

Local & Munl. (1896) Department.

PRINTED.

G.O., No. 329 *L*

DATED *14th February 1896*

[Despatch Abstract.]

"Pass" Orders.

Approving the suggestion of the Accountant-General that ---- issued by Presidents of Local Boards should always specify the amount of the bill in words and figures so as to prevent fraudulent alterations.

BACK PAPERS.

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

FURTHER PAPERS.

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

Gobt. of {1896} Madras.
LOCAL AND MUNICIPAL.

Issued

Recd.

Encl.

G.O., No. 329 L., 17th Feb. 1896.

FEBRUARY.

"Pass" Orders.

Approving the suggestion of the Accountant-General that — issued by Presidents of Local Boards should always specify the amount of the bill in words and figures, so as to prevent fraudulent alterations.

No. 329 L., 17TH FEBRUARY 1896.

GOVERNMENT OF MADRAS.

LOCAL AND MUNICIPAL DEPARTMENT.

READ—the following paper :—

From F. C. HARRISON, Esq., Officiating Accountant-General, to the Chief Secretary to Government, dated Fort St. George, 27th January 1896, No. 486—L.F.D.

I have the honour to report that the Treasury Deputy Collector, Gódvári, brings to my notice (*vide* copy of letter attached) that a local fund bill drawn by the President or Vice-President of a local board, endorsed by him in favour of a peon and sent to the Treasury officer for a payment order on the local bank, may be presented at the bank and cashed by the peon without being again seen by the President or Vice-President. He thinks that this procedure affords an opportunity for the fraudulent alteration of the bill before payment, and suggests that the endorsement in favour of the peon should not be made until after the Treasury officer's payment order, that is, that the bill should be returned to the President or Vice-President for endorsement in favour of the messenger, thereby affording him an opportunity for comparing the Treasury officer's payment order with the original amount of the bill. It is, I think, clear that this suggestion would, if adopted, furnish an additional safeguard by multiplying the entries to which a fraudulent alteration must extend to be successful. It would, however, delay payment and I think that it will be sufficient to direct that the President's or Vice-President's "Pass" order (Local Fund Account and Audit Rules (Civil), Chapter I, Rule 3, and Note 1 thereunder) should always specify the amount of the bill in words and figures. Fraudulent alterations will then have to extend to the figures in the body and total of the bill, to the word total of the bill and the pass order (figures and words), and will not be likely to escape detection by the Treasury officer.

ENCLOSURE.

From M.R.Ry. S. VENKATA RAMA DAS NAYUDU Garu, B.A., B.L., Diwan Bahadur, Deputy Collector in charge of Treasury, Gódvári district, to the Accountant-General, Madras, dated Cocanada, 5th November 1895, Ref. on Cur. No. 472-L. F. Acc.

From the correspondence embodied in G.O., No. 869, Financial, dated 7th September 1893, it is evident that the Accountant-General intended to avoid the dangerous practice of issuing cheques in direct favour of clerks and peons who present the official bills in the Presidency Audit Department of the Accountant-General's office so that he might guard against any possible fraud that may be committed under its shelter and to facilitate the verification by the drawers of bills of the amount of cheques issued in their favour before they are endorsed for payment. Following the same line of argument, objection was taken to an official bill drawn on self by the Vice-President, District Board, and endorsed for payment to the office peon before it was passed for payment by me, since under the existing arrangement the President or Vice-President (1) signs an official bill, (2) passes it for payment to self, and (3) endorses it for payment to a peon simultaneously and the bill is never taken back to his notice afterwards. The Vice-President contends that the bill was passed for payment by him and all that I was required to do was to pass it on to the bank agent for payment; he probably thinks that the local fund money in the district is lodged in the branch bank of Madras through the Treasury officer and that the latter is only the custodian of the same. If the Vice-President's contention means that the bills passed by him constitute so many cheques, his pass order as distinguished from the pay order should, I think, have run thus :— "Pay to A.B. or bearer" and not "Passed for . . . to self."

No. 329 L., 17TH FEBRUARY 1896.

But under paragraph 1 of the Accountant-General's first letter embodied in G.O., No. 2132 L., dated 26th August 1890, such pass orders do not constitute cheques and under paragraph 5 of G.O., No. 238 L., dated 6th February 1890, the Treasury officer has, besides being the custodian of the local fund money, to satisfy himself as to the nature of the bills signed or countersigned by the Vice-President or the President before he makes his payment order and to see that the payment is made to the rightful party. Such being the responsibility imposed on the Treasury officer, I have the honour to request the favour of your instructions as to whether the additional safeguard required by me is warranted in the circumstances explained or whether I have simply to make my pay order on local fund bills without troubling myself about the number and nature of the endorsements written either by the Vice-President or the President of the local board or of the drawer of the bill.

ORDER—No. 329 L., dated 17th February 1896.

The Accountant-General's suggestion is approved.

(True Extract.)

G. S. FORBES,
for Chief Secretary.To the Accountant-General.
„ all Presidents of District Boards.

Exd. A. Raith.

Govt. of {1896} Madras.

LOCAL AND MUNICIPAL.

For A.S.

Proof for approval

Issued

Recd.

Encl.

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ORDER—No. 329 L., dated 17th February 1896.

The Accountant-General's suggestion is approved.

(True Extract.)

for Chief Secretary.

To the Accountant-General.
„ all Presidents of District Boards.

Erd. A. Baig.

Ref: on Cir. no: 472
L. 7 Acc.

Godavari District
Collector's Office
Cocanada, dated 5th November 1895

From Mr. Bly

Dewan Bahadur S. Venkata Ramadoss
Tadw. Gov. Bd. Bd.
Deputy Collector in Charge of
Treasury, Godavari District

To

The Accountant-General,
Madras.

Sir,

in No 2181 L
4-10-95

From the Correspondence embodied in G.O. no: 869 Financial dated 7 September 1893, it is evident that the Accountant-General intended to avoid the dangerous practice of issuing cheques in direct favor of Clerks and peons who present the official bills in the Presidency Audit Department of the Accountant General's Office so that he might guard against any possible fraud that may be committed under its shelter and to facilitate the verification by the drawers of bills of the amount of cheques issued in their favor before they are endorsed for payment. Following the same line of argument, objection was taken to an official bill drawn on self by the Vice President, District Board, and endorsed for payment to the Office peon before it was passed for payment by me, since under the

existing arrangement, the President or Vice President
(1) Signs an official bill (2) passes it for payment
to Self and (3) endorses it for payment to a person
Simultaneously and ^{it will} is never taken back to
his notice afterwards. The Vice President contends
that the bill was passed for payment by him
and all that I was required to do was to pass
it on to the Bank Agent for payment; he probably
thinks that the Local Fund money in the District
is lodged in the Branch Bank of Oradad
through the Treasury Officer and that the latter
is only the Custodian of the same. If the
Vice President's contention means that the
bills passed by him constitute so many Cheques,
his pass order as distinguished from the pay
order, should, I think, have run thus:-

"Pay to A. B. or bearer" and not
"Passed for . . . to Self"

But under para 1 of the Accountant-General's
Letter embodied in G.O. No. 2132 L. Ltm., dated 26th
August 1890, such pass orders do not constitute
Cheques and under para 5 of G.O. 238 L. Ltm.,
dated 6 February 1890, the Treasury Officer has,
besides being the Custodian of the Local Fund
money, to satisfy himself as to the nature
of the bills signed or countersigned by the Vice
President or the President before he makes

his

his payment over and to see that the payment
is made to the rightful party. Such being
the responsibility imposed on the Treasury
Officer, I have the honor to request the favor
of your instructions as to whether the additional
safeguard required by me is warranted in the
Circumstances explained or whether I have simply
to make my pay over on local Fund bills
without troubling myself about the number
and nature of the endorsements written either
by the Vice President or the President of the
Local Board or of the drawer of the bill.

I have &c.,

(Signed) S. Venkata Ramadas,
Deputy Collector

(True Copy)

W.D.

W.D.

Assistant Accountant General

LOCAL FUND DEPARTMENT.

Fort St. George,
Accountant-General's Office,

No. 478
486

27th January 1896.

2512

From

F. C. Harrison Esquire,

OFFICER ACCOUNTANT-GENERAL

TO THE GOVERNMENT OF MADRAS,

To

THE Chief Secretary to Government,
Local and Municipal Department,
Fort Saint George.

SIR,

I have the honour to report that the Treasury Deputy Collector, Godavari, brings to my notice (vide Copy of letter attached) that a Local Fund Bill drawn by the President or Vice President of a Local Board, endorsed by him in favor of a peon and sent to the Treasury officer for a payment order on the Local Bank, may be presented at the Bank and cashed by the Peon without being again seen by the President or Vice-President. He thinks that this procedure affords an opportunity for the fraudulent alteration of the bill before payment, and suggests that the endorsement in favor

in favour of the person should not be made until after the Treasury Officer's payment order, that is, that the bill should be returned to the President or Vice-President for endorsement in favour of the messenger, thereby affording him an opportunity for comparing the Treasury Officer's payment order with the original amount of the bill. It is, I think, clear that this suggestion would, if adopted, furnish an additional safe guard by multiplying the entries to which a fraudulent alteration must extend to be successful. It would, however, delay payment and I think that it will be sufficient to direct that the President's or Vice-President's "pass" order (Local Fund account and Audit Rules (Civil) Chapter I, Rule 3, and Note 1 thereunder) should always specify the amount of the bill in words and figures. Fraudulent alterations will then have to extend to the figures

in

Note

In the case cited by the Mr. in para 2 of his second letter on 9-9-93

869 Lint (in 20 2181 X)
7-9-93 4-10-93

both figures & words were altered by the Cash keeper. Such cases, much, however, be very rare.

Yes, but not true as now proposed

in the body and total of the bill, to the word total of the bill and the pass order (figures and words), and will not be likely to escape detection by the Treasury Officer.

I have the honour to be,

Sir,

Your Obedient Servant,

William

Off^r Accountant-General.

LOCAL FUND (1896) DEPARTMENT.

From

THE ACCOUNTANT-GENERAL,

MADRAS,

To

THE Chief Secretary of Government,
Local & Municipal Department,
Fort Saint George

No. L.F.D.
486

Dated 27th } January 1896.
Received }

No.

Subject.

~~Reporting for the purpose of the accounts~~
~~of the Local Board that a L.F. bill drawn~~
~~by him or Vice President & endorsed by~~
~~him in favour of a person & sent to the~~
~~Trg. Officer for a payment order on~~
~~the Local Board may be presented~~
~~and Cashied by the person without being~~
~~again seen by him or Vice President.~~

Suggesting that "pass" orders issued by Presidents
of Local Boards should always specify the amount
of the bill in words & figures as to prevent
fraudulent alterations.

To

The Accountant General
All Presidents of District Boards
Dated 14/1/96

st copy sent to Press.

turned for signature.

spatched in print.

AGAIN G.O. No.
189

DATE

NUMBER OF COPIES
REQUIRED.

Order complete.

Letter only.

Order complete with Letter.

CLOSURE TO G. NO.

DEPT. OF GOVERNMENT

OFFICE OF GOVERNMENT

STATEMENT WITH DITTO.

NOT FILED UP BEING MEANT FOR DELETED
ORIGINAL.

N.B.

A = Print in full
B = Not to be printed.
P = Print abstract only.
Q = Print heading only.