

No. 225 A.G.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

ACCOUNT.

General.

Simla, the 21st June, 1888.

Responsibilities of Executive Engineers for exercising strict supervision over their cash transactions, and the work of their Subordinates.

RESOLUTION.—A case having recently occurred in which frauds in a Public Works Division were facilitated by lax supervision, and neglect of standing orders, the Government of India takes this occasion of inviting the attention of all disbursing officers to the necessity for exercising strict supervision over their cash and stock transactions and the work of their subordinates.

2. In the case under reference the accountant and the cashier of the division, working in concert, contrived to carry out a series of frauds, described in the following paragraphs, which the most ordinary business precautions would have prevented.

3. Cash was abstracted at different times from the cash chest without the knowledge of the disbursing officer. On being warned of the fact the officer did not count the cash at once but gave the cashier notice: an interval of two hours elapsing between the notice and the actual count. When the count was made, the cash book was not checked and totalled, but figures given by the accountant, who was present of his own motion and not by order, were accepted as the correct balance. These figures were false and were prepared to cover the deficiency of cash which had been stolen.

4. A false entry of a payment purporting to be for labour was made in the cash book, and a claim for cleaning certain articles was passed for a larger number than existed. The figures in the bill had been altered. The bill bore the usual reference to the measurement book, but the responsible officer never made any check to ascertain that the charges and measurements were in accord.

5. A copy of a contractor's bill, the original of which had already been paid, was prepared for a pay order and placed before the disbursing officer as an original bill. The pay order and a cheque for the amount of the false bill were signed without the slightest check being made over the claim.

6. The frauds could not have been successfully carried through had the disburser periodically verified the entries in his cash book; satisfied himself as to the correctness of claims before signing pay orders; or exercised such check over the work of the accountant as is prescribed in Public Works Department Code, Volume I, Chapter III. paragraphs 87 and 145; Chapter XII, paragraphs 79 A, 95 and 145.

7. In connection with this case the Government of India desires to draw attention to the fact that it is considered a part of the duty of the divisional accountant to check the calculations in measurement books, and prove the agreement of results with the quantities entered in the contract certificates or day books. The bills should also be checked with the previous accounts of the contractors. Examiners, when inspecting divisional offices, should see that this duty is attended to.

8. Where certified copies of bills are required to be sent with originals, Executive Engineers should be careful to see that the copies are very distinctly marked as such, across every page, and that both the original and copy are submitted to him before the pay order is signed.

The Governments of Madras, Bombay, Bengal, the North-Western Provinces and Oudh, and the Punjab.
The Chief Commissioners, Central Provinces, Burma, Assam, and Coorg.
The Resident at Hyderabad.
The Agents to the Governor-General for Central India, Rajputana, and Biluchistan.
The Superintendent of Port Blair and Chief Commissioner, Andaman and Nicobar Islands.
The Director-General of Telegraphs.
The Inspector-General of Military Works.
The Superintendent of Works, Simla Imperial Circle.
The Accountant-General, Public Works Department.
The Director-General of Railways.
The Director, Persian Telegraph.
The Director, Persian Gulf Telegraph.
The Consulting Engineers to the Government of India for Railways, Calcutta, Lucknow and Central Division.
The Comptroller and Auditor General.
The Accountant General Bengal.

ORDER.—Ordered, that the foregoing be communicated to the Local Governments, Administrations and Officers noted in the margin, for information and guidance.

Recd: 5, 7, 8

80. S. C.

Rob Samberino Colo

Colonel, R.E.,

Secretary to the Government of India.

To

The Secretary

to the Government- of Madras.

Public Works Department.

Communicated to
officers of the Public Works
Department for information and
guidance.

7.7.50

9/7/88

C. E. for Irigo ✓
 W. Supply Engineer. ✓
 C. A. to Capt. ✓
 E. B. W. Accounts. ✓
 Copies sent to Mr. ✓

G. C. Press, Simla,—No. 137 P. W.

G. C. Press, Simla.—No.
 6. 7. 7. 88
 53.7
 9.7
 11.7
 9.7

No. 225 A.G.

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.

ACCOUNT.
General.

Simla, the 21st June, 1888.

Responsibilities of Executive Engineers for exercising strict supervision over their cash transactions, and the work of their Subordinates.

RESOLUTION.—A case having recently occurred in which frauds in a Public Works Division were facilitated by lax supervision, and neglect of standing orders, the Government of India takes this occasion of inviting the attention of all disbursing officers to the necessity for exercising strict supervision over their cash and stock transactions and the work of their subordinates.

2. In the case under reference the accountant and the cashier of the division, working in concert, contrived to carry out a series of frauds, described in the following paragraphs, which the most ordinary business precautions would have prevented.

3. Cash was abstracted at different times from the cash chest without the knowledge of the disbursing officer. On being warned of the fact the officer did not count the cash at once but gave the cashier notice: an interval of two hours elapsing between the notice and the actual count. When the count was made, the cash book was not checked and totalled, but figures given by the accountant, who was present of his own motion and not by order, were accepted as the correct balance. These figures were false and were prepared to cover the deficiency of cash which had been stolen.

4. A false entry of a payment purporting to be for labour was made in the cash book, and a claim for cleaning certain articles was passed for a larger number than existed. The figures in the bill had been altered. The bill bore the usual reference to the measurement book, but the responsible officer never made any check to ascertain that the charges and measurements were in accord.

5. A copy of a contractor's bill, the original of which had already been paid, was prepared for a pay order and placed before the disbursing officer as an original bill. The pay order and a cheque for the amount of the false bill were signed without the slightest check being made over the claim.

6. The frauds could not have been successfully carried through had the disburser periodically verified the entries in his cash book; satisfied himself as to the correctness of claims before signing pay orders; or exercised such check over the work of the accountant as is prescribed in Public Works Department Code, Volume I, Chapter III. paragraphs 87 and 145; Chapter XII, paragraphs 79 A, 95 and 145.

7. In connection with this case the Government of India desires to draw attention to the fact that it is considered a part of the duty of the divisional accountant to check the calculations in measurement books, and prove the agreement of results with the quantities entered in the contract certificates or day books. The bills should also be checked with the previous accounts of the contractors. Examiners, when inspecting divisional offices, should see that this duty is attended to.

8. Where certified copies of bills are required to be sent with originals, Executive Engineers should be careful to see that the copies are very distinctly marked as such, across every page, and that both the original and copy are submitted to him before the pay order is signed.

The Governments of Madras, Bombay, Bengal, the North-Western Provinces and Oudh, and the Punjab.
The Chief Commissioners, Central Provinces, Burma, Assam, and Coorg.
The Resident at Hyderabad.
The Agents to the Governor-General for Central India, Rajputana, and Biluchistan.
The Superintendent of Port Blair and Chief Commissioner, Andaman and Nicobar Islands.
The Director-General of Telegraphs.
The Inspector-General of Military Works.
The Superintendent of Works, Simla Imperial Circle.
The Accountant-General, Public Works Department.
The Director-General of Railways.
The Director, Persian Telegraph.
The Director, Persian Gulf Telegraph.
The Consulting Engineers to the Government of India for Railways, Calcutta, Lucknow and Central Division.
The Comptroller and Auditor General.
Accountant General Bengal.

ORDER.—Ordered, that the foregoing be communicated to the Local Governments, Administrations and Officers noted in the margin, for information and guidance.

R. C. B. PEMBERTON, Colonel, R.E.,
Secretary to the Government of India.

*Order thereon. 10 2161 w/d
16 July 1908*

*Communicated to
officers of the Public
Works Department for
information and guidance.*

sd/ J.O.H.

*C.E. for S.E.'s
C.A. to G.
Exam P.W.D.*

Confidential

1888.

P. W. DEPARTMENT.

Current No. *6956.*

From

Public Department.

ENCLOS.—

No. *651 A Mis*

Dated *2^d July 1888*

Received *16th July 1888*

SUBJECT.

*Report on Native
Newspapers for the
fortnight ending 15th June
1888*

DISPOSAL.

No. *21576* Dated *16th July 1888*

Recorded

[Initials] J. O. H.

J. 18/7 888 927

AC