

MADRAS RECORD OFFICE.

Government of Madras.

Judicial DEPARTMENT.

G.O. No.	830	Press Mis.
250-253		
Dated	27.5.1863 19 .	

9/10

Not to be folded or roughly handled

*Proceedings of the Madras Government, Judicial Department,
27th May 1863.*

Read the following papers:—

No. 250. From W. F. G. IRVINE, Esq., Auditor of the Accounts of the Administrator General; to the Honorable A. J. ARBUTHNOT, Chief Secretary to Government, Fort Saint George, dated Madras, 27th March 1863.

I have now the honor to submit my report on the Accounts of the Administrator General for the half year ending 31st December 1862.

2. That Officer has laid before me his Schedules prepared in the usual form and placed at my disposal all the books, vouchers, and other records of his office.

3. These Schedules contain the accounts of 498 Estates and 83 Trusts, being the whole of which the Administrator General had received charge up to 31st December last, and on which any assets had been realized. They also exhibit the disposal of 16 Estates which have been closed. The number of new Estates received during the half year was 53, amounting in Securities and Cash to the sum of Rupees 6,68,979-4-11.

4. I have examined the whole of these accounts and the several transactions they include.

5. The Cash balance at 30th June 1862 as particularized at paragraph 5 of the Auditor's last report was Rupees 93,202 14 5

Receipts during half year		RS.	A.	P.
On account of 142 Estates	...	1,84,021	10	1
On account of 43 Trusts...	...	21,403	6	6
		<u>2,05,425 0 7</u>		
		2,98,627 15 0		

Payments		RS.	A.	P.
On account of 254 Estates...	...	2,31,775	5	6
On account of 55 Trusts	...	15,934	9	5
		<u>2,47,709 14 11</u>		

Balance at 31st December 1862..... 50,918 0 1

Particulars of Balance		RS.	A.	P.
Due to 395 Estates...	...	63,286	4	9
Due to 68 Trusts.....	...	11,340	13	8
		<u>74,627 2 5</u>		
Due by 92 Estates...	...	23,399	8	6
Due by 10 Trusts...	...	309	9	10
		<u>23,709 2 4</u>		
		50,918 0 1		

which is accounted for as follows:—

In Treasury....	38,000 0 0
Balance in Bank of Madras. 12,513 13 5	
Less Cheque drawn on 24th December not paid till 3rd January 1863..... 200 0 0	
	<u>12,313 13 5</u>
Cash in Administrator General's hands	604 2 3
	<u>50,918 0 1</u>

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6. These items I have verified as usual by reference to the Accountant General, the Bank of Madras, and the Cash book of the Administrator General. I have carefully gone over the whole of the Cash operations, checking the receipts with the numbered copies kept as prescribed by No. 4 of Rule I of 8th April 1856, by the inspection of Account Sales, &c., and the payments by comparison with their proper vouchers. So far as I have been able to ascertain full credit has been given by the Administrator General for all sums received by him on account of the Estates and Trusts under his charge.

7. In the Auditor's last report the following sums were due by Ashton Richardson & Co., on the undermentioned Estates:—

Sir H. Davison Rupees 1,103 12 9 Paid in two instalments on the 29th January and 19th February 1863.
G. Sheriman..... „ 4,237 1 5 Paid 29th January 1863.
Serjeant G. Smith..... „ 445 11 8, to which there has been a partial payment of Rupees 263-9-2 on 19th February 1863, leaving still a balance against Ashton Richardson & Co. of Rupees 182-2-6. Of the Account Sales due by Williamson & Co., nothing has been paid to account of the Estate of J. Sabine, and only Rupees 1,500 on account of Estate of Pharoah on 25th October 1862, so that there is still an outstanding balance of Rupees 1,083-2-8 due by Williamson & Co.

8. The Administrator General has deposited in the Government Treasury Rupees 867-8-7 on account of 5 Estates, and Rupees 476-13-9 on account of 4 Trusts under Section 3 of Rule III of 8th April 1856.

9. The balance of Securities at 30th June last as particularized at paragraph 10 of the Auditor's last report was

	Sicca Rs.	Co.'s Rs.
Received during half year	28,300	5,23,000
On account of 28 Estates	13,000	6,55,500
On account of 5 Trusts	..	9,700

Disposed of	41,300	11,88,200
On account of 19 Estates Rupees 64,000		
On account of 1 Trust „ 2,900		
		66,900
	41,300	11,21,300

Particulars of Balance

On account of 82 Estates... .. .	24,500	8,56,800
On account of 42 Trusts... .. .	16,800	2,29,500
		10,86,300
21 Bank shares account of 2 Estates and 14 do. account of 2 Trusts (35)... .. .	..	35,000
	41,300	11,21,300

which is thus accounted for:—

Bank of Madras Treasury... .. .	41,300	10,60,800
10 Certificates of 35 shares... .. .		35,000
		10,95,800
With Administrator General and since paid in... .. .		25,500
	41,300	11,21,300

10. The investments during the half year were as follows:—

	Sicca Rs.	Co.'s Rs.
By Purchase on account of 16 Estates... .. .		51,300
„ on account of 1 Trust... .. .		2,000
		53,300

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By transfer from other Estates on account of 11 Estates and 5 Trusts... .. .	13,000	31,700
By Receipts on account 10 Estates... .. .		5,60,200
and 20 Bank shares... .. .		20,000
	13,000	6,65,200

The Administrator General has realized and duly accounted for the proceeds of Securities sold and transferred as follows:—

	Sicca Rs.	Co.'s Rs.
Sold on account of 1 Estate... .. .		7,000
Transferred from other Estates on account of 14 Estates and 1 Trust... .. .		31,700
Delivered upon account of 4 Estates... .. .		28,200
		66,900

11. The transactions in Securities were effected at the current market value of the loans operated in.

12. The Administrator General has deposited in the Treasury for remittance to England during the half year Rupees 13,703-1-1 on account of 4 Estates and 1 Trust. The receipts granted to Mr. M. Hornidge of the India House by the parties on whose behalf these and previous remittances were made, so far as they have yet come to hand, have been produced for my inspection.

13. The Administrator General has charged commission during the half year as follows:—

On 155 Estates... .. .	Rs. 21,653 3 3
On 42 Trusts... .. .	„ 340 1 9

Rupees... 21,993 5 0
and he has charged for copies of accounts... 357 14 0

Rupees... 22,351 3 0

Of this amount the sum of Rupees 1-4-7 in Estate account, and Rupees 17-3-1 in Trust account, was charged in error and has been re-credited in their respective accounts in the current half year.

14. I have compared the Schedules of closed Estates and Trusts with Book No. 11, ordered to be kept by Rule I of 8th April 1856, and found the same to correspond.

15. The whole of the books required to be kept by the said Rules have been duly kept during the half year. The Cash book has been balanced daily and monthly audits summation has been checked throughout.

16. With reference to Section 38 of Act VIII of 1855, I consider the sum of Rupees 500 should be allowed the Administrator General for the preparation of his Schedules and the copies thereof, and that the same with the usual small bill for printing and such allowance as His Excellency the Governor in Council may be pleased to grant myself, should be apportioned in the usual manner to the Estates and Trusts having assets at credit in excess of Rupees 10, and that the half year's interest on the Audit Fund deposited in the Government Treasury should be drawn and applied in terms of No. 2, Rule IX of 8th April 1856, to defray the portion of these charges falling upon Estates with balances of less than Rupees 500, and to reduce those falling to the other Estates.

17. I have the pleasure to state that the Administrator General and his establishment have afforded me every facility in the discharge of my duty.

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27th May 1863.*

No. 251. From Messrs. W. F. G. IRVINE and W. J. RAYNOR, Auditors of the Accounts of the Administrator General; to the Honorable A. J. ARBUTHNOT, Chief Secretary to Government, Fort Saint George, dated Madras, 25th April 1863.

We have the honor to submit our Report on the Accounts of the Administrator General for the half year ending 31st December 1862.

2. That Officer has laid before us his Schedules prepared in the usual form, and placed at our disposal all the books, vouchers, and other records of his office.

3. These Schedules contain the accounts of 498 Estates and 83 Trusts, being the whole of which the Administrator General had received charge up to 31st December last, and on which any assets had been realized. They also exhibit the disposal of 16 Estates which have been closed. The number of new Estates received during the half year was 53, amounting in Securities and Cash to the sum of Rupees 6,68,979-4-11.

4. We have examined the whole of these accounts and the several transactions they include.

5. The Cash balance at 30th June 1862 as particularized at paragraph 5 of the Auditor's last report was ... Rupees... 93,202 14 5

Receipts during half year					
On account of 142 Estates	...	...	1,84,021	10	1
On account of 43 Trusts	...	...	21,403	6	6
			2,05,425	0	7
			2,98,627	15	0

Payments					
On account of 254 Estates...	...	...	2,31,775	5	6
On account of 55 Trusts	...	...	15,934	9	5
			2,47,709	14	11
Balance at 31st December...			50,918	0	1

Particulars of balance					
Due to 395 Estates...	...	...	63,286	4	9
Due to 68 Trusts...	...	...	11,340	13	8
Due by 92 Estates...	...	...	23,399	8	6
Due by 10 Trusts...	...	...	309	9	10
			74,627	2	5
			23,709	2	4
			50,918	0	1

which is accounted for as follows:—

In Treasury...	...	...	38,000	0	0
Balance in Bank of Madras...	12,513	13	5		
Less Cheque drawn on the 24th Dec., not paid till 3rd Jan. 1863.	200	0	0		
			12,313	13	5
Cash in Administrator General's hands...			50,313	13	5
			604	2	8
			50,918	0	1

6. These items we have verified as usual by reference to the Accountant General, the Bank of Madras, and the Cash-book of the Administrator General. We have carefully gone over the whole of the Cash operations, checking the receipts with the numbered copies kept as prescribed by No. 4 of Rule I of 8th April 1856, by the inspection of Account Sales, &c., and the payments by comparison with their proper vouchers. So far as we have been able to ascertain, full credit has been given by the Administrator General for all sums received by him on account of the Estates and Trusts under his charge.

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7. In the Auditor's last report, the following sums were due by Ashton Richardson & Co., on the undermentioned Estates:—

Sir H. Davison . Rupees 1,103 12 9 Paid in two instalments on the 29th January and 19th February 1863.

G. Sheriman, " 4,237 1 5 Paid 29th January 1863.

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8. The Administrator General has deposited in the Government Treasury Rupees 867-8-7 on account of 5 Estates, and Rupees 476-13-9 on account of 4 Trusts, under Section 3 of Rule III of 8th April 1856.

9. The balance of Securities at 30th June last, as particularized at paragraph 10 of the Auditor's last report was...	Sicca Rs.	Co's. Rs.
Received during half year	28,300	5,23,000
On account of 28 Estates...	13,000	6,55,500
On account of 5 Trusts...		9,700
	41,300	11,88,200

Disposed of		
On account of 19 Estates Rupees	64,000	
On account of 1 Trust...	2,900	
		66,900
	41,300	11,21,300

Particulars of Balance		
On account of 82 Estates...	24,500	8,56,800
On account of 42 Trusts...	16,800	2,29,500
21 Bank shares on account of 2 Estates and 14 do. on account of 2 Trusts (35)...		35,000
	41,300	11,21,300

which is thus accounted for:—		
Bank of Madras Treasury...	41,300	10,60,800
10 Certificates of 35 shares...		35,000
		10,95,800
With Administrator General as per Cash book...		25,500
	41,300	11,21,300

10. The investments during the half year were as follows:—		
By purchase on account of 16 Estates		51,300
On account of 1 Trust...		2,000
		53,300

By transfer from other Estates, on account of 11 Estates and 5 Trusts...		31,700
By Receipts on account of 10 Estates...	13,000	5,60,200
and 20 Bank shares...		20,000
	13,000	6,65,200

The Administrator General has realized and duly accounted for the proceeds of Securities sold and transferred as follows:—

	Co's Rupees.
Sold on account of 1 Estate...	7,000
Transferred from other Estates on account of 14 Estates and 1 Trust...	31,700
Delivered up on account of 4 Estates...	28,200
	66,900

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11. The transactions in Securities were effected at the current market value of the loans operated in.

12. The Administrator General has deposited in the Treasury for remittance to England during the half year Rupees 13,703-1-1 on account of 4 Estates and 1 Trust. The receipts granted to Mr. M. Hornidge of the India House by the parties on whose behalf these and previous remittances were made, so far as they have yet come to hand, have been produced for our inspection.

13. The Administrator General has charged commission during the half year as follows :—

On 155 Estates...	Rupees 21,653 3 3
On 42 Trusts...	340 1 9

and he has charged for copies of accounts... 21,993 5 0
357 14 0

Rupees... 22,351 3 0

Of this amount the sums of Rupees 1-4-7 in Estate account and Rupees 17-3-1 in Trust account were charged in error, and have been re-credited in their respective accounts in the current half year.

14. We have compared the Schedules of closed Estates and Trusts with Book No. 11, ordered to be kept by Rule I of 8th April 1856 and found the same to correspond.

15. The whole of the books required to be kept by the said Rules have been duly kept during the half year. The Cash book has been balanced daily and monthly audits summation has been checked throughout.

16. With reference to Section 38 of Act VIII of 1855, we consider the sum of Rupees 500 should be allowed the Administrator General for the preparation of his Schedules and the copies thereof, and that the same with the usual small bill for printing, and such allowance as His Excellency the Governor in Council may be pleased to grant ourselves should be apportioned in the usual manner to the Estates and Trusts having assets at credit in excess of Rupees 10, and that the half year's interest on the Audit Fund deposited in the Government Treasury should be drawn and applied in terms of No. 2, Rule IX of 8th April 1856, to defray the portion of these charges falling upon Estates with balances of less than Rupees 500, and to reduce those falling to the other Estates.

17. We have the pleasure to state that the Administrator General and his establishment have afforded us every facility in the discharge of our duties.

18. We have the honor to state that according to orders received from Government we are auditing the books of the Administrator General to 30th instant, on which a special report will be submitted without delay.

(Signed) W. F. G. IRVINE,

(„) W. J. RAYNOR,

*Auditors of the Accounts of the
Administrator General.*

No. 252. From Messrs. W. F. G. IRVINE and W. J. RAYNOR, Auditors of the Accounts of the Administrator General; to the Honorable A. J. ARBUTHNOT, Chief Secretary to Government, Fort Saint George, dated Madras, 21st May 1863.

We have the honor to submit our Special Report on the Books, Cash, and Securities belonging to the several Estates in charge of the Administrator General (as ordered in Proceedings of Government, dated 14th April 1863, No. 559) up to 30th April last.

2. The Administrator General has placed at our disposal all the books, vouchers and other records of his office.

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3. We have carefully examined the whole of the accounts and the several transactions they include, the particulars of the balance of Cash are as follows :—

Due to 418 Estates.	-	-	Rupees 86,151 7 10	
Due to 74 Trusts.	-	-	15,265 8 11	1,01,417 0 9
Due by 90 Estates.	-	-	14,222 2 0	
Due by 6 Trusts.	-	-	533 11 11	14,755 13 11
			Rupees. 86,661 2 10	

which is accounted for as follows :—

In Treasury.	-	-	Rupees 38,000 0 0	
In Bank of Madras.	Rupees 48,441 13 11			
Less Cheque, not paid.	455 7 9			85,986 6 2
			47,986 6 2	674 13 6
Cash on hand as per Cash book.				Rupees. 86,661 3 8

It will be seen that the Cash on hand by the Cash book of the Administrator General is greater than the balance of the accounts by Pice (10) *ten*. We have checked the books in every possible way, but have failed to discover the error. We have therefore ordered that this sum, being so small, be carried to account of suspense.

4. We have verified all the items by reference to the Accountant General, the Bank of Madras, and the Cash book of the Administrator General. We have carefully gone over the whole of the Cash operations, checking the receipts with the numbered copies kept as prescribed by No. 4 of Rule I of 8th April 1856, and the payments by comparison with their proper vouchers. So far as we have been able to ascertain full credit has been given by the Administrator General for all sums received by him on account of the Estates and Trusts under his charge.

5. The particulars of the balance of Securities are—

	Sicca Rupees.	Co.'s Rupees.
On account of Estates.	18,500	3,34,700
On account of Trusts.	22,800	3,19,400
	41,300	6,54,100
On account of Estates, 1 Bank of Madras share		1,000
20 Shares of Chartered Bank of India, Australia and China at Rupees 200 each.		4,000
On account of Trusts 14 Bank of Madras shares.		14,000
		Co.'s Rupees. 6,73,100

which is thus accounted for :—

	Sicca Rupees.	Co.'s Rupees.
In Bank of Madras.	41,300	6,49,100
15 Bank of Madras shares @ Rupees 1,000 each, and 20 Shares of Chartered Bank of India, Australia and China @ Rupees 200 each		19,000
	41,300	6,68,100
With Administrator General, per Cash book.		5,000
	Sicca Rupees. 41,300	Co.'s Rupees. 6,73,100

6. We have therefore passed and signed the Cash book of the Administrator General as correct up to 30th April 1863, and we will keep a check on the books and accounts up to the date on which Mr. Miller will deliver over charge to his successor.

7. In the course of the above investigation the Administrator General brought to our notice that he had found defalcations by the late Manager of his office after his death which occurred on the 8th April to the amount of Rupees 32,800 in Government Securities Rupees 2,314-4-6,

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in Cash besides the amount purporting to be on hand by Cash book, viz., Rupees 921-12-5, and the amount of his own commission Rupees 887-0-11, the following are the items. On 8th April the Cash book showed a balance on hand in the office of *Securities* Rupees 40,900, and *Cash* Rupees 921-12-5. The Administrator General on opening the Cash-safe on that day found the *Securities* short by Rupees 32,800, and the *Cash* nil, he at once made good the amount of *Cash* and then commenced to check the books, and by checking the numbered copies of the receipts found that *Cash* had been received in February and March 1863, but not brought to account in the following Estates:—

W. E. Newbigging...	Rupees	227	1	6
Lieutenant H. L. Palmer...	"	974	13	0
Lieutenant Colonel J. Smith...	"	246	5	0
R. Martin...	"	101	1	0
H. Fox...	"	35	0	0
	Rupees	1,584	4	6

and that a sum of Rupees 760 had been received from Bank of Madras, being interest on Audit Fund and not brought to account. These amounts were immediately on their discovery made good by the Administrator General.

8. The following are the particulars of the *Securities* which were not forthcoming:—

Estate of Charles Martin Teed, Rupees 5,000, Bond.

This Bond was withdrawn from the custody of the Bank on 19th December 1862 for the purpose of being sold to meet a remittance of £450 which the Administrator General had made to England for the purchase of a commission for a son of the deceased. It was sold but the proceeds were not carried to credit of the Estate, but the account showed the Bond at credit.

Estate of Doorgadath Puttak, Rupees 8,500, two Bonds.

These Bonds were also withdrawn from the Bank on 19th December 1862, for the purpose of distribution. They were sold, but the proceeds not carried to credit. The Estate account, however, showed the Bonds to credit.

Estate of Staig, Rupees 2,000, Bond.
of Horak, " 3,500, three Bonds.
of McDowell, " 1,500, three Bonds.

These Bonds were purchased on 24th December 1862, on account of these Estates. The late Manager got them blank, instead of specially endorsed to the Administrator General, who by tracing them found that they had been deposited, by means of the office Shroff, in the Bank, a private loan having been obtained on them. The Administrator General recovered possession of them by paying off the said loan. These Bonds appeared to credit of the several Estates.

Estate of D. C. Myers, Rupees 5,300, two Bonds.

These Bonds were withdrawn from the custody of the Bank on 11th February 1863, for the purpose of being distributed. They were sold and the proceeds not carried to credit of the Estate, which still showed them to credit.

Estate of Bashcarloo Naidoo, Rupees 2,000, Tanjore Debt Bond.

This Bond was obtained from the Municipal Commissioners on 17th February 1863. The Tanjore Debt Loan, of which this formed a part, being discharged, it was endorsed by the Administrator General for payment with interest by the Bank. The Cash was received on the 5th March 1863, but not carried to credit of the Estate, which still showed the Bond at credit.

Estate of Kennet, Rupees 5,000, one Bond.

This Bond was purchased on 30th September 1862, and the Estate got credit for it. It was made use of by the late Manager in October 1862, when he raised a loan on it at the Bank; on his paying the loan off, the Bond was received back to be kept on hand; but in January 1863 it appears to have been sent to the Bank and a second loan raised on it. The Administrator General recovered it on 13th April by paying off the loan.

9. All these Bonds or the proceeds of them that had not been credited to the several Estates, were made good and brought to account by the Administrator General before our audit commenced.

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10. From the foregoing particulars it is obvious that the Administrator General had placed too much reliance on the honesty of his Manager Mr. Brass, who had the custody and charge of all *Cash* and *Securities*, and under the authority of that Officer effected the sale and purchase of the latter. We have been informed that this has been the practice of the office for years past.

11. It may appear strange that in our report up to the 31st December 1862, we should not have discovered and reported on the defalcations shown in the present report; but in explanation of the apparent omission, we would state that the several Bonds withdrawn from the Bank were represented in their respective accounts as still at credit, and the *Cash* book showed them as on hand. As the audit of the books did not commence till after the middle of March it would have been impossible for the Auditors to have verified the *Cash* and *Securities* shown in the books as on hand at 31st December. This will be remedied in future by the balance of *Cash* and *Securities* being examined on the date on which the books for the half year are closed. As regards the system of accounts obtaining in the Administrator General's office, no change appears to us necessary.

12. Letters of Administration to the Estate of Thomas Brass, the late Manager, have been granted to the Administrator General, who is realizing the Estate and refunding himself for the losses he has sustained by those already mentioned defalcations. We do not venture an opinion as to whether it is legal for the Administrator General thus to repay himself; it may be to the detriment of other creditors of the Estate.

(Signed) W. F. G. IRVINE,
(") W. J. RAYNOR,

Auditors.

No. 253. ORDER THEREON, 27th May 1863, No. 830.

The first of these papers contains the report of Mr. W. Irvine, Auditor of the Accounts of the Administrator General, on the accounts for the half year ending 31st December 1862. Mr. J. Miller, the Administrator General, having obtained leave to proceed to England on Medical Certificate shortly after this report was received, and rumours having reached the Government that the Manager of the Administrator General's Office, Mr. Brass, who died about this time, had misappropriated funds belonging to some of the Estates in the Administrator General's charge, the Government directed a special audit of the accounts up to date of Mr. Miller's departure. At the same time, Mr. Irvine's former colleague having left the Presidency, Mr. W. J. Raynor was also associated with him as Auditor. The re-audit of the accounts for the last half year was also ordered. The second of the papers recorded above contains the joint report of Messrs. Irvine and Raynor on the accounts up to 31st December 1862. The third is their report on the transactions which have taken place between that date and the 30th ultimo.

2. The re-audit of the accounts for the last half year having failed to discover any irregularity, the letters of the 27th of March and 25th of April are identical. At the close of the half-year the balance of cash, and the Government and other securities belonging to the several Estates and Trusts on the books of the Administrator General, were as follows:—

	Cash.		Securities.		
			Sicca paper.	Company's paper.	Bank shares.
Deposit under Rule III, Section 4...	38,000	0 0			
With Bank of Madras less a Cheque for Rupees 200 drawn but not paid before 31st December...	12,313	13 5	41,300	10,60,800	35,000
" Administrator General...	604	2 8		25,500	
Rupees...	50,918	0 1	41,300	10,86,300	35,000

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3. It appears from paragraph 7 of these letters that Rupees 182-2-0 still remain unadjusted on account of sales effected through Messrs. Ashton Richardson & Co., and Rupees 1,083-2-8 on account of sales through Messrs. Williamson & Co. The Government Solicitor reported, on the 30th of January last, that the balances unaccounted for by the former firm had been made good. His Excellency in Council therefore requests Mr. Boyson to ascertain how it has happened that the balance on Serjeant Smith's Estate has not been fully adjusted. Mr. Boyson will also communicate with the Advocate General in view to the recovery from the late Mr. Teed's Estate, or, failing that, from his sureties, of the amount due by Messrs. Williamson & Co.

Commission and Fees...	22,333
Government allowance...	4,200
Loss Establishment and Contingencies...	26,533
For six months...	22,273
For one do. ...	3,712

4. The average net income of the Administrator General during the half year was Rupees 3,712 per mensem.

5. The special report, furnished in letter dated 21st instant, shows the books of the Administrator General to have been correct on the 30th ultimo, and that the amount of

Cash and Securities in his hands on that date corresponded with the amount exhibited in the accounts. It was reported, however, by the Administrator General, that on opening his Cash-safes after the death of his Manager, he found a deficiency of Rupees 32,800 in Government Securities, and of Rupees 3,266-0-11 in cash, exclusive of the amount of his own commission, or Rupees 887-0-11. Of the former sum Securities to the amount of 20,800 Rupees had been sold or paid off, but the proceeds had not been brought to account and were not forthcoming, the Bonds themselves being still shown as at credit. Eight other Bonds of the aggregate value of Rupees 12,000 had been deposited by the Manager at the Bank as security for private loans to himself. The missing cash and the proceeds of the Securities, sold but still shown at credit, were at once made good and brought to account by the Administrator General, who also recovered the eight Bonds in deposit at the Bank by paying off the loans raised on them, and when the Auditors commenced their work, the late Manager's defalcations had already been fully adjusted.

6. It is obvious, however, that Mr. Miller was greatly to blame for placing such implicit reliance on the honesty of his subordinate as to commit to him the uncontrolled custody and management of the property which came into his own hands as an official Trust, and His Excellency in Council cannot accept it as a satisfactory excuse that the same practice has obtained in his office under his predecessors for many years. The Auditors state that "Letters of Administration to the Estate of the late Manager have been granted to the Administrator General who is realizing the Estate and refunding himself for the losses he has sustained by those already mentioned defalcations." This statement will be communicated to the Advocate General for such remarks as he may think fit to offer.

In paragraph 11 the Auditors explain how it happened that these defalcations escaped Mr. Irvine's scrutiny when auditing the accounts of the last half year, and they suggest as a remedy that in future the balance of Cash and Securities should be examined on the date on which the books for the half year are closing. The Governor in Council desires that this course may be adopted. The Auditors do not consider any change to be necessary in the system of accounts now followed in the Administrator General's Office.

The Government grant the Administrator General Rupees 500 for preparing his Schedules, and to Messrs. Irvine and Raynor, Rupees 700 each for their services as Auditors. The entire amount, Rupees 1,900, together with the cost of printing the Schedules, will be charged to all Estates having assets above Rupees 10. The interest accrued on the audit fund—the disbursement of which is sanctioned—will be applied in payment of the charges falling on Estates with balances less than Rupees 500, and then in reduction of those falling on the other Estates.

(Signed) A. J. ARBUTHNOT,
Chief Secretary.

Exd. T. McMootry.

Read the following
letters from the auditors
of the accounts of the
Administrator General -
Order thereon 27th May 1863 No 830.

27 March 63
25 April 63
21 May 63

27th May 1863 No 830.

The first of these papers contains the report of Mr. W. Irvine, auditor of the accounts of the Administrator General, on the accounts for the half year ending 31st Dec. 1862. ~~Enclosed herewith~~ Mr. J. Miller, the Auditor General, obtained leave of absence, the first directed a ~~letter for a~~ called for special audit of the accounts up to the ~~several states under~~ his charge up to the date of his departure. At the same time, Mr. Irvine's former colleague having left the Presidency, the accounts of the Administrator General were in his charge.

MR Irvine JP

Having obtained leave of absence, the first directed a letter for a special audit of the accounts up to the several states under his charge up to the date of his departure. At the same time, Mr. Irvine's former colleague having left the Presidency, the accounts of the Administrator General were in his charge.

M^r W. J. Raynor was associated with him as auditor. ~~Meanwhile~~ the ~~managers of the~~ ~~Admiral's Office~~ ~~said, & reports having~~ ~~reached him as to~~ ~~certain defalcations~~ ~~which that Bureau had~~ ~~brought to light.~~

The re-audit of the accounts for the last half year was ~~ordered~~ ~~also directed~~. The second of the papers recorded above contains the joint report of Messrs Irvine & Raynor on the accounts ^{up to} ~~of last~~ 31st Dec^r 1862. The third

is their report on the transactions which have taken place between that date & the 30th ultimo.

34 The re-audit of the accounts for the last half year having

failed to discover any irregularity, the letters of the 27th of March & 25th of April are identical. At the close of the half-year the balance of cash, and the Gov^t & other securities belonging to the several Estates & Trusts on the books of the Admiral General, were as follows:-

Cash	Securities			
	Sicca paper	Company's paper	Bank Shares	
Deposit under Rule III Sec. 4.	38,000	"		
With Bank of Madras left a cheque for Rs 300 drawn but not paid before 31 st December -	12,313 13 5	41,300	10,60,800	35,000
" Administrator General	604 28	"	25,500	"
Rupers	50,918	1	41,300	10,86,300
				35,000

35

3 It appears from para 7 of these letters that R^{pt} 182-2 still remain unadjusted on account of sales effected thro'

Messrs Ashton, Richardson & Co., & Rs 1083-2-8 on account of sales thro' Messrs Williamson & Co. The Govt. Solicitor reported, on the 30th of January last, that the balances unaccounted for by the former firm had been made good. H.E. in Council therefore requests Mr. Boyson to ascertain how it has happened that the balance in Sergeant Smith's Estate has not been fully adjusted. Mr Boyson will also communicate with the Advocate General in view to the recovery from the late Mr Reed's Estate, or, failing that, from his sureties, of the amount due by Messrs Williamson & Co.

The average net income of the Admrs

Commission & Fees -	22,333
Govt. Allowance -	4,200
	<u>26,533</u>
Less Estab. & Contingencies -	4,260
	<u>22,273</u>
For six months	3,712
For one do	<u>7,424</u>

year was Rs 3712 per annum. The special report, ~~also~~ furnished in letter dated 2nd instant, shows the books of the Admrs General to have been correct on the 30th of ultimo, and ^{that} the amount of cash & securities in his hands ^{on that date} corresponded with the amount exhibited in the account. It was reported, however, by the Admrs General, that on opening his cash safe after the death of his manager, he found a deficiency of ~~Rs 3266~~ ³²⁶⁶ in cash, of Rs 32,800 in Govt. Securities, & of Rs 3266-¹¹ in cash, ^{exclusive} of the amount of his own Commission or Rs 887-¹¹. Of the former sum had been ~~paid~~ securities to the amount of 20,000, had been sold or paid off, but the proceeds had not been brought to account & were not

forthcoming, the bonds themselves being still shown as at credit. Eight other bonds of the aggregate value of Rs. 12000 had been deposited by the manager at the bank as security for private loans ^{to himself}. The missing cash & the proceeds of the securities, sold but still shown at credit, were at once made good & brought to account by the Adm. General, who also recovered the 8 bonds in deposit at the bank by paying off the loans raised on them, & when the auditors commenced their work, the late manager's defalcations had already been fully adjusted.

It is obvious, however, as observed by the auditors, that Mr. Miller was greatly to blame for placing such implicit reliance on the honesty of his subordinate as to ^{commit to} him with the uncontrolled custody & management of the property, which came

the conditions that must
" letters of administration
" to the estate of the late
" manager have been
" granted to the administrator.
" - that General who is
" valuing the estate
" and repurchasing himself
" for the loss he has
" sustained by those
" already mentioned to offer
" defalcations."

his own hands as an official trust, & H.E. in C. cannot accept it as a satisfactory excuse that the same practice has obtained in his office under his predecessors for many years. It is observed that Mr. Miller is now administering to the estate of the late manager, & ~~reimbursing himself~~ ^{reimbursing himself} therefrom for the losses which he has sustained. ~~His~~ ^{his statement} ~~reference~~ ^{reference} will be made ~~to the Advocate General~~ ^{to the Advocate General} for his ~~opinion~~ ^{opinion} as to the ~~legitimacy~~ ^{legitimacy} of the ~~offer~~ ^{offer}. In para 11 the auditors explain how it happened that these defalcations ^{by Mr. Miller} escaped their scrutiny when auditing the accounts of the last half year, & they suggest as a remedy that in future the balance of cash & securities should be examined on the date on which the books for the half-year are closing. The Gov. in

Council desires that
this course may be adopted.

~~It is recommended that the~~
~~auditors are not~~
~~to make any change~~
~~in the system of accounts~~
~~now followed in the Administration.~~

The Govt grant the
Admrs General Rs 500
for preparing his schedule,
to Messrs Irvine & Kaye
Rs 1000 & Rs 700 ^{each} ^{respectively}
for their services as auditors.
The entire amount, Rs. ¹⁹⁰⁰ ~~2200~~
together with the cost of
printing the schedule,
will be charged to all
Estates having assets
above Rs. 10. The interest
accrued on the Audit
Fund - the disbursement
of which is sanctioned -
will be applied in
payment of the charge
falling on Estates with
balances less than Rs 500,
& then in reduction of
those falling on the
other Estates.

[Signature]

To the Ad^r General
"Auditors of the Accounts"
"for the Administration"
"Accountant General"

250 253

Pubd. by the Govt. of India
Calcutta 1863.

By 29. May 1863

Rs 1442.
409/10

Proc. of Govt.

Rs 830

June 1863