

GOVERNMENT OF TAMIL NADU
ABSTRACT

Administration - Defalcation of Municipal Funds -
Administrative lapses - Avoidance - Instructions - Issued

RURAL DEVELOPMENT AND LOCAL ADMINISTRATION DEPARTMENT

G.O.Ms.No.1016

Dated: 9-7-1982

Read :

1. From the D.M.A., D.O.Lr.No. 17936/81-C3 dt.20.1.82.
2. From the Examiner of L.F.Accounts Lr.Rc.No.17636//
81-C4 dt. 5.6.1982.

ORDER:

An instance has come to the notice of the Government wherein the Cashier of a Municipality has defalcated huge amount by making short remittances into State Bank of India on various dates by fabricating the chalans affixing with bogus seal of State Bank of India. The misappropriation was rendered possible because of cashier's long service in the Municipality which facilitated his close acquaintance with the State Bank of India Authorities, as well as Treasury Officials and that he has also been allowed to write the Treasury Pass Book in his own handwriting as well as the scrolls for several months during the period of misappropriation.

2. In order to prevent the recurrence of such lapses in other Municipalities in future, the Government direct that the following instructions should be adhered to strictly by all Executive Authorities of Municipalities:-

- (1) To follow the procedure of remittance of Municipal Funds into the Treasury as per rules contained in the Municipal Manual.
- (2) To check at least once in a week the receipted chalans from the Treasury after comparing them with the counterfoils in the office and the amount shown in the Chitta and satisfy themselves that the amount collected have been duly remitted into the Treasury.
- (3) As it has specifically been stated in the rules that no entries or marks shall under any circumstance be made in the pass book by anyone connected with or working in the Municipal Office, the Cashiers should not be allowed to write up the pass books, or the scrolls instead of the Treasury Officials. At the close of each month the balance of the pass book shall be struck and the amount written in words and signed by the Treasury Officer. The total

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of the balance and the amount of outstanding cheques agreed with the corresponding balance shown in the cash book. The Executive Authority should not sign in the cash book if such agreement is effected.

- (4) To watch the writing up of Treasury Pass book by the Sub-Treasury Officials then and there and to furnish the Certificate of acceptance of balance as on 31st March of every year.
- (5) Not to allow any Municipal Employees to continue as Cashier for more than 3 years, on any account.

(BY ORDER OF THE GOVERNOR)

S. SRINIVASAN,
DEPUTY SECRETARY TO GOVERNMENT.

/true copy/

Endt.No. 69587/82/C4 dt. 30.7.1982

Examiner's Office
'C' Section.

Copy communicated to all subordinate officers as per Category III.
Copy to: 'M' Section in triplicate/File 68130/82/C4/C1 to C7.

(Sd.) G. Naganathan,
Deputy Examiner of Local Fund Accounts.

/true copy/

G. Jayal
SUPERINTENDENT 1885
GJM
18.8.82

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