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MADRAS RECORD OFFICE.

Government of Madras.

Public DEPARTMENT.

G.O. No.	813	Press
		~~Mis.~~
Dated	16-6-1937	

Not to be folded or roughly handled

No. 79. Read the following letter from C. W. READE, Esq., President of the Cuddalore Municipal Commission, to the Chief Secretary to Government, Fort Saint George; dated Cuddalore, 22nd May 1869, No. 518.

In compliance with a resolution at a special meeting of the Commissioners for the Cuddalore Municipality, I have the honour to submit to Government the accompanying report of a Sub-Committee composed of certain of the Commissioners who were appointed on the 4th instant to examine into the Municipal accounts, and the result of whose labours is embodied in this report.

2. It is perhaps needful that I should inform Government of the causes which led to the appointment of this Sub-Committee. I have myself been away from Cuddalore for about sixteen months, so that I have had little to do in that interval with the working of the Municipality, nor have I been kept informed of their proceedings, of which there was no necessity, since there was a Vice-President who, with the rest of the Commissioners, were fully able and competent under the law to deal with all and every matter affecting Municipal interests.

3. My last report, recorded in Government Proceedings of the 31st August 1868, No. 1071, submitting at the same time the report by the Auditor of Municipal Accounts for the previous year, will have informed Government of the operations of the Municipality up to date, and the audit, I presume, may be considered as an acquittal so far of all responsibility in the executive management of the Account Department of the office; and till very recently I am not aware that any doubts or suspicion had arisen in regard to these accounts, and for myself I confess that the system which had my sanction and was under enforcement, as I believed, appeared to me sufficiently to guarantee the Municipality from all risks of fraud or misappropriation. The reverse had never been hinted at by any one, and the accounts were open to all and were regularly laid on the table and signed by the presiding Commissioner at every bi-monthly sitting, and, so far as I am aware, the management of the office and its internal working had on no occasion attracted the notice or interference of any of the Commissioners. But within the last few months, owing to information indirectly received from some unknown hand through one of the Native Commissioners, certain irregularities were discovered, and a course appears to have been then adopted by one or two of the Commissioners with the object apparently of fixing delinquency on the Managing Commissioner and those subordinate to him, and a sort of series of traps were apparently laid; but which, so far as the inquiry has been held, have failed of any real object, merely developing in stronger light that there had been reprehensible neglect in the mode and manner of keeping the accounts. What the nature of the information, or by whom furnished, on which this action was taken, I do not know; but it would seem that, when all attempts had failed to secure the necessary evidence in proof of supposed fraud against those whose downfall was apparently sought, then only was the matter brought to the notice of the rest of the Commissioners, and, on the 4th instant, at a meeting called for the purpose, it first became generally known what had been passing outside the office, and that some of the Commissioners had been working up the materials, which in part were then laid before the meeting, and those materials, with much more promised, were properly held to present ample grounds for the appointment of a Sub-Committee to examine into the whole system

of accounts. The Sub-Committee was accordingly named, and I had hailed the result of its labours with considerable satisfaction, because I had often felt that the internal working and management of the office did not receive the attention it ought to at the hands of the Commissioners, and I had more than once expressed the opinion that too much was thrown on Mr. Keess and too much expected of him as an executive head; but I never for one moment doubted Mr. Keess' perfect integrity, and I was prepared to view any shortcomings that might be discovered as the result of carelessness or mismanagement, and I avowed my own and sole responsibility for all defects of system that might be found whether in regard to the accounts or any other department of the office, merely holding Mr. Keess answerable for his part as the Executive Officer to whom was entrusted the efficient carrying out of all details.

4. I received the Sub-Committee's report at 9 P. M. on the evening of the 10th, and in it I was asked to call a general meeting of the Commissioners to consider the report the very next day. Inconsiderate as I thought such a requisition, I still acceded to it and called the meeting as desired, and in the interim I prepared the minute, of which I enclose a copy for the information of Government, and wherein I commented on the report and gave my very decided opinion as to our own duty in the matter, adding my protest against the adoption of the report as satisfactory, or its submission to Government as necessary.

5. The propositions entered by me at the close of my minute were negatived, and it was resolved, as will be seen by the enclosed copy of the Proceedings of the day, that the report of the Sub-Committee should be submitted to Government, and it is now left with Government to deal with the Commissioners' suggestions as they may think proper; at the same time I can only express the hope that Government will take the same view as myself of what the Commissioners' duty is in this matter, and that they will in no way relieve the Municipality from a task which, in my judgment, exclusively devolves on themselves.

6. I am quite satisfied that any irregularities into which the office may have fallen are very easy of remedy, and will not be found anything very serious; and in the matter of the accounts my belief is that while on strict inquiry a trifling deficit of a few rupees may possibly be found unaccounted for in one department only of taxation, namely, in that of the rates and taxes on houses, the fault will be due rather to the imperfect system of checks on the Bill Collectors than to any intentional wrong-doing or neglect on the part of any servant of the office; and though it may be that a want of strict supervision on Mr. Keess' part has given rise to these irregularities, it is my conviction that they will prove to be nothing more, unless, as just observed, some of the Bill Collectors may have misappropriated a few rupees here and there under the opening to do so afforded them by the inadequacy of the existing checks; but beyond a few trifling instances of such malversation by these petty servants, I am very satisfied that nothing in the shape of fraud or fraudulent intention has been practised, and that the utmost culpability chargeable against Mr. Keess and the office servants is that through over-confidence there has not been that close supervision and control which undoubtedly ought to have been exercised: at the same time, from all I know of the state of the office and accounts, my impression is that a few days' overhauling and arrangement will place every thing in an

efficient working state, and I cannot understand why the Commissioners are to be relieved of a duty so obviously their own, and which would not occupy more time than may reasonably be required of them in the interests they have voluntarily undertaken to protect and represent; and I cannot but feel that a great deal has been made out of very little, and that there has been a desire to magnify errors and defects not so much in view to their correction as to bring into discredit and disrepute a particular man, Mr. Keess, who, from causes unknown to myself, has been for long past the particular object of attack and dislike on the part of more than one of the Commissioners; and in support of this belief I may refer to the resolution come to at the same meeting at which the report and my minute was read, wherein it is recommended to me as President peremptorily to dismiss Mr. Keess, the Managing Commissioner, and in answer to which I circulated my resolve in the shape of a minute, a copy of which is enclosed for the information of Government.

7. I can only regret the animus that seems to have influenced some members of the Commission; but I confidently hope that this is confined to the Municipal Committee Room, and possibly the withdrawal of Mr. Keess from the Executive may tend to greater harmony among the Commissioners generally for the future; and though, by reason of the recent discussions and inquiry, there has been a check for a while to Municipal business, I am sanguine that, after the re-organization of the office, which is always a little troublesome and requires time, every thing will progress more satisfactorily than it has done in the past.

From the President of the Sub-Committee, to the President of the Municipal Commission;
dated Cuddalore, 10th May 1869.

The Sub-Committee appointed to inquire into the Municipal accounts have the honour to submit the following report.

The investigation occupied four days, and consisted of an inquiry into the system of accounts and of an examination of the office subordinates. From this investigation it becomes apparent that, up to the time that the present Head Writer came into the office at the end of 1867, there was no system at all, no checks existed, and nothing was done towards inaugurating a correct system of accounts. After Ambalavanum, the present Head Clerk, came into the office, a system of accounts was drawn out. The Managing Commissioner, Mr. Keess, however, states that he left everything to the Head Clerk, and became a mere signing official. The Head Clerk in his turn acknowledges that he never regularly exercised the checks which he himself had introduced, that he never examined the details of entries, and never tested their correctness by any comparison, as he considered this to be the duty of the Managing Commissioner. The result of this can easily be imagined; no supervision was exercised over the office subordinates; temptations were thrown in their way, and the consequence is that money has been misappropriated, to what extent it is impossible to say. The Committee are unable to point out any particular individual as the guilty person, or to state the exact amount which each, or any one, embezzled; but they confidently assert that the whole working of the office is rotten, and that they can look with confidence upon no single servant in it. In addition to this, the office accounts were in a most disgraceful state; valuable papers, receipts, vouchers, bills, letters, and account books were thrown at random in the waste-paper baskets; account and cash books appear to have been torn up and divided at pleasure, and petitions were found thrown on one side without ever having been attended to. The state of the accounts was such that the Sub-Committee at once perceived that it would be impossible to go into the state of each account; and they, therefore, confined their inquiries to one head only, namely, that of bills of house and land rates generally. Bills for these rates have been made out and entrusted to the collectors of each division. Up to the 1st of January 1869 merely loose

receipts were taken from each collector for the bills entrusted to him and never filed, which receipts specified the number of bills only which were given, but not their value. Even these are found to be incomplete. The collectors were supposed each to make a weekly payment of collections, and to show the balance of bills remaining in their hands. Had this been carried out, it is not likely that any fraud would ever have been committed. This, however, was never done. Mr. Keess states that he never, on any one occasion, checked the number of bills in the Bill Collectors' hands; that he left that to the Head Clerk, who, in his turn, acknowledges that this duty was never regularly performed; that it was sometimes done and oftener omitted, as he considered this the work of the Managing Commissioner. This he states he told to the Managing Commissioner, who then ordered him to do the best he could. In consequence of this, bills were paid and the amount was never credited in the accounts. It is impossible to state whether the money was misappropriated by the Bill Collectors or by the office. As the bills remaining in the hands of each collector were never counted, nor were receipts given to them for monies paid, we cannot ascertain whether or not the payments into the office correspond with the entries in the books. After this system had been continued for some time, a number of bills, said to be over two hundred, were found to be unaccounted for. This was at the time of the last audit. For these bills, duplicate bills were issued. Besides the duplicates issued for the original bills unaccounted for, a number of other duplicates appear to have been presented. The Head Clerk stated that only two hundred had been issued; but the Sub-Committee have had nearly four hundred brought to their notice, and, as no register of the issue of these duplicate bills appears to have been kept, it is impossible to state the exact number. On these bills being presented for payment, it was, in the majority of cases, ascertained that the parties had paid before and held the original bills. In some few instances it appeared on a further reference to the accounts that duplicate bills had been issued by mistake, and that the originals had been paid and credited; but the greater majority of these collected bills had never been credited at all. It was then apparent that fraud had been committed either by the Bill Collectors or the office. We propose to cite two instances of the course adopted on this discovery.

1st.—About two months ago it was discovered that certain bills, originals of which had been entrusted to a late Bill Collector, Singaraveloo Pillay, had been paid in original and never credited in the accounts. It is stated by Moonesawmy, the successor of Singaraveloo Pillay, that he was sent by Mr. Keess to the house of Singaraveloo Pillay with orders to threaten him with a criminal prosecution. In consequence of this pressure, Singaraveloo Pillay gave Rupees 14. This money was then paid into the accounts, and entered as if paid in April last on the duplicate bills, whereas the money was really paid on the original: this, therefore, was a false entry. Moonesawmy states that he was then instructed by Mr. Keess to go to the houses of those persons who held the original bills, to take the original from them, and to give them the duplicates instead. This was done in some cases, but not in all. We hold six originals, herewith sent, of which the duplicates are held by the parties, these duplicates showing a later day of payment and a different Bill Collector's name.

2nd.—On the 20th of last month Mr. Pennefather made a motion for the investigation of the accounts. Mr. Keess must at that time have known that certain other bills for 1867-68 and 1868-69 had been paid and not credited, for on the 21st of that month, the day after the motion, he gave Rupees 21-3-2 out of his own pocket for certain uncredited bills in No. 1 Division. This money was by his order given to one Soobramoney Ninar, the Bill Collector who held the duplicate bills, and by him paid into the office as collections on those bills by him, and signed by him as such. This is proved by the office receipt book. Mr. Keess was asked to explain why the money was entered as paid by the Bill Collector, when, in reality, it was paid by himself, and he states that, as the duplicates had been given to Soobramoney Ninar, the payment on them was entered in the books as a matter of form.

It will thus be seen that, under the orders of Mr. Keess, bills which had been paid in original were taken from the parties and duplicate bills with altered dates given to them in order to support the false entry made in the accounts, that money on the duplicate bills had been collected,

whereas, in reality, the money had been collected nearly two years previously on the originals; and further, that Mr. Keess himself paid money through the Bill Collectors, who entered it in their accounts as collected by themselves, which act could only have been done with the deliberate intention of misleading the Commissioners.

It is clear that Mr. Keess was perfectly cognizant of these frauds; but not one of them did he report to the Commissioners, because he states he considered them matters of "mere detail." It is true that Mr. Keess states that he admitted to the President some fifteen days ago that he had refunded the money in Case No. 2; but the Committee are unable to attach any credit to this statement, as, at the last meeting, Mr. Reade on being pointedly questioned distinctly stated that no report had ever been made to him of any fraud whatever in the office: as regards the other case, Mr. Keess states that he told no one. It thus appears that fraud was first committed by some one in the employ of the Municipality; that it was discovered, refunded, and false entries made in the accounts in order to hide the fraud, and this with the cognizance of, and by the orders of, the Managing Commissioner. The Head Clerk is equally to blame in this matter, as the orders were issued through him. From the statement of the office subordinates you will perceive that no system was ever adopted in the issue of these bills; the books were never checked, but duplicates were issued at random. Mr. Keess has taken any statement made to him as true, and verified nothing; indeed, his ignorance of every matter connected either with the office or with the accounts was so apparent that the Sub-Committee can perfectly believe his statement that he merely signed what was put before him.

It is stated above that before the 1st of January 1869 no regular receipt book was kept of the number of bills entrusted to each Bill Collector. Since that time this plan has been adopted only with reference to Nos. 2, 3, 4, and 5 Divisions, and not in the largest of all, No. 1, with regard to which division the old system still prevails, and in which division the frauds chiefly exist. After Mr. Pennefather's motion for a Sub-Committee, the office receipt book for this No. 1 Division was not to be found, and the day before the last meeting the President suspended the whole of the office on account of the missing book. This loss was discovered by the Sub-Committee by hazard, and they would here state their regret that the President omitted to inform the Commissioners of the loss at the last meeting, when he was asked if any irregularities or frauds had ever been brought to his notice. Under any circumstances, the Committee are of opinion that this loss should have been publicly made known to the Commissioners by the President, to whom it had been reported.

It is now proposed to refer to the audit of last August, which was performed by Vurda Charloo, the Deputy Collector. The accounts and statements submitted for audit were all prepared by the Head Clerk, to whom the checking of the subordinates' account had been entirely left by Mr. Keess, and who, supposing him to have been aware of previous frauds, would thus have necessarily suppressed them. At the time of audit there were a number of bills unaccounted for; such was the disorganized state of the office, that Mr. Keess states that he could not ascertain whether these bills had ever been drawn out or given to Bill Collectors or not. All that he knew was, that they were no longer to be found. This list of bills missing was never submitted to the Auditor, although it had been prepared in case he should notice the fact. He failed to do so, and no mention was accordingly made of them.

The Sub-Committee cannot but think that it was an unfortunate omission on the part of the Auditor never to have checked the uncollected bills which form a principal portion of the assets of the Municipality, by which the incorrectness of the accounts at once would have been discovered. The Auditor explains this omission by stating that, as he did not suspect fraud, he considered it unnecessary.

A proof of the lax state in which the accounts were kept is found in one of Mr. Keess' statements, in which he says that a percentage amounting to four per cent. of bills missing in "house and land rates" would not have attracted his attention. Now, as these bills amount in value to over Rupees 11,000, this admission appears a strange one. As regards "trades taxes" bills, Mr. Keess thinks a smaller percentage would have attracted his attention.

The Sub-Committee would have wished to have gone into each item of the accounts; but they regret that it is impossible for them to do so. They were totally unaided in their search by Mr. Keess or by the Head Clerk, and had to sift matters out of the mass of confusion as best they could, and, in the examination of the Head Clerk every obstacle was thrown in their way, and it was impossible to get a direct answer out of him. The one point only which they examined occupied them for four days, and to go with the same minuteness into each item would occupy them as many weeks or more. This time the members of the Sub-Committee cannot give up. They wish, however, to state most distinctly that they are convinced that fraud has been committed; that that fraud has been concealed by the very man who should have been the first to make it public; that throughout the whole of the accounts irregularities occur; that no checks have ever been exercised, and that it is impossible to state to what an extent the frauds have extended. They would recommend that Government appoint a fitting man to investigate the whole accounts from the commencement, and they would, in the meantime, express their conviction that Mr. Keess, by his ignorance and neglect, is incompetent to fill the post he does; and that, from the non-performance of his duty, they can place no confidence in the Head Clerk, and that they further look with suspicion upon the whole of the office subordinates. The only justification the Committee can find for Mr. Keess is that, when from time to time he was found fault with by the Commissioners, he was invariably protected by the President, who publicly stated that he was responsible for Mr. Keess' actions, and that the Commissioners must look to him and him only, and that he was willing to bear all responsibility since Mr. Keess was his subordinate, and thus the latter was led to form an erroneous impression of his position. The Sub-Committee would further recommend that the post of Managing Commissioner be in future abolished, and that there be merely a paid Secretary who is not a member of the Commission.

The Sub-Committee request that a special meeting be convened for Tuesday the 11th instant, and that a copy of this report be at once forwarded to Government.

The Minutes of Proceedings of the Sub-Committee accompany this report.

ENCLOSURE No. 2.—Minutes of the President of the Cuddalore Municipal Commission, dated 11th and 12th May 1869.

ENCLOSURE No. 3.—Proceedings of the Cuddalore Municipal Commission, dated 11th May 1869.

No. 80. ORDER THEREON, 16th June 1869, No. 813.

Mr. Reade will be informed that the Government consider the facts as stated in the Sub-Committee's report to be most unsatisfactory, and that it is of the greatest importance that a complete and thorough investigation should be made into the irregularities brought to notice by them. The inquiry should extend over the accounts of the past two years with a view to ascertaining the amount of monies which have been embezzled as suspected by the late Sub-Committee, and by whom; and to the introduction of a more systematic method of management of the Municipal affairs of Cuddalore.

2. The Government think it desirable that a Committee of three members should be constituted to make this investigation, Mr. P. L. Roberts, the Sub-Collector of the District, being appointed a member on behalf of Government, and the two remaining members being selected by the Municipal Commissioners.

3. A competent accountant and such additional clerks as may be necessary should be entertained and paid from the Municipal funds. With this assistance the Committee should be able thoroughly to investigate and report within a reasonable

time upon the actual state of the accounts and the frauds which may have occurred. Until this further report is presented, Mr. Keess should be suspended, and a competent manager, not a Commissioner, should be appointed in his stead. As at present informed, the Government do not consider that the President was justified in accepting Mr. Keess' resignation.

4. The explanation given by the Auditor of his omission to check the outstanding bills which form a principal portion of the assets of the Municipality, namely, that he did not suspect fraud, shows that he had a complete misconception of his duty. Had he examined these bills, the incorrectness of the accounts would have been discovered when the audit was made in August last.

5. The attention of the Board of Revenue will be called to the fact that Mr. Reade has been for sixteen months absent from the head-quarter station of his district, and they will be requested to call upon that officer for an explanation of this prolonged absence.

(True Extract).

Actg. Secy. to Govt.

To the President of the Cuddalore Municipal Commission, with six bills and the Minutes of the Sub-Committee's Proceedings.

„ Board of Revenue.

Dist. of 1863

PUBLIC.

**THE PRESIDENT OF THE CUDDAIORE
MUNICIPAL COMMISSION.**

Dated June, 1863.

Recd.

G. O., 16th June 1863, No. 813.

JUNE

Nos. 79-80.

Passing orders with reference to certain
irregularities brought to notice in connexion with
the Cuddalore Municipality.

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No 518

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From

C. H. Beale Esq

President of the

Municipal Council

of the City of Madras

The Honorable H. J. Ellis Esq

Chief Secretary's

Government

Madras.

Sir,

In compliance with a
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of the Commissioners for the
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to submit to Government the
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of the Commissioners who were
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accounts and the result of whose labours is embodied in this Report.

2. It is perhaps needless that I should inform Government of the cause which led to the appointment of this Sub Committee. I have myself been away from Adelaide for about 16 months, so that I have had little to do in that interval with the working of the Municipality, nor have I been kept informed of their Proceedings of which there was no receipt since? there was a Vice President who, with the rest of the Commissioners, were fully able and competent under the Law to deal with all and every matter

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3. My last Report read in Government Proceedings of the 30 August 1868 No 1071 Submitting at the same time the Report by the Auditor of Municipal accounts for the previous year will have informed Government of the operations of the Municipality up to date, and the audit, I presume, may be considered as an acquittal so far of all responsibility in the executive management of the account Department of the Office, and till very recently I am not aware that any doubt or suspicion had arisen in regard to the accounts, and for myself I

Con. 18/6

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confess that the system which had my sanction and was under enforcement as I believed, appeared due & sufficiently to guarantee the municipality from all risks of fraud or misappropriation. The reverse had never been hinted at by any one, and the accounts were open to all, and were regularly laid on the Table and signed by the Presiding Commissioner at every Bi. Monthly sitting, and so far as I am aware the management of the office and its internal working had on no occasion attracted the notice or interference of any of the Commissioners.

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to at the same meeting at
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it is recommended to me as
President peremptorily to
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I have the honor to be

Sir
Your most Obedt^t servant

South West
Collectors' Catching
Addalove
22nd May 1869

Charles Heath
President

Mr. Mc. Keith
San Francisco
The President of the

San Francisco Committee

San Francisco
to the President of the

San Francisco
Committee

No 25-10518
San Francisco

San Francisco
Committee
to the President of the
San Francisco
Committee

copy
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Sancti Spiritus 10th May 1869.

To
The President of the
Municipal Commission

Sir,

The Sub-Committee appointed
to enquire into the Municipal accounts
have the honor to submit the following
report.

The investigation occupied
four days and consisted of an enquiry
into the system of accounts and of an
examination of the office subordinates.
From this investigation it becomes
apparent that up to the time that the
present Head Writer came into the
office at the end of 1867 there was no
system at all in the accounts and
nothing was done towards inaugurating
a correct system of accounts. After
Ambalavaram, the present Head Writer
came into the office a system of
accounts was drawn out. The Managing
Commissioner Mr. Heess however
states

states that he left every thing to the Head Clerk and became a mere signing official. The Head Clerk in his turn acknowledges that he never regularly exercised the checks which he himself had introduced, that he never examined the details of entries and never tested their correctness by any comparison, as he considered this to be the duty of the Managing Commissioner. The result of this can easily be imagined, no supervision was exercised over the office subordinates, temptations were thrown in their way, & the consequence is that money has been misappropriated, to what extent it is impossible to say. The Committee are unable to point out any particular individual as the guilty person or to state the exact amount which each, or any one embezzled, but they confidently assert that the whole working of the office is rotten, and that they can look with confidence upon no single servant in it. In addition to this the office accounts were in a most disgraceful state, valuable papers, receipts, vouchers, bills, letters, and account books were thrown at random in the waste paper baskets

baskets; account and cash books appear to have been torn up and divided at pleasure, and petitions were found thrown on one side without ever having been attended to. The state of the accounts was such that the Sub-Committee at once perceived that it would be impossible to go into the state of each account, and they therefore confined their enquiries to one head only, namely that of bills of House Land rates generally. Bills for these rates have been made out and entrusted to the collectors of each division. Up to the 1st of January 1869, merely loose receipts were taken from each collector for the bills entrusted to him, and never filed, which receipts specified the number of bills only which were given, but not their value. Even these are found to be incomplete. The collectors were supposed each to make a weekly payment of collections and to show the balance of bills remaining in their hands. Had this been carried out it is not likely that any fraud would ever have been committed. This, however, was never done. Mr. Hesse states that he never, on any one occasion, checked the number of bills in the bill collectors hands, that he

left that to the Head Clerk, who, in his turn, acknowledges that this duty was never regularly performed, that it was sometimes done and oftener omitted, as he considered this the work of the Managing Commissioner. This, he states, he told to the Managing Commissioner, who then ordered him to do the best he could. In consequence of this bills were paid & the amount was never credited in the accounts. It is impossible to state whether the money was misappropriated by the bill collectors or by the office. As the bills remaining in the hands of each collector were never counted, nor were receipts given to them for monies paid, we cannot ascertain whether or not the payments into the office correspond with the entries in the books. After this system had been continued for some time a number of bills, said to be over 200 were found to be unaccounted for. This was at the time of the last audit. For these bills, duplicate bills were issued. Besides the duplicate issued

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issued for the original bills unaccounted for, a number of other duplicates appear to have been presented. The Head Clerk stated that only 200 had been issued, but the Sub-Committee have had nearly 400 brought to their notice, and as no register of the issue of these duplicate bills appears to have been kept it is impossible to state the exact number. On these bills being presented for payment it was, in the majority of cases, ascertained that the parties had paid before and held the original bills. In some few instances it appeared on a further reference to the accounts that duplicate bills had been issued by mistake and that the originals had been paid and credited, but the greater majority of these collected bills had never been credited at all. It was then apparent that fraud had been committed either by the bill collectors or the office. We propose to cite two instances of the course adopted on this discovery.

About two months ago it was discovered that certain bills originals of which had been entrusted to a late bill collector Singaravello Pillay had been paid in original and never credited in the accounts. It is stated by Mornosawmy the

successor of Singaravelloo Pillay —
that he was sent by Mr. Kees to
the house of Singaravelloo Pillay
with orders to threaten him with
a criminal prosecution. In conse-
quence of this pressure Singaravelloo
Pillay gave Rs 14. This money was
then paid into the accounts and en-
tered as if paid in April last on the
duplicate bills whereas the money
was really paid on the original: this
therefore was a false entry. Moonesawmy
states that he was then instructed
by Mr. Kees to go to the houses of
those persons who held the original
bills, to take the original from them
and to give them the duplicates —
instead. This was done in some cases,
but not in all. We hold ~~see~~ originals
herewith sent, of which the duplicates
are held by the parties. These du-
plicates showing a later day of
payment and a different bill —
collector's name.

2^d. On the 20th of last
month Mr. Pennefather made
a motion for the investigation
of the accounts. Mr. Kees must
at that time have known that
certain other bills for 67/68. &
68/69. had been paid and not
~~created~~ for on the 31st of that
month

month, the day after the motion¹⁵⁹³,
he gave Rs 21-3-3 out of his own
pocket for certain uncredited
bills in No 1 division. This money
was by his order given to me in
Soborramany Ninar the bill
collector who held the duplicate
bills and by him paid into the
office as collections on those bills
by him and signed by him as such.
This is proved by the office receipt book.
Mr. Kees was asked to explain why
the money was entered as paid by
the bill collector when in reality it
was paid by himself and he states
that as the duplicates had been
given to Soborramany Ninar ~~the~~
payment on them was entered in
the books as a matter of form.

It ~~into~~ thus ~~be seen~~ that
under the orders of Mr. Kees bills
which had been paid in original
were taken from the parties and
duplicate bills with altered dates
given to them, in order to support
the false entry made in the accounts
that money on the ~~duplicate~~ bills had
been collected, whereas in reality the
money had been collected nearly
two years previously on the originals,
and further that Mr. Kees him-
self paid money through the
bill collectors who entered it on
their

their accounts as collected by themselves which act could only have been done with the deliberate intention of misleading the Commissioners.

It is clear that Mr. Kees was perfectly cognizant of these frauds, but not one of them did he report to the Commissioners, because he states he considered them matters of mere detail. It is true that Mr. Kees states that he admitted to the President some 15 days ago that he had refunded the money in case N^o 2, but the Committee are unable to attach any credit to this statement, as at the last meeting Mr. Peade on being pointedly questioned distinctly — stated that no report had ever been made to him of any fraud whatever in the office, as regards the other case Mr. Kees states that he told no one. It thus appears that fraud was first committed by some one in the employ of the Municipality, that it was discovered, refunded, and false entries made in the accounts in order to hide the fraud, and this with the cognizance of, and by the order of the Managing Commissioners. The Board

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Clerk is equally to blame in this matter as the orders were issued through him. From the statement of the Office subordinates you will perceive that no system was ever adopted in the issue of these bills; the books were never checked but duplicates were issued at random. Mr. Kees has taken any statement made to him as true and verified, nothing; indeed his ignorance of every matter connected either with the office or with the accounts was so apparent that the Sub-Committee can perfectly believe his statement that he merely signed what was put before him.

It is stated above that before the 1st of January 1869, no regular receipt book was kept of the number of bills entrusted to each bill collector. Since that time this plan has been adopted only with reference to N^o 2, 3, 4, & 5 divisions and not in the largest of all N^o 1, with regard to which division the old system still prevails, and in which division the frauds chiefly exist. After Mr. Cunningham's motion for a Sub-Committee the office receipt book for this N^o 1 division was not

to be found, and the day before the last meeting the President suspended the whole of the office on account of the missing book. This loss was discovered by the Sub-Committee by hazard, and they would here state their regret that the President omitted to inform the Commissioners of the loss at the last meeting, when he was asked if any irregularities or frauds had ever been brought to his notice. Under any circumstances the Committee are of opinion that this loss should have been publicly made known to the Commissioners by the President to whom it had been reported.

It is now proposed to refer to the audit of last August which was performed by Vurda Charles the Deputy Collector. The accounts and Statements submitted for audit were all prepared by the Head Clerk to whom the checking of the subordinates' account had been entirely left by Mr Stees, and who, supposing him to have been aware of previous frauds, would thus have necessarily suppressed them. At the

time

time of audit there were a number of bills unaccounted for; such was the disorganized state of the office that Mr Stees states that he could not ascertain whether these bills had ever been drawn out or given to bill collectors or not. All that he knew was, that they were no longer to be found. This list of bills missing was never submitted to the auditor, although it had been prepared in case he should notice the fact. He failed to do so and no mention was accordingly made of them.

The Sub-Committee cannot but think that it was an unfortunate omission on the part of the auditor never to have checked the uncollected bills which form a principal portion of the assets of the Municipality by which the incorrectness of the accounts at once would have been discovered. The auditor explains this omission by stating that as he did not suspect fraud he considered it unnecessary

A proof of the lax state in which the accounts were kept is found in one of Mr Stees' statements in which he says that a percentage amounting to 4 per cent

of bills missing in "house and land rates" would not have attracted his attention. Now as these bills amount in value to over \$11,000, this admission appears a strange one. As regards "Trades taxes" bills, Mr. Keess thinks a smaller percentage would have attracted his attention.

The Sub-Committee would have wished to have gone into each item of the accounts, but they regret that it is impossible for them to do so. They were totally unaided in their search by Mr. Keess or by the Head Clerk, and had to sift matters out of the mass of confusion as best they could, and in the examination of the Head Clerk every obstacle was thrown in their way, and it was impossible to get a direct answer out of him.

The one point only which they examined occupied them for four days, and to go with the same minuteness into each item would occupy them as many weeks or more. This time the members of the Sub-Committee cannot give up.

They wish, however, to state most distinctly that they are convinced that fraud has been committed, that that fraud has been concealed by

by the very man who should have been the first to make it public, that throughout the whole of the account irregularities occur, that no checks have ever been exercised, and that it is impossible to state to what an extent the frauds have extended.

They would recommend that Government appoint a fitting man to investigate the whole accounts from the commencement, and they would, in the meantime, express their conviction that Mr. Keess by his ignorance and neglect, is incompetent to fill the post he does, and that from the nonperformance of his duty they can place no confidence in the Head Clerk, and that they further look with suspicion upon the whole of the office subordinates. The only justification the Committee can find for Mr. Keess is that when from time to time he was found fault with by the Commissioners he was invariably protected by the President, who publicly stated that he was responsible for Mr. Keess' actions and that the Commissioners must look to him, and ~~him only~~, and that he was willing to bear all responsibility, since Mr. Keess was his subordinate, and thus the latter was led to form an erroneous impression of his position. The Sub-

Sub-Committee would further recommend that the post of Managing Commissioner be in future abolished, and that there be merely a paid Secretary who is not a member of the Commission.

The Sub-Committee request that a special meeting be convened for Tuesday the 11th Instant, and that a copy of this report be at once forwarded to Government.

The Minutes of proceedings of the Sub-Committee accompany this report.

We have &c.

Signed J. Smith. President of C.C.C.
Sub-Committee

" J. C. Shaw.

" T. Jagannathachari

" R. P. Pennafather Esq. M.S.

" Janakiram Pantooloo

" M. Desika Chooloo

" J. D. B. Gribble

True Copy

Chub Leade

President

Enclosure 1

See a letter from the
President of the New
England Association
dated at New York
22 May 1869 No. 5185

See Committee Report
with
Minutes of Proceedings

See Vol. 1, 1825/1829
and N. June 1862/1869

1025

Carroll Municipal

Registrar -

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Mr. Reader: Letter & the
subcommittee report only
need be printed in full.

The minutes of the Press
& the records of the Sub-
committee's proceedings
need not be printed in
full - should be given as abstr.
as possible.

ACI

Minute by the President

The recommendation made to me as President in the last meeting and recorded as a Resolution in the Proceedings of this day cannot possibly be recorded by me. I would in my

next and injustice quite uncalled for, and I can only regret that the meeting was not in any way influenced by what I stated in reference to the past services of Mr. Kepp. The nature of those services is on record, and in the face of them and with my opinion of Mr. Kepp's integrity

and my

and I removed
of previous clerks

Dec 24. At X
1865 —

my belief that the ultimate
that can be charged against
him is error in judgment in
having acted for himself when
he should have taken the
instructions of the Commissioners,
and in allowing great laxity
in the management of the office
owing to which confusion has
been disseminated.

Departments of account & direct
consider that I should be justified
in recording against Mr
Kepp's character a stigma &
reproach which dismissal as
proposed would involve, and
which would not ever cling
to him through life, but necessarily
must grievously damage a

reputation hitherto irreproachable
as far as I know. Mr Kepp
position as a pensioned servant
of the State, as a land lord of
the District, and as one of the
most respectable inhabitants
of the Town of Fuddalore are
facts to be weighed and not
lightly in dealing with Mr
Kepp's present situation.
Since these latter involve no
moral culpability and may
be quite compatible with that
perfect integrity of character
which Mr Kepp had ever
held before joining the com-
mission; it would be a very
vicious injustice on my part
to accede to the recommendation

... made some ...
disgrace ...
dismissed from the position he
fills as the only executive
officer of an important corporate
body ... the ...
municipality. I have therefore
resolved to accept Mr. Keefe's
resignation which as already

was tendered by him to me
many days previous to these
proceedings, however subsequent
to their origin, as known only
to those who initiated them and
in thus deciding I consider
I sufficiently meet all that
is really required, namely the

severance of the executive &
paid office from that held by
Mr. Keefe as one of the municipal
body, and if all personal feeling
be set aside, and my decision be
viewed calmly and dispassionately
I feel satisfied that no member
of the Commission will do otherwise
than cordially acquiesce.

2. As regards the other servants
...
will be taken to fill their places.

W. D. Loez
12th May 1869

Wm. C. M. Reade
President

True copy
President

Minutes by the President

I confess my disappointment at the report now read and at the result of the Sub-Committee labours. From the great and very proper stir raised at the meeting of the 4th Instant & the determination expressed to find out all defects of system & workings I had looked for something more definite & satisfactory, but the Sub-Committee no sooner enter on their task than they have apparently from some cause or other shrunk from their performance, and dealing mainly in generalities & denunciations of the whole

See a letter from the President of the Council
 dated 23rd May 1869
 Mr. J. D. L. & Mr. J. D. L.
 1869

1869

system of Municipal Ac-
-counts and the lax manner
in which that system has
been carried on & they appear
to wish to leave the man-
agement of every thing to
some one to be appointed by
the Government, stating that
it is impossible for them to go
into each head of account &
therefore that they had con-
fined their enquiries to one
only, namely that of Bili-
-tied land rates generally -
I would ask whose province
it is if not the Commissioners -
and peculiarly that of the
Sub Committee who under-
took the duty - both to look
into all and every account
of the Municipality, and to
suggest the needed remedy
and reform. It seems to
me that it is their
province

province & theirs only. The
Report is only a lamentable
perpetuation of the neglect
and dislike of Municipal
duty on the part of the Com-
missioners which since the
Institution was formed has
so prominently marked all
the proceedings & acts of the
Municipal body. They will
look into nothing and they
recoil from even work
which may be said to be self-
imposed no sooner than its
arduous and difficult cha-
racter is discovered, and they
content themselves with a
few instances, as they think
of fraud, but which on closer
scrutiny will be found to be
nothing more than the res-
-ult of the undoubted mis-
management & irregularity
into which the Office has
fallen, and the knowledge

of which was the very occasion of the appointment of a Sub Committee - must for one therefore protect against accepting this Report as a satisfactory discharge of the Sub Committee's duties. It tells us nothing clearly that we did not know before or which was not at all events in some degree elicited when last we met, and I venture to maintain that if the enquiry begun by them had been or was now properly prosecuted the irregularities & the laxity in supervision of the Office would be found to be the gravamen of the offending and in my belief no single instance of fraud or fraudulent intention could be adduced much less be

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be brought home to any one. Of course under an imperfect system of accounts devoid of proper checks and that vigilant control which is essential to good management confusion and irregularity must be the consequence and will of necessity be very palpable on a mere superficial glance at the ~~last~~ records of any Office, and I ~~had thought the~~ ~~the~~ ~~the~~ duty of the Sub Committee was to bring order out of this confusion & to correct these irregularities so as effectually to provide against their recurrence, and to place on a proper & sound footing the system and its working but nothing of the sort has been done as far as I can perceive, but simply certain more

more prominent errors &
irregularities are noticed &
are denounced as fraud or
fraudulent without one
iota of proof that the
elements of such offence
or of its intention on the
part of any of the Office
Servants has existence, for
~~to pretend~~ that there is no
instance of the kind brought
~~forward~~ which would bear
even the complexion of fraud,
neither are there any facts
elicited by the Sub Committee's
enquiry which would justify
much less support any such
charge against any one, unless
it be the petty servants styled
bill collectors, and since there
are on the Sub Committee
Members in some degree who
may be supposed to be
acquainted of

acquainted with the ~~land~~
I challenge any of these five
-lemen to prove the contrary
of what I assert, so that
the result of the Sub Com-
-mitted labour by their own
report lies in a nutshell
& simply amounts to this
that the system of Muni-
-cipal Accounts is imperfect
that it has been very care-
-lessly worked that irregu-
-larities have been overlooked
and dealt with by the Ma-
-naging Commissioners in-
-stead of, as was his duty, &
bringing them to the notice
of the Bi-Monthly Meetings
as they transpired, and that
these defects & irregularities
added to great laxity in the
general management of
the Office, have led to a
state

state of things calling for
immediate interference &
remedy & has in their opinion
given rise to frauds but the
nature of which & by whom
committed the Committee
profess themselves unable
to say. This seems to be
a tolerable summary of
their labours. Now all this
I fancy was more or less
already known to the Com-
missioners and it needed
not the collective ability
and labours of the gentlemen
of the sub-committee to make
us acquainted with it, and it
may be presumed that had
the opportunity been afforded
to the servants concerned,
and they had been called
upon for its explanation
and

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and light on the several
points designated as instances
of fraud could readily
have been thrown, and
of course the omission in this
respect by the sub-committee
must be supplied by the
Commissioners in Common
Justice to the servants af-
fected who should be called
on to state more particu-
larly what they had to say
in answer to the points
adverted to, & which should
be rightly and fairly explained
to them. I may observe
that the accounts involved
in the late enquiry relate
to periods when I was ab-
sent. I have been absent
for 16 months, and it becomes
a serious question how it
is that for this long period

and during the antecedent
time the present facts had
not come to light and had
not attracted notice. It is I
admit no argument against
present action, still since
the Committee are so lavish
of their condemnation of the
Managing Commissioners and
of the servants involved in it,
it is to be regretted that they
did not use their efforts and
take steps at an earlier date
to discover the defects to bring
about the desired reform,
but possibly their plans &
information were not suf-
ficiently matured, and this
of course would supply a
good reason for silence.
I now come to the 10th Para
of the Report in which it
is recommended that the
Government

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Government do appoint
a fitting man to investigate
the whole accounts from the
commencement & the Com-
mittee express their Con-
viction that Mr. Peck by
his ignorance & neglect is
incompetent to fill the
Post he does & that from
the nonperformance of his
duty no confidence is to be
placed in the Head Clerk
& that the whole of the ex-
-ecutive subordinates are to be
regarded with suspicion
and they add that they wish
to state most distinctly that
they are convinced that fraud has
been committed, that that fraud
has been concealed by the very man who
should have been the first to make
it public that throughout
the whole of the accounts
irregularities

irregularities occur, that no
checks have ever been ex-
ercised and that it is im-
possible to state to what
extent the funds have been
carried, and then the Report
concludes as follows the only
justification the Committee
can find for Mr. Pees is
that when from time to
time he was found fault
with by the Commissioners
he was invariably protected
by the President who publicly
stated that he was respon-
sible for Mr. Pees' actions
and that the Commissioners
must look to him and him
only and that he was willing
to bear all the responsibility
since Mr. Pees was his sub-
ordinate, and thus that the

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the latter was led to form
an erroneous impression of
his position.

2 I will notice all this
sterilism and first the pro-
posal to submit the matter
to Government.

3 I can hardly suppose
Government will accede to
any such proposal, nor do
I see either the utility or
necessity of seeking their in-
terference. Surely with the
knowledge now before us we
can for ourselves sift the
accounts as they should be
sifted and place our sys-
tem on a satisfactory and
efficient basis; in fact
the remedy is in our own
hands and it is our duty,
not that of Government,
to apply it, & Government
will probably tell us so.

or that we are unfit for our
places; and I think that
the language of condemnation
used by the Sub Committee
towards Mr. Steep might, with
great truth, be retorted on the
Commission generally, and I
contend that with the means
in their hands and with the
opportunities afforded, if
only by the Bi-Monthly meet-
ings, the Commissioners have
 grievously neglected their own
duties, and have failed in every
way in the discharge of the
public trust they have inci-
dentally undertaken, and
their responsibility appears
to me far deeper than that
of a mere paid Agent, but
it is a very common feeling
that voluntary labour carries
with it no responsibility, while
on

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on a man who is paid for
the work everyone is ready
to heap responsibility and
odium and especially if in
doing so they can throw off
their own. Doubtless Mr. Steep
has erred & that gravely, but his
error has been rather in taking
responsibility on himself
where he should not have
done so than in neglecting
his work. He has tried too
much, he has undertaken
too much, and why is this?
because he has been left
alone, and no one has as-
sisted him. The works
outside the Office and
the duties within have thrown
out all devolved on him,
and no one of the Commis-
sioners that I am aware
of has ever helped him or
done ought to strengthen

his hands. He has had too much thrown on him and with an apathy and indifference to every thing but the mere routine of disposing of trifling matters laid before them at their Wilmouth meetings the Commissioners have from the first literally done nothing in the way of looking after Municipal matters or Municipal interests and yet with this knowledge which must be admitted by all the members acquainted with the operation of the Municipality since its first organization it is now sought to condemn the only man in the body corporate who has really acted or moved in any sensible degree

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degree in the promotion of its interests and but for whose activity and close attention to its affairs matters would have been in a very different and far worse state than they now are. As regards my protection of Mr. Peep this is simply nonsense. I have of course protected him against ~~first~~ attacks or any attempts such as have been made to lower or deface him or to place him otherwise than on an equality with the rest of the Commissioners but the records will best attest whether I have ever on any single occasion given to Mr. Peep an improper or undue support. The statement that

I publicly declared that I was responsible for all the ²²objections & that the Commissioners must look to me and not to the Commission, to have the responsibility as such in the Commission. I said that I was of the kind - what I did say was that I and my was responsible for the system of accounts in the Office and that I took immediate the sole responsibility in this matter, but that I & others must answer for himself for his conduct of that system and for any shortcomings which he might find fault in. I carried out my instructions - the proof of this it would seem, perhaps, that

that should refer to the separate papers recorded by Lord the Commissioners Datedacharlas and some Kiran Dumboloo which corrected the misrepresentation of my word & give in the Report.

4. Quite correct in the recommendation of the Committee at the last meeting of the Council. I think with them that the post of ~~junior~~ should be dissociated from that of the Chief Executive Officer of the Municipality, and that it be better that there be a paid secretary who is not a member of the Commission.

5. Mr. Lee had already tendered his resignation of the Office & had accepted it conditionally & pending

the service of a competent
successor for whom I shall
now advertise both in the
Local and Star & George
Gazette -

6 I may mention fi-
nally that I called this
meeting as requested by
the sub Committee, but
their Report & papers of
enquiry only reached me
about 9 last evening, and
~~cannot but feel~~
the regret to call a meeting
on such a matter without
longer notice was to say
the least inconsiderate,
and had it not been that
the day being now moon
& my office people not at-
tending till midday I should
have been compelled to
postpone the meeting to a
later

later date -
7 The proposal is
therefore -

12 That the Report be
returned to the sub Committee
that they be requested to per-
-sue their investigation of
the accounts in view, as
originally proposed, to place
the system and its working
on a proper footing and to
select and bring to justice
any who may be
guilty of other than mere
irregularities or carelessness
in the management of the
said accounts and of the
Municipal Fund -

2? That the proposal
of submitting the matter
to Government be refused
as quite unnecessary -

32 That the Office of
Manager's Commissioner
be

be at once dissociated from
that of a member of the
Municipal body & that
Mr. Lee's resignation is
accepted, and a competent
successor be called for by
advertisement in his place
to be designated Secretary
to the Commission.

That a sub Com-
~~mittee~~ to consist of not
less than 3 Commissioners
be appointed as a standing
Committee in every month
liable to re-election for the
better supervision and
control of the Office ac-
counts and other duties
therein connected that
they do meet for the pre-
sent not less than once
in

in every week in the
Office of the Commissioners
their Proceedings to be
briefly noted in a mi-
nute book to be kept for
the purpose.

Indorse
13 Mar 1892

Chas. H. ...
President

Public Depo

Memo for

Letter from Puert Mont Com
Cuddalore } 22 May 1874

This voluminous cor-
respondence has arisen
out of inquiries ^{made} held by
a sub committee appointed
by the Municipal Com-
missioners of Cuddalore
regarding
irregularities which
were suspected in the
management of the Mu-
nicipal Office amounts.
It appears that one of
the Municipal Commis-
sioners is also a paid
manager responsible for
all the executive details
of

Pres of Comm. 149d m 17

of the Office.

The report of this Sub-Committee in so far as this enquiry has gone shows that there has been most deplorable laxity in the manner of conducting the business of the one department to which the enquiry was directed mainly the Base and Land Office and from which there has been a great laxity in all the other departments of the Municipal Office.

Until the close of 1867 in check what was on the face of bills and collections would seem to

to have been intended. At that time something in the shape of a system of accounting was proposed by the Head Clerk but this does not seem to have been enforced either by its author or the Managing Commissioners.

The Committee report that the Office accounts at the time of their enquiry were in a most disgraceful state - valuable papers, receipts, vouchers, bills, letters and account books were thrown at random into the waste paper basket account and cash books appear to have been torn up and divided at pleasure

affidavits and petitions
were found. thrown aside
without any order being
passed upon them.

The bills given to
the collector would seem
never to have been ac-
curately registered ^{were} the
amounts collected and
balance of bills in collector's
hands compared and
checked. The Head Clerk
considered this to be the
duty of the manager
Commissioner, who never
performed it would ap-
pear any management
or control.

In the general
confusion the Cal Comtee,
whose inquiry was
limited

limited to one department
and to an investigation
of four days, are unable
to determine what has
been the amount im-
bezzled, or who are the
guilty parties. They
state, however, distinctly
that they are convinced
that fraud has been
committed and that
fraud has been concealed
by the manager. Indeed
in one case it keeps
acknowledges to have paid
himself the amounts
due on bills on which
collections had been
made and not credited.

Even the audit
would

would seem to have
partaken of the laxity
which has distinguished
the management of this
Municipality, for the
Auditor appears not to
have checked the un-
collected bills which
form a principal portion
of the assets of the Mu-
nicipality. Had this
been done the incorrectness
of the accounts would
have been discovered when
the audit was made
in August last. The
Auditor Varda Charles
Deputy Collector explains
his omission by stating
that as he did not sus-
pect fraud he considered it

it unnecessary to check
these bills.

The Audit Committee
state that they are un-
able to give up the time
necessary for a thorough
examination of these bills
if the Municipal Council
and they request the Gov.
to appoint some person
specifically for this duty.

They think Mr. Keefe,
from the support he
received from the President
Mr. Reade, who publicly
stated that he was re-
sponsible for Mr. Keefe's
actions, mistook his
position, that he has
proved himself ignorant
and incapable, and
that

that the office of
Managers should be
~~separated~~ from that of
Commissioners.

At a meeting held
subsequent to the pre-
sentation of this report
the Commissioners voted
in opposition to the Pre-
sident that the Report
be presented to Govern-
ment, that the President
be requested to dismiss
the Manager, Mr. Keep,
and the Head Clerk;
and that a standing
Committee be appointed
to examine the accounts
and other office matters
weekly.

In

89
In a long minute
the President, Mr. Keane,
considers the report of the
Sub Committee and after
further, he allows that
there has been gross
carelessness, but ~~not~~ ^{no} ~~proof~~
of fraud, ~~he~~ ^{he} thinks that
there is no occasion to
trouble the Government
but that the Commissioners
should themselves put
matters in order, discover
frauds if there are any
and bring the guilty
parties to justice. He
declines to dismiss Mr.
Keep whose resignation
he has accepted, and he
repudiates the acceptance
of responsibility of Mr.

95
Mr. Keefe acts, or having
been made himself re-
sponsible. Mr. Reade
acknowledges that he is
responsible for the existing
system of accounts, but
not for the manner in
which the system has
been carried out. He
points out that he has
himself for 16 months
been absent from head
quarters, and that the
Commissioners have them-
selves been greatly want-
ing in their duty in
allowing the accounts
to get into this disgraceful
state.

In his letter to
Govt.

I agree in all
the following
statements with
the Commission.
H. J. S.

Government Mr. Reade
makes rather light of
the serious state of
things reported by the Sub-
Committee, and he hopes
the Government will
insist on the Municipal
Commissioners themselves
carrying out the work
of investigating the accounts.

I submit that Mr.
Reade may be informed
that the Govt. considers
the facts, as stated in
the Sub-Committee's report
to be most unsatisfactory
and as reflecting discredit
on the manner in which
the Municipal Com-
missioners have per-
formed their duties.

That

that they consider it
of the greatest importance
that a thorough and
complete investigation
should be held of the
irregularities brought to
notice by the Sub Committee.
This inquiry should extend
over the accounts of the
past two years, or over such
further period as may
be considered necessary,
with a view to ascertaining
the amount of monies
which have been em-
bezzled or misapplied by
the late Sub Committee,
and by whom, and to
the introduction of
a more systematic
method of management
of

Mr. Best ag. J. J. J.

They appoint Mr
J. J. J. I think
a man of greater
experience must
be preferred.

N. J. J.

of the Municipal Affairs
of the Corporation.
That the Government
think it desirable that
a person should be
appointed on behalf of
the Government as a
member of the Committee,
and that two other persons
should be appointed
by the Municipal Com-
missioners.
That the sum of
a competent account
and such additional
clerk as may be required
should be drawn
and paid from the
Municipal Funds. With
this assistance the Sub
Committee should be
able

thoroughly to
investigate and report
within a reasonable
time upon the actual
state of the accounts
and the frauds which
may have occurred. That
this further report is
presented. Mr. Keap should
be suspended and a
competent Manager,
not a Commissioner, ap-
pointed in his stead.
He at present informs
the Govt does not consider
that the President is as-
sured in accepting
Mr. Keap's resignation.
Mr. Reade should
be submitted be requested
to explain under what
circumstances

circumstances he has
remained for so long
a period as 16 months
absent from the Head
quarter station of his
District. M.E.

I agree with the
suggestion of the
Joint Secretary. A
Substitute for Mr. Keap
may be found.
I have no faith in Mr.
Keap but it will be
difficult to find a
substitute - why not
let Mr. Gibson act
the account as quasi-
auditor?

The attention of the Govt
will be called to the fact that
Mr. Reade has been for 16 months
absent from the Head
quarter station of his
District. I will call
that officer's name to the
Govt's attention. I will
submit the name of Mr.
Gibson as a possible
substitute for Mr. Keap.

WON

Public Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letter

from the President of the Muzum Commission.

Received 22 May 1889. A. 510.

Order thereon No 813 of 16 June/89

Mr. Meade will be informed that the Government considers the facts as stated in the Sub-Committee's report to be most unsatisfactory, and that it is of the greatest importance that a complete and thorough investigation should be made into the irregularities brought to notice.

Ad. W. H.

notice by them. The inquiry
should extend over the
accounts of the past two
years with a view to ascer-
taining the amount of
money which have been
embezzled, as suspected
by the late Sub Committee,
and by whom; and to the
introduction of a more
systematic method of
management of the mu-
nicipal affairs of Mad-
ras.

2 The Government
think it desirable that
a Committee of three
members should be
constituted to make this
investigation, M. V. L.
Roberts

93
Roberts, the Sub Committee
of the District, being ap-
pointed a member on
behalf of Government,
and the two remaining
members being elected
by the Municipal Com-
missioners.
A competent ac-
countant and such ad-
ditional clerks as may
be necessary should be
entertained and paid
from the Municipal Fund.
With this assistance the
Committee should be
able thoroughly to inves-
tigate and report within
a reasonable time upon
the actual state of the
accounts and the frauds
which

which may have occurred.
 Until this further report
 is presented, Mr. Keefe
~~should be removed~~
 and a competent manager,
 not a Commissioner should
 be appointed in his stead.
 As at present informed
 the Government do not
 consider that the Pre-
 sident was justified in
 accepting Mr. Keefe's re-
 signation

The explanation
 given by the Auditor of his
 omission to check the
 outstanding bills which
 form a principal portion
 of the assets of the Muni-
 cipality, namely, that
 he did not suspect fraud,
 shows

shows that he had ~~an~~
^{complete} ~~perfect~~ conception of his
 duty. Had he examined
 these bills the incorrectness
 of the accounts would
 have been discovered when
 the audit was made in
 August last.
 The ~~Commission~~ of
 the ~~Board of Revenue~~
 will be ~~galled~~ to the fact
 that Mr. Keefe has been
 for 16 months absent from
 the head quarter station
 of his district, and they
 will be requested to call
 upon that officer for an
 explanation of this pro-
 longed absence. H.C.

AK

to Vest. Munt. Comm^{rs} (add above)
 Board of Revenue. ^{with 6 Bills of the Munt. of}
^{Sub. Commr. Revenue} Sept 2/8

