charge from another Officer. Sometimes it is not observed till it reaches the Office of the Accountant General who directs us to correct the error. It is evident that Government would not consider itself chargeable for any such over-payment and the whole must be borne by the Civil Auditor. He is even now theoretically liable, and cases have occurred where (the recipient of the excess having resigned the service) he has been compelled to make good the loss: but he has always until now been allowed to rectify mistakes by recoveries from bills subsequently audited. Such cases have often been admitted by the Madras Government, and have, I believe, occurred after years had elapsed from the date of the original error. At the present time my predecessors and myself are refunding an excess granted to us by the Civil Auditors of Calcutta and Madras; but which the Supreme Government have since decided is not warranted by the spirit of the rules.

No. 6. ORDER THEREON, 14th February 1860, No. 59.

The Government resolve to remit the retrenchment from Mr. Palmer of Rupees 57-13-8 on account of salary overpaid him whilst acting as Deputy Post Master of Vizagapatam from 1st January to 26th February 1858.

(Signed) T. PYCROFT,
Chief Secretary.

No. 7. To the Secretary to the Government of India, dated Fort Saint George, 14th February 1860, No. 60.

I am directed by the Governor in Council to forward, for submission to the Government of India, a copy of the correspondence noted in the margin on the subject of a retrenchment on account of salary overpaid to Mr. Palmer, whilst acting as Deputy Post Master of Vizagapatam from 1st of January to 26th February 1858.

<i>Proceedings, 4th January 1860, No. 4.</i>	margin on the subject of a retrenchment on account
,, 14th February ,, 59.	of salary overpaid to Mr. Palmer, whilst acting as
	Deputy Post Master of Vizagapatam from 1st of January to 26th February 1858.

2. It will be seen that the correspondence on this subject has raised a general question of much importance in respect to the effect of the system of pre-audit, which, it is believed, obtains in most, if not all, of the Indian Governments; and I am therefore directed to submit it for the orders of the Government of India, and to solicit their decision whether parties drawing pay and allowances on pre-audited Abstracts (provided that there has been no suppression nor misrepresentation in such Abstracts) are to be subject to retrenchment at any subsequent period; and if so, under what circumstances, and to what extent such retrenchments are to be allowed.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. F. Cartledge.

Memorandum.

From Acting Civil Auditor
25th January 1860.

The retrenchment
against Mr Palmer may,
it is submitted, be withdrawn
under the circumstances.

2. But a much more im-
portant and a general question
remains to be considered, viz
as to ^{the} effect of the preaudit sys-
tem and the protection to public
servants afforded by it —

3. The Civil Auditor, it will
be observed, earnestly protests
against the opinion expressed
by Govt in their proceedings of
the 4th Instant viz. that sums
disbursed on such preaudited
abstracts can ~~not~~ ^{not} be retrenched,
unless there was some error
or misrepresentation in the
abstract such as could not
have been detected at the

time

time by the audit Department.

4. The benefits of the preauditing system, to be set ^{March 1854} against its disadvantages as retarding the issue of pay so much complained of in Districts remote from the Presidency, are, it seems to me, two

1. First it enforces the punctual auditing of abstracts for pay and allowances by compelling their submission before the money can be drawn. — A post audit, as experience has shown, is practically scarcely an audit at all. — It leads to great arrears in auditing, ^{over} & ~~on~~ payments or erroneous payments are not detected until in some cases they cannot be recovered at all — and until, in others, their recovery is attended with much harshness not to say injustice

towards

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towards those who have to be retrenched.

2. Secondly the system of preaudit, fully carried out, affords protection to all payees. The party who draws salary or allowances on a pre-audited abstract — provided that there has been no misrepresentation or deception on his part — has the satisfaction of knowing that what he draws he may safely regard & treat as his own, without the risk of being called on to refund ^{it} at any future period.

5. But this last advantage is wholly nullified if pre-audit gives no security against retrenchment, and parties are left in nearly the same state of uncertainty as under the system of post-audit.

6. Mr. Waterfield says
that

that his establishment is scarcely yet conversant with the rules of the preaudit system - that it would be a hardy on the Civil Auditor to be held liable for excess payments and not to be allowed to rectify such mistakes by recoveries from bills subsequently audited - and that such cases have often been admitted by the Madras Government.

7. The preauditing system has now been in force at Madras for more than three years & the establishment ought therefore to be pretty well up to it by this time - as to ^{the} liability of the Civil Auditor I can say nothing. I do not recollect any such recoveries from pre-audited abstracts having been allowed by this Govt. - and if so I

insufficiently
known in it

The first
do
not recall

Recd - but from the
last year as he
accounted them - it was
we have occurred to the
Conceive

Conceive

to give the
more or
less

conceive that it was an error.

8. In Mr Palmer's case it will be seen the abstracts passed ^{were} over for January and February 1858. The first communication from the Civil Auditor on the subject is dated 14th April 1859. and the retrenchment was made from the abstract for the month of July of that year - or 18 months after the time when the first abstract was passed -

9. The question is a general one - the system of preaudit being in force in the whole or the greater part of India - it might be proper to refer the matter to the Govt of India for their opinion and orders

JF

31-1-60

The retrenchment against Mr Palmer
should be maintained - and the general
question raised by the Civil Auditor
may be referred for the decision of
the Government of India - but, if
it is to be of any value, the
Civil Auditor must be held liable
for the vouchers he passes unless it
can be shown that errors afterwards
detected could not have been seen by
the Audit Clerk at the time of passing
the bills -

27th Dec. 1882.

Mr Palmer has let off -

We can ask the S. G. what
is their rule in regard to
a voucher made after the
- audit -

It must be maintained that
used in excuse for errors
in the

audit - that the
office after three
years is not up
to its work in the
branch of its duty
W. H.
E. H.

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Financial Department.

Proceedings of the Madras Government

Read the following letter from the
Acting Civil Auditor

(Dated 25th January 1860 No 85)

Order thereon 14th February 1860 - No 59 -

CG
The Government resolve
to remit the retrenchment
from Mr. Palmer of Rupees
57.13.8 on account of sa-
lary overpaid him whilst
acting as Deputy Post
Master of Vizagapatam
from 1st January to 26th
February 1858.

Wm
The correspondence
between the Government
and the Acting Civil
Auditor on this subject
has however raised a
general question of much
importance in respect to
the effect of the system
of pre-audit.

3. The Civil Auditor, it
will be observed, earnestly
protests

protests against the opinion
-on expressed by Govern-
-ment in their proceedings
of the 4th ultimo, viz: that
sums disbursed on pre-au-
-dited abstracts cannot be
retrenched, unless there
was some error or misre-
-presentation in the abstract,
such as could not have
been detected at the time
by the Audit Department.

4- The benefits of the pre-au-
-diting system which are
to be set against its dis-
-advantages as retarding
the issue of pay so much
complained of in Districts
remote from the Presidency,
are, it seems to Government,
two:-

- 1. First, it enforces the
punctual auditing of ab-
-stracts for pay and allow-
-ances by compelling their
submission before the
money can be drawn. A
post-audit, as experience
has shewn, is practically
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in auditing

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cases, they cannot be recove-
-red at all - and until, in
others, their recovery is at-
-tended with harshness,
not to say injustice, towards
those who have to be retrench-
-ed.

2. Secondly, the system
of pre-audit fully carried
out affords protection to
all payees. The party who
draws salary or allowances
on a pre-audited abstract,
provided there has been no
misrepresentation or decep-
-tion on his part, has the
satisfaction of knowing
that what he draws he
may safely regard and
treat as his own, without
the risk of being called
on to refund it at any
future period.

5. But this last advantage
is wholly nullified if pre-
-audit gives no security
against retrenchment,
and parties are left in
nearly the same state
of

of uncertainty as under
the system of post-audit.
6. In Mr. Palmer's case, it
will be seen, the abstracts
passed were for January
and February 1838. The
first communication from
the Civil Auditor on the
subject is dated 14th April
1839, and the retrenchment
was made from the ab-
-stract for the month of
July of that year, or 18 months
after the time when the
first abstract was passed.
7. Mr. Waterfield urges that
his establishment is
scarcely yet conversant
with the rules of the pre-
-audit system - that it
would bear hardly on the
Civil Auditor to be held li-
-able for excess payments
and not to be allowed to
rectify such mistakes by
recoveries from bills sub-
-sequently audited - and
that such cases have often
been admitted by the
Madras Government.
8. The pre-auditing system
has now been in force at
Madras

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Madras for more than three
years, and the establishment
ought therefore to be suffi-
-ciently versed in it by this
time. The Government
do not recollect any such
recoveries from pre-au-
-dited abstracts having
been allowed by them
but possibly such cases
may have escaped them,
or it may not have oc-
-curred to them to raise
the question before.
9. The question however
is a general one, as the
system of pre-audit, it
is believed, obtains in
most, if not all, of the
Indian Governments. The
Government therefore
resolve to submit it for
the orders of the Govern-
-ment of India, and to
solicit their decision
whether parties drawing
pay and allowance
on pre-audited abstracts
(provided that there has
been no suppression nor
mis-representation in
such abstracts) are to be
subject to retrenchment
at

at any subsequent period
and if so, under what
circumstances, and to
what extent such re-
-franchises are to be al-
-lowed.

J.P.

To the Civil Auditor
Paid to the Collector
of Vijayapatnam.

Dispt. 18th 1860

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Dated 14th Feb 1860

Proceedings of Govt

No 59

No of Govt 20 July
June 1860 Dehra

Dupd 18th
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Financial Dept.

No 60-

To The Secretary to the Govt of India.

Sir,
I am directed by the Governor in Council to forward for submission to the Govt of India a copy of the correspondence noted in the margin on the subject of a retrenchment on account of salary overpaid to Mr. Palmer whilst acting as Deputy Post Master of Vizagapatam from 1st of January to 26th February 1858.

No. 4 January 1860. No 4.
" 14 February " " 59.

W. J.

W. J.

W. J.

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to retrenchment at any
subsequent period; and
if so, under what cir-
cumstances, and to
what extent such retrench-
ments are to be allowed.

For S. George
14 February 1860.

J.P.

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of
the Secretary to the Govt
of India.

October 11th February 1860.

Repts 12 March 1860

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