

(1) Number of pages 3822.(2) Date of repair 3-2-87(3) Initials of the Referencer Cwa

TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Hist. DEPARTMENT

G.O. No.
B.P. No.

295

Press.
Mis.

Back No. (116-47)

Dated

21. 2. 1881

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GOVERNMENT OF MADRAS.
FINANCIAL DEPARTMENT.

21st February 1881, No. 295.

Government Savings Bank.

Read the following paper :—

No. 46. *From A. C. TUPP, Esq., Officiating Accountant-General, to the Chief Secretary to Government, dated Fort St. George, 8th February 1881, No. 517.*

Outside Audit Department.

I have the honor in forwarding the report of my Assistant, Mr. H. S. Groves, on the audit of the accounts of the Government Savings Bank for the official year 1879-80, to submit the following remarks.

2. *Paragraph 10.*—Under Rule 12 of the Financial Resolution of 27th October 1880 and Rule 6, Chapter 18, of the Civil Account Code, withdrawals from the Bank cannot be made oftener than once a month without special permission given for assigned reasons, and the practice of allowing more than one withdrawal in the same month under one account should be discouraged to the utmost.

3. *Paragraph 13.*—The Bank should have allowed interest in all cases of deposit for the first four days of the month, agreeably to the rules published by the Government of India in Resolution, No. 909, of 20th February 1880, and the Bank has been instructed to allow interest in the cases referred to in the accounts of the current year.

4. *Paragraph 15.*—The Bank has apparently adhered to the orders of the Madras Government in transferring deposits on account of the Cart Fund, when they exceed Rs. 2,500, to 4 per cent. Non-transferable Treasury Notes, and of giving no interest on sums in excess of that amount. These deposits should have been allowed interest even when they exceeded that sum after the maximum had been raised to Rs. 3,000. The Bank has in the current year been furnished with copy of the Proceedings of Government, No. 3493, of 4th June 1880, Military, according to which interest is allowable upon this class of deposits up to a maximum of Rs. 5,000.

5. *Paragraphs 7 and 9.*—As I am of opinion that a uniform practice should prevail throughout India, reference has been made to the Comptroller-General on the points raised in paragraphs 7 and 9 regarding the manner in which the activity of an account is to be determined [whether by actual transactions or by entries in the Bank (Head Office) accounts]; also whether depositors in the Mofussil can be compelled to withdraw the full amount of their deposits with interest when they send their pass-books during the year to be closed.

6. The work of reconciling the differences from 1864-65 was not completed during the year under review. Fair progress was made, and it is probable that, by the time the next audit report is submitted, the investigation will have been brought to a close.

7. The audit has been conducted under paragraphs 9 and 10 of Chapter 73 of the Civil Account Code, and in some respects in even greater detail. The transactions of the Bank have been carefully tested, and I consider the audit sufficient.

8. Under paragraph 12 of the above-named chapter of the Code, I request the sanction of Government to the adjustment of interest due to depositors at the close of 1879-80, amounting to Rs. 74,189-6-9 (inclusive of Rs. 2,903-11-3 allowed on accounts closed during the year), and to the disbursement of the balance of the commission due to the Bank on the year's transactions.

ENCLOSURE No. 1.

From H. S. GROVES, Esq., Officiating Assistant Accountant-General in charge of Outside Audits, to the Officiating Accountant-General, dated Fort St. George, 23rd December 1880.

I have the honor to report that I have audited the accounts of the Government Savings Bank for the year ended the 31st of March 1880.

2. The audit was conducted in accordance with the rules laid down in paragraphs 9 and 10 of Chapter 73 of the Civil Account Codes, except that the *whole* of the entries in the Presidency Cash-book were compared with the vouchers, and the *whole* of the accounts shown as active in the list prepared by the Bank were verified by reference to the ledger. It seemed to me important to carry this portion of the audit more into detail, as the Presidency Cash book shows transactions for which the Bank itself is responsible, and the list of active accounts forms the basis on which a portion of the commission allowed to the Bank is calculated. The result of the more detailed examination in the latter case was that several accounts shown as "active" were found not to be so, and were accordingly struck out from the list. In other respects the audit was entirely satisfactory, and I have no hesitation in certifying to the *general* correctness of the accounts, which is all that the nature of the audit allows me to do.

3. The usual account-current statement, which will be found appended to the Report, shows that the closing balance exceeded the opening balance by upwards of two lakhs of rupees. This was due to a large increase in the number and amount of deposits made, evidently in consequence of the more favorable rules published by Government last year. The deposits received during the year 1878-79 amounted to Rs. 8,06,687-0-1, whereas during the year under report they amounted to Rs. 9,98,977-8-5, showing an increase of nearly two lakhs.

4. Besides the balance shown in the statement, the Bank of Madras held on 31st March last for the Savings Bank Department, according to the books of the Public Debt Department, Non-transferable Treasury Notes amounting in value to Rs. 65,500, of which Rs. 64,500 belonged to the Cart Fund, and Rs. 1,000 to the Soldiers' Savings Bank Deposit Account. This balance was verified by Mr. Hall, then in charge of Outside Audits, on the 31st of March last, and found correct, so that it may be accepted as an *actual*, and not merely as a *book* balance.

5. The charge on account of management for the year 1879-80 amounts to Rs. 10,891-6-11, arrived at as follows:—

	RS.	A.	P.
(1) 8 annas per cent. on each active account	2,926	0	0
(2) 6 " " on the opening balance	7,965	6	11
Total	10,891	6	11

Of this amount Rs. 6,000 has already been drawn in monthly advances of Rs. 500, leaving a balance of Rs. 4,891-6-11 still due.

6. The number of accounts at the beginning of the year was 11,740, and at the close 12,344, showing a net increase of 604 during the year. The number of *active* accounts during the year was 5,852, of which 2,104 belonged to the Presidency, and 3,748 to the Mofussil.

7. With regard to active accounts, I beg to inquire whether the activity of an account is to be determined by actual transactions or by the entries in the Bank's books, which finally record such transactions. The question cannot arise in the case of Presidency accounts, for there the record follows at once upon the transaction. But in the case of Mofussil accounts, it happens frequently that the extracts which convey intimation of transactions do not reach the

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Bank till after the year's accounts are closed, in which case, while the transaction itself belongs to one year, the entry in the Bank's books takes place in the next. The Bank has hitherto reckoned the account active in the year in which the entry was recorded in its books, but I am not sure whether this interpretation is to be allowed. In many cases, supposing other transactions to take place in the same account in both years, it would make no practical difference, as far as commission is concerned, whether the transaction itself or the entry were taken into account, but in some cases which have come under my notice it would mean a gain or a loss of commission to the Bank. I have thought it well, therefore, to refer the question for orders.

8. There were several cases of overpayment during the year. In one case it amounted to as much as 80 rupees. It should be mentioned, however, that the Bank itself was not responsible for any of these, and that it promptly called upon the disbursing officer concerned to make good the amount at once. Still the fact that such overpayments occur seems to show great carelessness on the part of disbursing officers, who could readily ascertain by reference to the pass-books the amount actually due to each depositor. I find that, when the amount thus overpaid is recovered in a subsequent year, the Bank reckons the account active in the year in which the recovery takes place. I conclude that the Bank is warranted in doing this, for the refund made by the disbursing officer is equivalent to a fresh deposit in the account concerned, and the necessity for the refund is not due to any carelessness on the part of the Bank.

9. Another matter which I would bring to notice is that depositors in the Mofussil frequently send their pass-books to the Bank to be closed, but after this has been done and the pass-books have been returned with the addition of interest up to date, they neglect or decline to draw out their deposits, and are apparently allowed to continue operating on the same account, or to draw out the amount due by instalments. This occasions great inconvenience to the Bank itself, for it treats a particular account as closed, which it finds, often long afterwards, to be still open. The object of the depositors in most cases seems to be simply to ascertain the total amount due to them with interest, without any intention of drawing out their deposits, but this object might be gained in another and more appropriate way. It is clear that to send the pass-books to the Bank for this purpose, with an express request that the account should be closed, is an abuse of the Savings Bank Rules, which should not be allowed to continue. It should be ruled, I think, that when a depositor sends his pass-book to the Bank to be closed, he should be bound at once to draw out the whole amount due to him.

10. The rule that withdrawals of deposits should not be allowed more than once in a month in the same account, without sufficient reason, was very generally observed, but it would be well, I think, if the reason which would justify an exception were somewhat defined. The Bank seems to consider almost any reason given by a depositor, such as "that he had an unexpected demand for money," as "sufficient" without further inquiry, but if such reasons were acted upon, withdrawals might be made so frequently during the month as to render the rule no rule at all.

11. The rule that fractions of a rupee should not be received in deposit has not been generally observed by the Bank. The rule has evidently been taken to mean that fractions of a rupee, *when forming the whole sum deposited*, should not be received, whereas the prohibition applies quite as much to such fractions when forming part of a larger sum. The Bank, however, has lately been set right in the matter, and the breach of rule is not likely to occur again.

12. In allowing interest to depositors at the enhanced rate sanctioned by the new rules, the Bank has in several instances, I notice, made a slight mistake in calculation, resulting, as I am informed, from the use of a defective table. The difference, however, has in no case exceeded 3 pies in the same account, and has been throughout in favor of Government, and, as the amount is so trifling, I do not think any correction need now be made in the accounts. While referring to interest calculation, I would mention that in one case, which came under my notice, the depositor was allowed Rs. 1-11-8 in excess of the amount admissible by rule, and the difference has now been written back. Considering the many calculations to be made by the Bank, the fact that only one serious mistake has been discovered would seem to show that the work has been done throughout with the usual care and intelligence.

13. While the enhanced rate of interest admissible under the new rules has been allowed to depositors from the 1st of January last, the further provision in those rules that interest should be allowed, for the month, on deposits received during the first four days of a month, was not I find carried into effect by the Bank before the 1st of April, that is to say, after the year under review had elapsed. The explanation given by the Bank for this omission is that the nature and intention of the rule in question was not clearly understood for some months after it had been published. But, as the explanation was given before the accounts of the year had been closed, it seems to me that depositors should have been allowed the benefit of the additional interest due to them with retrospective effect as soon as the Bank understood the intention of the rule. It seems clear that many depositors were led to deposit money on the first four days of the month in the expectation of thereby gaining an additional month's interest.

14. With the above exceptions, which appeared to me deserving of mention, the rules laid down by Government for the working of the Savings Bank seem to have been duly observed during the year under report.

15. With regard to deposits made on account of Cart Fund, I find that the Bank allows no interest on deposits in excess of Rs. 2,500. In 1866 the question as to how such deposits were to be ultimately invested was raised, and the maximum amount on which interest was allowed being at that time Rs. 2,500, it was ordered that, when a deposit on account of Cart Fund reached that limit, the amount should be invested in Non-transferable Treasury Notes bearing interest at 4 per cent., so that further deposits in the Savings Bank might earn interest as usual. The limit of deposits bearing interest has, however, since been raised from Rs. 2,500 to Rs. 3,000, yet the Bank still allows no interest on Cart Fund deposits in excess of Rs. 2,500. In this, it seems to me, the Bank is wrong. Cart Fund deposits seem to be entitled in the matter of interest to the same advantages as private deposits, and I cannot think how the Bank has felt itself all along debarred by rule from allowing interest in these cases on deposits made after Rs. 2,500 is reached and before the total amounts to Rs. 3,000. Whether the original rule is altered and sums of Rs. 3,000 at a time instead of Rs. 2,500 are invested in Treasury Notes or not, interest should clearly be allowed as long as the balance at credit of an account does not amount to Rs. 3,000.

16. In concluding I would state that the difference in the Savings Bank balances, as shown in the Government and in the Savings Bank Books which on the 31st March 1879 stood at Rs. 1,65,307, amounted on 31st March 1880 to Rs. 1,39,616-9-6. I understand that this large arrear difference has since been cleared up, that is as far as the transactions which have taken place since 1864 are concerned, but a full and authoritative statement of this fact will more properly be left for the next report.

Dr. ACCOUNT CURRENT of the Government Savings Bank, Civil Branch, for the Cr.
Official Year 1879-80.

	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
Balance due to Depositors on 31st March 1879, as per Abstract published in the Fort St. George Gazette of the 13th April 1880, page 365												
Deposits received during the year 1879-80	9,98,977	8	5									
Interest allowed during the year 1879-80	71,285	11	6									
Interest paid on closed accounts during the year 1879-80	2,903	11	3									
Total												
Balance due to Depositors on 31st March 1880												
Withdrawals made by Depositors during the year 1879-80												
Interest paid on closed accounts during the year 1879-80												
Balance due to Depositors on 31st March 1880												
Total												

N.B.—Number of accounts in open credit in the Government Savings Bank Ledgers of 1879-80.

	RS.	RS.
Accounts remaining on 31st March 1879	11,740	
Add new accounts as per Ledger	1,690	
Deduct closed accounts as per Ledger		13,430
Number of accounts remaining on 31st March 1880		12,344

BANK OF MADRAS,
31st March 1880.

(Signed) J. L. DUFFIELD,
Offg. Secy. and Treasurer.

(") A. C. CAVENDISH,
Ag. Chief Accountant.

Examined and found correct.

(Signed) H. S. GROVES,
Auditor.

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No. 47. ORDER THEREON, 21st February 1881, No. 295.

The Accountant-General submits, with remarks, the report on the audit of the accounts of the Government Savings Bank for 1879-80.

2. The year opened with	11,740	accounts.
There were added during the year	1,690	"
	= 13,430	"
	1,086	"

were closed, leaving on March 31st, 1880 .. 12,344 "
or 604 more accounts than at the end of 1878-79.

Balance at close of

RS.	RS.	3. The account current shows that the
1875-76 .. 22,00,391	1878-79 .. 21,24,115	balance due to depositors stood on 31st
1876-77 .. 22,05,653	1879-80 .. 23,49,402	March 1879 at Rs. 21,24,115
1877-78 .. 22,96,546		Add deposits received during 1879-80
		" interest allowed during
		" interest paid on closed accounts during
		1879-80
		Total

Deduct amount withdrawn during year under review 8,47,880

Balance on the 31st March 1880 23,49,402

a sum in excess of the previous year's balance by Rs. 2,25,287. This result was owing to the incitement to depositors, offered by the more favorable new rules, to increase the number and amount of their deposits.

	Cart Fund.	Soldiers' Savings Bank Deposit Account.
RS.	RS.	
1876-77 .. 88,500	1,000	
1877-78 .. 1,46,000	500	
1878-79 .. 53,000	1,000	
1879-80 .. 64,500	1,000	
1875-76	10,879	
1876-77	11,174	
1877-78	11,487	
1878-79	11,676	
1879-80	10,891	

4. In addition to the balance above mentioned, Non-transferable Treasury Notes, amounting in value to Rs. 65,500, were held by the Bank on the 31st March 1880. Of these, Rs. 64,500 belonged to the Cart Fund, and Rs. 1,000 to the Soldiers' Savings Bank Deposit Account.

5. The charge for management was Rs. 10,891.

6. The two points raised by the Auditor in regard to the mode of determining the activity of an account, and the practice of allowing depositors to continue their deposits after sending their pass-books to the Bank to be closed, have, it is observed, been referred to the Comptroller-General for orders.

7. The attention of the Directors will be drawn to the irregularities noticed in paragraphs 8 and 10 of the audit report.

8. The discrepancies between the figures in the Auditor's report for 1877-78 and the figures which appear in the Government books have not yet been reconciled, but the Accountant-General expects that the inquiry will have been completed before the next audit report is submitted.

9. The Government sanction the adjustment of the interest (Rs. 74,189-6-9) due to depositors for 1879-80, and the payment of the balance (Rs. 4,891-6-11) of the commission due to the Bank on the year's transactions.
- | | | | |
|---------|----|----|------------|
| 1875-76 | .. | .. | Rs. 71,205 |
| 1876-77 | .. | .. | 72,927 |
| 1877-78 | .. | .. | 74,424 |
| 1878-79 | .. | .. | 70,425 |
| 1879-80 | .. | .. | 74,189 |
10. Copy of these Proceedings will be forwarded to the Government of India for information.

(True Extract.)

R. DAVIDSON,
Chief Secretary.

To the Accountant-General.
„ Directors of the Bank of Madras.

Exd. J. Wright.

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Gobt. of 1881 Madras.
FINANCIAL.

To
THE ACCOUNTANT-GENERAL,
&c., &c., &c.

Dated February, 21st.

Issued

Recd.

Encl.

G. O., 21st February 1881, No. 295.

FEBRUARY.
Nos. 46-47.

Government Savings Bank.—Report on the audit
of the accounts of this Bank for 1879-80, reviewed.

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Account of the
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1877-78

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Bobt. of 188 } Myndras.

To

Dated
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Nos.

Rev. W. H. Hudson

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Gazette India 20 Oct 80 Part I p 6
625-

Finl. (1881) Department

(Savings Bank)

From

The Accountant General

R. D.

Madras.

8 FEB 81

To

The Secretary to Government

Financial Department

Fort St. George

11/5/81

no. 517 / Cu: 2/

Dated 8 } February 1887.
Received 9 }

no. 317

Submits the report of
his Assistant, Mr. H. S. Groves,
on the Audit of the Accounts
of the Government Savings
Bank for 1879-80, with remarks.

Outside Audit Dept.

Fort Saint George
Accounts General's Office
8 February 1881.

No. 517

295

From
The Accountant General
to the Government of Madras.
To
The Secretary to Government,
Financial Department,
Fort Saint George.
Sir,

I have the honor in forwarding
the report of my Assistant, Mr. H. S.
Groves, on the Audit of the Accounts
of the Government Savings Bank,
for the Official year 1879-80, to submit
the following remarks:-

Paragraph 10. 2. Under rule XII of the Financial
Resolution of 27th October 1880 and rule 6
Chapter 18 of the Civil Account Code, with-
drawals from the Bank cannot be made
oftener than once a month without
special permission given for assigned
reasons; and the practice of allowing
more than one withdrawal in the same
month under one account should be
discouraged to the utmost.-

Paragraph 13. 3. The Bank should have allow-
ed interest in all cases of deposit for
the first four days of the month agreeably
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to the rules published by the Government of India in Resolution No. 909 of 20th February 1880, and the Bank has been instructed to allow Interest in the cases referred to in the Accounts of the current year.

4. The Bank has apparently adhered to the orders of the Madras Government, in transferring deposits on account of the Car. Fund when they exceed Rs. 2,500 to 4 per cent. non-transferable Treasury Notes, and of giving no interest on sums in excess of that amount. These deposits should have been allowed interest even when they exceeded that sum after the maximum had been raised to Rs. 3,000.

The Bank has in the current year been furnished with copy of the Proceedings of Government No. 3493 of 4th June 1880, Military, according to which interest is allowable upon this class of deposits up to a maximum of Rs. 5,000.

5. As I am of opinion that a uniform practice should prevail throughout India, reference has been made to the Comptroller General on the points raised.

Paragraph 15

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the sanction of Government to the
adjustment of interest due to depositors
at the close of 1879-80 amounting
to Rs. 74,187-6-9 (inclusive of Rs. 2,903-11-3
allowed on accounts closed during
the year) and to the disbursement
of the balance of the Commission
due to the Bank on the year's trans-
actions.

I have the honor to be,
Sir,
Your most obedt. servt.

A. Cottrell Esq.
Offg. Accounts General.

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From
H. S. Groves Esq.
Offg. Asstt. Acct. General
in charge of Outside Audits
To
W. Donald Esq.
Offg. Accountant General
Madras.

Dated Fort Saint George, December 23^d 1880.

Sir, I have the honor to report that
I have audited the accounts of the
Government Savings Bank for the year
ended the 31st of March 1880.

2 The Audit was conducted in
accordance with the rules laid down
in paragraphs 9 & 10 of Chapter LXXXIII
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Vouchers, and the whole of the Accounts
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The result of the more detailed examination in the latter case was that several accounts shown as "active" were found not to be so, and were accordingly struck out from the list. In other respects the Audit was entirely satisfactory, and I have no hesitation in certifying to the general correctness of the accounts, which is all that the nature of the audit allows me to do.

3. The usual Account Current Statement, which will be found appended to the Report, shews that the closing balance exceeded the opening balance by upwards of 2 lakhs of Rupees;

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This was due to a large increase in the number and amount of deposits made, evidently in consequence of the more favourable rules published by Government last year. The deposits received during the year 1878-79 amounted to Rs. 8,06,687.0.1, whereas during the year under report they amounted to Rs. 9,98,977.8.5, shewing an increase of nearly 2 lakhs.

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5 The charge on account of management for the year 1879-80 amounts to Rs. 10,891-6-11, arrived at as follows:-

(1) 8 annas per cent on each active Account } Rs. a. p. 2,926-0-0

(2) 6 annas per cent on the opening balance } 7,965-6-11

Total Rs. 10,891-6-11

Of this amount Rs. 6,000 has already been drawn in monthly advances of Rs. 500, leaving a balance of Rs. 4,891-6-11 still due.

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10. The rule that withdrawals of deposits

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new rules, the Bank has in several instances, I notice, made a slight mistake in calculation, resulting, as I am informed from the use of a defective table. The difference, however, has in no case exceeded 3 pies in the same account, and has been throughout in favor of Government, and as the amount is so trifling, I do not think any correction need now be made in the accounts. While referring to interest calculation, I would mention that in one case which came under my notice, the depositor was allowed Rs. 1. 11. 8 in excess of the amount admissible by rule, and the difference has now been written back. Considering the many calculations to be made by the Bank, the fact that only one serious mistake has been discovered would seem to show that the work has been done throughout with the usual care and intelligence.

13. While the enhanced rate of interest admissible under the new rules has been allowed to depositors from the 1st of January last, the further provision in those rules that interest should be allowed, for the month, on deposits received during the first four days of

a month was not I find carried into effect by the Bank before the 1st of April, that is to say, after the year under review had elapsed. The explanation given by the Bank for this omission is that the nature and intention of the rule in question was not clearly understood for some months after it had been published. But as the explanation was given before the accounts of the year had been closed, it seems to me that depositors should have been allowed the benefit of the additional interest due to them with retrospective effect, as soon as the Bank understood the intention of the rule. It seems clear that many depositors were led to deposit money on the first four days of the month in the expectation of thereby gaining an additional month's interest.

14. With the above exceptions which appeared to me deserving of mention, the rules laid down by Government for the working of the Savings Bank seem to have been duly observed during the year under report.

15. With regard to deposits made on account of Cart Fund, I find that the Bank allows no interest on deposits in

295 84p
in excess of R. 2500. In 1866 the question as to how such deposits were to be ultimately invested was raised; and the maximum amount on which interest was allowed being at that time R. 2500, it was ordered that when a deposit on account of Cart Fund reached that limit, the amount should be invested in Gov. Transferable or Treasury Notes bearing interest at 4 per cent, so that further deposits in the Savings Bank might earn interest, as usual. The limit of deposits bearing interest has however since been raised from R. 2500 to R. 3000, yet the Bank still allows no interest on Cart Fund deposits in excess of R. 2500. In this, it seems to me, the Bank is wrong. Cart Fund deposits seem to be entitled in the matter of interest to the same advantages as private deposits, and I cannot think how the Bank has felt itself all along debarred by rule from allowing interest in these cases on deposits made after R. 2500 is reached and before the total amounts to R. 3000. Whether the original rule is altered and sums of R. 3000 at a time instead of R. 2500 are invested in Treasury Notes

notes or not, interest should clearly be allowed as long as the balance at credit of an account does not amount to Rs. 3,000.-

16. In concluding I would state that the difference in the Savings Bank balances as shown in the Government and in the Savings Bank Books which on the 31st March 1879 stood at Rs. 165,307, amounted on 31st March 1880 to Rs. 139,616-9-6. I understand that this large arrears difference has since been cleared up, that is as far as the transactions which have taken place since 1864 are concerned, but a full and authoritative statement of this fact will more properly be left for the next Report.

I have the honor to be,

Sir,

Your most Obedt. Servant

W. G. Ford

Offg. Sp. Secy. General
in Charge of Outside Audits

In Ind. 31/7/01



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his P.
23-12-80

Dr. Account Current of the Government Savings Bank, Civil Branch for the Official Year 1879-80.

Balance due to Depositors on 31 st March 1879 as per Abstract published in the Fort St. George Gazette of the 13 th April 1880 page 365 Deposits received during the year 1879-80	2,124,114 13 8	998,977 8 5	2,124,114 13 8
Interest allowed during the year 1879-80		71,285 11 6	
Interest paid on closed accounts during the year 1879-80		2,903 11 3	
Total Rs.	10,73,166 18 2		10,73,166 18 2
Balance due to Depositors on 31 st March 1880			8,47,879 14
Total Rs.	3,19,728 1 12		3,19,728 1 12

Withdrawals made by Depositors during the year 1879-80

Interest paid on closed accounts during the year 1879-80

Balance due to Depositors on 31st March 1880

A. 13. - Number of Accounts in open Credit in the Government Savings Bank Ledger, of 1879-80.

Accounts remaining on 31 st March 1879	11,740
Add new Accounts as per Ledger	1,690
Deduct closed accounts as per Ledger	13,430
Number of Accounts remaining on 31 st March 1880	10,860
as per Ledger	12,344

Chief Accountant.

Bank of Madras
Govt. Savings Bank Dept.
31st March 1880

Examined & found correct
W. G. Ford

Auditor

W. Duffield
Secretary & Treasurer

Govt. Savings Bank

Financial Department.

1687

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PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letter from

the Accountant General Madras,
28 Feb 1881, No. 517.

Order thereon, 21st Feb 1881.

The Accountant General submits with remarks the report on the audit of the accounts of the Government Savings Bank for 1877-80.

2. The year opened with 11,740 accounts.

There were added during the year 1690
= 13,430.
1086 accounts

were closed, leaving on March 31, 1880, 12,344, or 604 more accounts than at the end of 1878-79.

3. The account current shows

See the account 317/11

10
2/11

shows that the balance due to depositors stood on 31 March 179, at:

Rs 21,24,115.

Add deposits recd.

during 1879-80. " 9,98,977.

" interest allowed.

during do. " 71,286.

" interest paid on closed accounts.

during do. " 2,904.

Total Rs 31,97,282.

Deduct amount with-

-drawn during year

under review. - Rs 8,47,880.

Balance on the

31 March 1880, - 23,49,402.

a sum in excess of the previous year's balance by Rs 2,25,287. This result was owing to the incentive to depositors, offered by the more favorable new rules, to increase the number and amount of their deposits.

4. In addition to the balance above mentioned,

Balance at close of

1875-6.	Rs 22,00,391.
1876-7.	" 22,05,653.
1877-8.	" 22,96,546.
1878-9.	" 21,24,115.
1879-80.	" 23,49,402.

Court Fund. Soldier's Savings Bank deposit account.

1876-7.	Rs 88,500.	Rs 1000.
1877-8.	" 1,46,000.	" 500.
1878-9.	" 53,000.	" 1000.
1879-80.	" 64,500.	" 1000.

1875-6.	Rs 10,879.
1876-7.	" 11,174.
1877-8.	" 11,487.
1878-9.	" 11,676.
1879-80.	" 12,891.

295 1107
non-transferable treasury notes amounting in value to Rs 65,500 were held by the Bank on the 31 March 1880. Of these Rs 64,500 belonged to the Court Fund, and Rs 1000 to the Soldier's Savings Bank deposit account.

5. The charge for management was Rs 1089.
6. The two points raised by the auditor in regard to the mode of determining the activity of an account, and the practice of allowing depositors to continue their deposits after sending their pass books to the bank to be closed, have, it is observed, been referred to the Comptroller General.

General for orders.

7. The attention of the Directors will be drawn to the irregularities noticed in para 8410 of the audit report.

8. The discrepancies between the figures in the auditors' report for 1877-8, and the figures which appear in the Govt. books, have not yet been reconciled, but the Accountant General expects that the enquiry will have been completed before the next audit report is submitted.

9. The Government sanction the adjustment of the interest (Rs 74,189-6-9) due to depositors for 1879-80, and the payment

1875-6.	Rs 71,205.
1876-7.	" 72,927.
1877-8.	" 74,424.
1878-9.	" 70,425.
1879-80.	" 74,189.

of

295 1207
of the balance (Rs 4891-6-9) of the commission due to the bank on the year's transactions.

10. Copy of these proceedings will be forwarded to the Govt. of India for information.

Am.

To The Accountant General
Directors of the Bank of Madras. } Dept 573
L 51 + 0 - 30

Dept 573
N: 296

Copy to the Govt. of India, Dept. of Finance & Commerce.

L 17

20 copies

16/2/88

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Read 21/2

Am. Bank
Govt. of (1881) Madrid.

First

at
G.O., 21 *July* 1881, No. 295

Nos. 46-47

Govt. Savings Bank. Report
on the audit of the accounts
of this bank for 1879/80,
reviewed.