M.R.O. 1—10,006—28-2-50.

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(2) Date of repair _____

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE

Government of Madras

Public Works DEPARTMENT

G.O. No. 2443	Press
~~B.P. No.~~	~~Mis.~~
Dated 28. 8.	195~~5~~. 1874

Not to be folded or roughly handled

Proceedings of the Madras Government, Public Works Department, 28th August 1874.

Read again letters :—

From District Engineer, Bangalore, No. 72, dated 14th July 1874.
Do. do. No. 78, dated 16th July 1874
} Recorded in G.O., No. 2,007-D., dated 25th July 1874.

No. 700. Read also the following letter from T. MOSS, Esq., Officiating Controller of Public Works Accounts, to Colonel G. W. WALKER, R.E., Secretary to Government, Public Works Department, dated Madras, 28th July 1874, No. 3,610.

In returning the papers received with Government Order of the 25th instant, relative to irregularities on the part of the Head Accountant attached to the District Engineer's Office at Bangalore, I have the honor to state that those irregularities did not result from neglect of any rule of the Public Works Manual of Accounts. In fact, there are no rules on the subject, and therefore I would suggest the introduction of the practice followed in other parts of India (according to the rules contained in the Public Works Code of the Government of India) of having two locks to the departmental treasure chest, the key of one being kept by the Range Officer and of the other by the Accountant. If such a rule had been in force in this Presidency, the District Engineer would have had to see to the receipt of the money for which he had granted a cheque, and in having to lock away the amount he would have made inquiries about the delay in bringing the cash from the treasury.

2. As, however, house-rent charges are for the most part in excess of Rs. 10 each, and as the parties to be paid cannot apparently be got together on the same day, I do not see why the District Engineer used to send to the treasury for large sums for the purpose of making cash payments when the bulk of the charges could have been disbursed by the issue of cheques which, I may mention, can be granted for sums so low as 10 Rupees.

3. The system followed in this Presidency of pre-auditing house-rent bills is unusual, and I tried to make a change (as will be seen from the annexed correspondence marginally noted), but the District Engineer preferred the present arrangement, and so it continues. One change has however been recently made on a reference from the District Engineer, and that change will be understood from the following remarks made by me in a memorandum, No. 251, of the 18th instant :—

No. 170, dated 23rd April 1873, from the Officiating Controller.
No. 41, dated 2nd May 1873, from the District Engineer.
No. 269, dated 8th May 1873, from the Officiating Controller.

> "In future a general departmental bill only need be submitted for audit. This bill should be based on the bills of landlords, which latter need not accompany the departmental bill and need not be stamped till payment is made on receipt back of the departmental bill audited. The bills of landlords completed with stamps should, however, be submitted as vouchers with the monthly accounts."

No. 701.

ORDER THEREON, 28th August 1874, No. 2,443.

ESTABLISHMENT, No. 51.

THE first of the papers above recorded relates to defalcations on the part of Masilamony Pillay, the Head Accountant of the Bangalore Range, in respect of four separate sums of money with which he had been entrusted.

2. In the first case the Range Officer drew a cheque for Rupees 358-8-7 for payment of compensation due to medical subordinates, which was given to the Head Accountant to be cashed. The cheque was presented at the treasury on the 16th February and the money drawn; but no portion of the amount appears to have been brought to the office, and it was not till the 23rd February that this circumstance was discovered, the money having for eight days been either made use of by the Head Accountant or retained in his private custody.

3. In the second case a sum of Rupees 69-4-8, which Captain Vibart ordered to be sent to the Deputy Accountant-General in exchange for two transfer receipts, was entercepted, and correspondence subsequently addressed to the Account Office in regard to supposed delay in issuing the receipts was suppressed by the Head Accountant to cover the deception he was practising.

4. In the third case the Head Accountant shows in the accounts a disbursement monthly, from June 1872 to January 1873, of Rupees 20 to Mr. Xavier as compensation for house-rent, but does not remit any portion of the money till the 23rd February, when the whole sum, or Rupees 160, is sent in one instalment. Office documents were in this case also altered or destroyed to cover the fraud.

5. In the fourth case seven months' compensation to Mr. Xavier, shown in the accounts as disbursed monthly, was kept back from February to August 1873, and then remitted in a lump sum. Office documents being falsified as in former instances.

6. The Head Accountant has been convicted by the Cantonment Magistrate of Bangalore on all four charges and sentenced to one year's rigorous imprisonment.

7. The second letter read above relates to a mis-appropriation of a sum of Rupees 60 due to Mrs. Prout as house-rent for September and October 1872, stated to have been paid on the 29th November 1872, but which Mrs. Prout denies having received. This case is first reported in the letter recorded with G. O., No. 1,893-A., dated 14th July 1874, and the District Engineer there requested instructions as to whether a fresh charge should be framed against the Head Accountant and the amount of salary due to him be retained to meet in part the claim which must be satisfied.

8. Seeing that a conviction has already been obtained, His Excellency the Governor in Council does not consider it worthwhile that another prosecution should be instituted. But His Excellency in Council is not prepared to admit Mrs. Prout's claim for money said to have been due since September and October last for which receipted bills are held and in respect to which the accounts show that the money was duly paid. Valid reason for neglect to prefer her claim for so long must be shown.

Proceedings of the Madras Government, Public Works Department, 28th August 1874.

9. The papers have been referred to the Controller of Public Works Accounts for report as to whether the irregularities in question resulted from neglect of any of the rules of the Manual, and he now states that no specific rule has been violated, but recommends the adoption in future of the practice followed in other parts of India of having two locks to the cash chest, the key of one being retained by the Range Officer and the other being entrusted to the Head Accountant. A precaution of this kind will doubtless be of use, and may be generally adopted, but it appears to His Excellency the Governor in Council that perfect security and regularity can only be attained by strict and methodical supervision on the part of the Range Officer himself. Careful scrutiny of all cash transactions is insisted on, and it is expected that officers will give their personal attention to payments, which should invariably be made in the form of cheques, and, so far as possible, in the presence of the disbursing officer.

10. There seems no necessity for altering the present practice of pre-auditing house-rent bills; but the change introduced by the Controller of requiring the submission, for audit, of a general departmental bill only, the receipted bills being afterwards forwarded as vouchers with the accounts, is a decided improvement on the previous more tedious practice described in the District Engineer's letter of the 16th July 1874, No. 78.

(True Extract.)

Colonel, R.E.,

Secretary to Government.

To District Engineers.
To the Officiating Controller of Public Works Accounts.
& Ex Engineer Hyderabad

Exd. E. C. Shunker.
Spare Copies

Office of the Controller of
P.W. Accounts
Madras 28 July 1874.

No 3610

From.

The Offg Controller of
P.W. Accounts.

To

The Secretary to Government
Public Works Department

Sir

In returning the papers
5 received with Government Order No
of the 25th Instant: relative to irregu-
larities on the part of the Head Ac-
countant attached to the District En-
gineer's Office at Bangalore. I have the
honor to state that those irregularities
did not result from neglect of any
rule of the Public Works Manual
of Accounts - In fact there are no
rules on the subject, and therefore
I would suggest the introduction of
the practice followed in other parts
of

of India (according to the rules contained in the P.W. Code of the Government of India) of having two locks to the Departmental Treasure Chest, the key of one being kept by the Range Officer, and of the other by the Accountant - If such a rule had been in force in this Presidency the District Engineer would have had to see to the receipt of the money for which he had granted a Cheque, and in showing to lock away the amount he would have made enquiries about the delay in bringing the cash from the Treasury.

2. As however House rent charges are for the most part in excess of Rs10 each and as the parties to be paid cannot apparently be got together on the same day, I do not see why the District Engineer need to send to the Treasury for large sums for the purpose of making Cash payments when the bulk of the charges could have been disbursed by the issue of Cheques which, I may mention, can

3 The system followed in this Presidency of pre-auditing House rent Bills is unusual, and I tried to make a change (as will be seen from the annexed Correspondence marginally noted) but the District Engineer preferred the present arrangement, and so it continues - One change has however been recently made on a reference from the District Engineer, and that change will be understood from the following remarks made by me in a Memorandum No 251 of the 18th Instant.

No 170 dated 23rd April 1873 from the Off Comptroller
No 41 dated 2 May 1873 from the District Engineer
No 269 dated 8 May 1873 from the Off Comptroller.

"In future a General Departmental Bill only need be submitted for audit this bill should be based on the bills of Land-lords which latter need not accompany the Departmental Bill and need not be stamped till payment is made on receipt back of the Departmental Bill, when the Bills of Land-lords completed with stamps should however be submitted

as

as vouchers with the monthly Accounts"

I have the honor to be.
Sir
Your most Obedient Servant

Offg Controller of P.W. Accounts

P. W. 1874 Dept.
Misy Original Letter
No: 4708

From

The Offg Controller
P.W. Accounts

To

The Secy to Government
P.W. Department

Dated 28th July/74.
Recd 29th July/74.
No 3610
5 E Wg
Pay to be made
E.O. No: 2443. 28-8-74.

States in reply to G.O
No — dated 26th July 1874.
that the irregularities on
the part of the Head &c
comdant. Dist. Engineers
Office Bangalore did not
result from neglect of any
rule of the P.W. Manual of
Accounts.

No 708
Dispatched to Offg 29th July 1874 Clerk in charge

Public Works Department
Proceedings of the Madras Government
2443
Read again letter.

From District Engineer Bangalore, Dis No 42, dated 14th July 1874.
Do Do Dis No 48, dated 16th July 1874.
} Recorded in G.O. Dis No 2004 D, dated 25th July 1874.

Read also the following

From the Offg Controller of P.W. Accounts
} (M. E. Dis No 3610 D 28th July 1874)

The first of the papers above recorded relates to defalcations on the part of Ibraimlamany Pillay the Head Accountant of the Bangalore Range in respect of four separate sums of money with which he had been entrusted.

Sir

In the first case the Range officer drew a cheque for Rs 358-8-7. for payment of compensation due to medical subordinates, which was given to the Head Accountant who cashed the cheque was presented at the Treasury on the 16th February and the money drawn; but no portion of the amount appears to have been brought to the office. And it was not till the 23rd February that this circumstance was discovered. the money having for 8 days been either made use of by the Head Accountant or retained in

in his private custody.

In the second case a sum of Rs 69-4-8. which Captain Tibart ordered to be sent to the Deputy Accountant General in exchange for two transfer receipts was intercepted, and correspondence subsequently addressed to the Account office in regard to supposed delay in issuing the receipts was suppressed by the Head Accountant to cover the deception he was practicing.

In the third case the Head Accountant drew in the accounts a disbursement monthly from

from June 1872 to January 1873. of Rs 20 D'Mr. Xaviers as compensation for house rent, but does not remit any portion of the money till the 23d February - when the whole sum, or Rs 160 is sent in one instalment - Office documents were in this case also altered or destroyed to cover the fraud -

In the fourth case 7 months compensation D'Mr. Xavier, shown in the accounts as disbursed monthly, was kept back from July to August 1873 - and then remitted in a lump sum.

Office

Office documents being falsified as in former instances -

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The second letter read above relates to a misappropriation of a sum of Rs 60 due D'Mr. Pront as house rent for September and October 1872, stated to have been paid on the 29th November 1872, but which Mr. Prout denies having received - This case is first reported in the letter recorded with

G. Dis[trict] 1898 A. dated 14th July 1874 - and the District Engineer there requested instructions as to whether a fresh charge should be framed against the Head Accountant and the amount of salary due to him be retained to meet in part the claim which must be satisfied -

Seeing that a conviction has already been obtained his Excellency the Governor-in-Council does not consider it worthwhile that another prosecution should be instituted. The account due to Mr. Prout should be paid - and the District Engineer will take the opinion of the law officers as to whether the Accountant to pay may, under the circumstances, be confiscated in satisfaction of a portion of the loss the Government have sustained -

The papers have been referred to the Controller of Public Works for report as to whether the irregularities in question resulted from neglect of any of the rules of the manual - and he now states that no specific rule has been broken - but recommends the adoption in

Mr. Prout

Mr. Prout claimed [illegible] for the account [illegible] - It appears that Mr. Prout's claim for [illegible] was [illegible] for months -

Post H.E.-C is not prepared to admit Mr. Prout's claim for money said to have been due since Sept. & October last & that neglect to pay [illegible] the Acct. show that the money was duly paid & the reason for neglect to prefer his claim for so long

in future of the practice followed in other parts of India of having two locks to the cash Chest, the key of one being retained by the Range Officer and the other being entrusted to the Head Accountant. A precaution of this kind will doubtless be of use, and may be generally adopted, but it appears to this Excellency the Governor in Council that perfect security and regularity can only be attained by strict and methodical supervision on the part of the Range Officer himself Careful

scrutiny of all cash transactions is enjoined and it is expected that Officers will give their personal attention to payments, which should invariably be made in the form of cheques, and [in all cases in the] presence of the disbursing Officer.

There seems no necessity for altering the present practice of Pre-auditing House rent bills - but the change introduced by the Controller of requiring the submission for audit, of a General Departmental Bill only, the receipted Bills being afterwards forwarded

as

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Genl

To District Engineers
" Controller
" Chief Engr. Bombay
Secretary Despatch 5/9/74.

4708
Govt. of 1874 Madras.
PUBLIC WORKS.

The Deputy Engrs.

Dated
Recd. Encl. 5.

G. O. 28 Aug 74. No. 2443

Nos. 700-701.

Basil Lamony, late Asst Accountant, Bangalore

Passing orders on papers relating to the irregularities on the part of the Asst Accountant as regards Cash disbursements —