

POSTAL & TELEGRAPHIC.

(Post Office)

No. 13/39.

1939.

10

Colonial Postmaster.

SUBJECT.

19 39.

24th January.

Deficiency in Post Office cash.

Previous Paper.

INSTRUCTIONS REGARDING PUBLIC MONEYS, BOOKS AND SIMILAR PROPERTY.

MINUTES.

Minute from Col. Postmaster of 24/1/39.

(1)
 O. I. C. Treasury.
 In report please. If Notes
 were obtained from the Post office
 and not paid for an excess
 should have shown in the
 Treasury. MCH
 24 1 39.

Hon. Col. Sec.

Submitted.

The Treasury Cash Book and cash are balanced and checked independently by two officers at the close of business every day. In addition the Cash Book entries are subjected to daily scrutiny as a matter of routine. I submit, therefore, that any excess or deficiency could not escape immediate detection.

2. If a situation, such as that envisaged in Red 1, had arisen, I would state with respectful emphasis that prompt investigation, in accordance with prescribed Regulations, would have been instigated by the Treasury.

Subsequent Paper.

3. With reference to Red (1) I confess that I am at some loss to understand it fully - For instance in para 3 it would seem "several" weeks after the discovery of the deficiency of "Approximately fifteen pounds" (Please see para 1 of Miss Carey's minute) hope was entertained that it would be brought to light in the "Outstanding C.O.D. Camp parcels" (Para 3), this proving abortive another avenue is opened up (vide para 4) implicating the Treasury. In this connection I find it difficult to associate a deficiency approximating fifteen pounds, it must have been either more or less, with multiples of five pounds even assuming that the transaction actually occurred and disregarding the lapse of several weeks. Further, it is at least remarkable that the Postmaster did not make reference to it on the 17th December when she participated in the "Note Cancellation and Destruction"

4. It is assumed that the Postmaster is familiar with the Regulations governing procedure consequent upon the discovery of excesses and deficiencies yet according to para 5 of her minute her report is a direct consequence of being "told that the Treasury had an excess of this amount at this time", indeed, the same paragraph declares that "when" the statement quoted above was communicated to her "she" was prepared to let the matter drop". Nevertheless, the fact remains that the Treasury, although blissfully ignorant, was, and still is, under suspicion as is evidenced by 6 of the report.

5. I would add that the existence of a Treasury "excess" is without foundation.

6. I am afraid that I cannot regard the contents of Red (1) other than with the utmost gravity challenging as they do the integrity of each and every individual of the Treasury Staff. In the circumstances this Department would welcome an official investigation in order that the matter may be satisfactorily concluded. At the same time I would request that Miss Carey be asked to disclose the name of her informant so that the source of the inaccurate but incriminating statement contained in para 5 of her report may be traced - I refer to the following quotation therefrom " that the Treasury had an excess of this amount at this time".

Red Jones

Officer-in-Charge, Treasury.
26th January, 1939.

Colonial Postmaster,

From the foregoing report it seems that you were misinformed regarding any excess in the Treasury.

2. As the Treasury Cash book is balanced and checked with the Cash balance every day at the close of business any discrepancy in the balance would have come to light at once.

3. In any observations you may wish to offer, please.

*IncH
es*

26. 1. 39.

Hon. Col. Sec.,

Referring to my minute of the 24th January, 1939, my request for an investigation was not meant to be an accusation. It was merely meant to try & recover the lost money if an excess was in the Treasury.

I would like to point out to the Officer-in-Charge of the Treasury that a report had been made to the proper person about the deficiency in the Post Office.

Also that I did not intend to air the P.O. grievances when on a Board for Note Destruction. One of the members already knew of it.

I am fully aware of the Regulations governing excesses and deficiencies, as they have happened in former days and may occur again.

Regarding Para 3 of the minute from the "Officer-in-Charge" in his expression of the "C.O.D" parcels & "several" weeks after I may add that this instance may be compared with his clerical error in Government Savings Bank at that time and was found out "several" weeks after.

M.C.P.M.
5 Feb., 1939

U.S. Treasury.

To see. I do not see that
any good purpose can be served
in pursuing this matter. I
am satisfied that there is
no reflection on the Treasury.

MCH
cl.
7. 2. 39.

Hon. C.S.

Seen. Thank you. In this connection, however, I beg to proffer the following observations. With reference to para 1 of Miss Carey's Minute dated 5th February, 1939, I submit that, notwithstanding the modification therein contained, the allegations recorded in paras 4 and 5 of Red 1 (which indubitably form the bases of para 6 of the same Minute) are still extant. At least, it would seem, as far as the Postmaster is concerned.

2. With paragraphs 2 and 3 I am not directly concerned, but en passant I would remark that if the Treasury were under suspicion on the 17th December, then a reference to the alleged circumstances leading thereto would have been neither irrelevant nor amiss.

3. It is observed that in para 5 a specific and personal accusation is made against me. This is erroneous and unjustifiable - a fact that can be easily and officially proved.

4. I am not unmindful of the contents of your minute dated 7th February, 1939, but in view of the foregoing I feel impelled, in the interests of the Treasury generally and myself in particular, to request an immediate and official investigation of the whole matter.

MCH
cl.

Officer-in-charge,
Treasury & Customs.

8/2/39.

Submitted. I think the
Auditor might be asked to
investigate this matter and
report.

MCH
cl.

8. 2. 39.

Very serious.
The actual amount of the deficiency
is not reported

Is the Postmaster a Sub. Accountant?

At what intervals are checks
made in the Post Office? What are the local
replications in the walls? MCH 8/2/39

Local Audit.

Will you please state the actual deficiency the Postmaster made good.

2. Under 1 of the local Rules and Regs for keeping public accounts the Postmaster would appear to be a sub-accountant?

3. Will you please state at what intervals checks are made in the Post office.

M.H.
cd
9. 12. 39.

Hon. Col. Sec.

The deficiency was £14. 19. 0. It was paid into the treasury in December to balance the month's accounts.

2. The Postmaster is a sub-accountant.

3. The Post Office accounts are checked monthly. All transactions are examined in detail and the monthly settlement with Great Britain is verified.

4. The accounts are kept with great care and accuracy. Many thousands of pounds worth of money orders, postal orders and C.O.D. business is dealt with, and it is extremely rare for any discrepancy to arise between the records here and at the G.P.O. in connexion with them. The postal money deposit account in the Treasury is checked monthly with the Post Office books.

5. Receipts/

5. Receipts and issues of stamps, which do not concern the G.P.O., are also examined in detail and almost invariably found free from error. As you are aware, the sale of stamps during several of the past few years has been exceptionally heavy.

6. It seems most likely that the shortage of cash was due to under-collection during a rush period in December when two of the Post Office assistants were absent from duty through illness.

7. As I was aware at the time, there was an apparent excess of £15 in the Treasury when the Savings Bank accounts were balanced for the year ending 30 Sept. 1938. It was caused through a withdrawal of that amount having been debited to two accounts. The amount was credited to an Error Account. A few days later the mistake was located and the £15 credited to the account where it belonged. It was purely a bookkeeping error.

8. It is most improper that the Postmaster should have heard of any alleged excess of cash in the Treasury and it is regrettable that she should have addressed you on the subject. It is only natural that the O.I.C. Treasury should object.

9. In my opinion it is practically impossible under the present system of accounting to hold a trial for any person in the Treasury or Post Office to steal public money.

L. A.

L. A.

9 Feb. 39

Submitted. I agree with the view of the Auditor, para: 6. When I was Postmaster I have known instances where deficiencies had to be made good by the Clerk responsible. Such deficiencies however were only of a minor character. The bulk of the monies collected in the Post Office go to the G.P.O., London in respect of money and Postal Orders.

2. The Postmaster is fully aware that any deficiency must be made good by the officer concerned.

3. It is unfortunate that the O.C. Treasury did not in the first instance give details of the apparent excess in the Treasury as shown in para. 7 of the Auditor's minute. Had he done so the Postmaster would have been satisfied that the excess had no connection with the Post Office.

4. Copy of local Financial Instructions are in the attached file. McH
C.S.
10. 2. 39.

Para 6 of Auditor's minute. Will you please have any further investigation carried out that appears to you feasible

McH 10/2/39

- ② Minico to Col. Postmaster of 13/2/39.
- ③ " from " " " 15/2/39

I have examined H. Bennett, Mail Officer and Mr. Board, Clerk in the Post Office.

Mr. Board stated that he went

off ill on the 7th December. All C.O.D. cash was covered at the end of Nov^r and none was taken during the next few days. The cash in his safe consisted of stamp money and money order money. He states his money was alright. When he got ill he handed the keys over to H Bennett. He did not tell Bennett how much cash was in the safe. In answer to my further question Mr Bound said that no application had been made to him at that period by the Treasury for damaged Notes, although this had been done on previous occasions.

H Bennett stated that Mr Bound gave him the keys of his safe. He did not check the contents and admitted he was wrong in not doing so. He had no idea how much was in the safe when he opened it. He said besides himself the Postmaster and Mess N. Carey used the safe. So far as he knew the Postmaster did not discover the discrepancy until after the mail of 12th Dec^r had gone. He knew the Treasury occasionally sent in for damaged Notes but could not recollect when. He said he had nothing to do with collecting cash for C.O.D. parcels.

MCH
16.2.59.

I am of opinion that there has been some carelessness on the part of the Staff. The Clerk should have sent his keys to the Postmaster who should have then checked the contents of the safe before another officer before any business was done.

The Mail officer was at fault in taking the keys and opening the safe without the authority of the Postmaster. Failure to balance the cash on the day the keys were handed over makes it impossible to pin down the date the money was actually short.

It appears also that the cash was not balanced until after the mail of the 12th Dec^r had gone. This fact alone would make it difficult if not impossible to trace the particular transaction that might have accounted for the loss.

I am of opinion that the Postmaster must be held responsible since she took no steps to verify the cash held by the Clerk when he was taken ill. The Postmaster made good the deficiency - the only course open to her as no responsibility

for the deficiency can be brought
home to the Clerk in the
mail office. Miss N. Casey
was only temporarily employed.

WCH

14. 2. 59.

Yr. Investigation has shown that
there was some carelessness in
the Post office for which the
Postmaster is solely responsible.
The Postmaster made good the
deficiency the only course open to
her. In my opinion no blame
or reflection whatsoever attaches
to the Treasury.

WCH

15. 2. 59.

It is well that this
investigation has taken place and
it is ~~very~~ fortunate that for the Postmaster
that the deficiency is not greater.

The system or lack of system
in the safekeeping and control of money
in the safe is so primitive that it reminds
me of another era

Explicit standing orders must
issue to prevent a recurrence. Will
you please draw them up with the
Auditor. Obviously one officer only
should hold the key of a safe in which
public moneys are kept and the contents
must be checked and signed for on transfer

WCH 17/2/59

O.C. Treasury
To see.
MCH
CS
17.2.59.

Hon. C.S.

Seen. Thank you.

CS forcs.
18/2/59

Local Auditor.

To note H's minute.
Ch IV of the local Financial
Instructions provide for the
custody of public money.
I will see you at a later
date about this - perhaps
in the meantime you
would consider instructions
for handing over keys and
checking cash wherever an
officer is ill or unable
to continue duty.

MCH
CS
18.2.59.

Hon. C.S.

H's minute noted.

I will see you at your convenience

advis.

C. S.
20.2.59

Local Auditor

Will you kindly consider
the attached drafts and
make any amendments or
additions. We can then
discuss the matter.

W.H.
C.

22.3.39

Hon. Col. Sec.

I have read the draft and
cannot see any need for alteration
or addition.

W.H.
C.

L.A.

2 mar. 39

Jh.

It is proposed to send
the attached draft instructions
to Heads of Depts.

W.H.
C.

3.3.39

Law 4/3
W.H.

A.C.S.

Copies might be done
on the notes and a Circular
minutes prepared to Heads of
all Depts. requesting them
to hand copies to their
Staffs.

W.H.
C.

6.5.39

Minutes to Heads of Depts. of 14/3/39

(8)

PA
15/5/39

①

No.
(It is requested that, in any reference to this minute, the above Number and the date may be quoted).

MINUTE.

24th January, 1939.

From The Colonial Postmaster,

To The Honourable,

The Colonial Secretary,

Stanley, Falkland Islands.

STANLEY.

① I have the honour to report that towards the end of November or early in December in checking the cash in the Post Office I found there was a deficiency of approximately fifteen pounds.

② During the month of November the Postal Monies paid into the Treasury were £1007 and the stamp sales were also heavy.

③ Owing to the Postal Clerk being so ill at that time I had to wait several weeks to ask him if he could throw any light on this matter and we hoped to find the missing money in the outstanding C.O.D. camp parcels but they were all paid.

④ It has been difficult to ascertain what happened in regard to the exchanging of notes with the Treasury as an outgoing mail was being prepared at that time. The Post Office staff seem to think that this sum was collected by the Treasury from the Post Office in the form of five pound notes for note destruction and no notes were given in exchange.

?

⑤ The deficient money has been paid out of my pocket and I was prepared to let the matter drop when I was told that the Treasury had an excess of this amount at this time.

No front Henry only.

⑥ I would be grateful if you would cause an investigation to be made in the Treasury so that I may recover the money if possible.

⑦ It is a fair amount to pay out after a year of strenuous stamp sales.

M. Carey

Colonial Postmaster.

No. 13/39.

(It is requested that, in any reference to this minute, the above Number and the date may be quoted.)

MINUTE.

13th February, 19 39.

From

To The Colonial Postmaster,

THE COLONIAL SECRETARY,

STANLEY.

Stanley, Falkland Islands.

With reference to the loss of £14. 19. 0 reported by you, please furnish the name or names of the Post Office Staff who were on duty when the loss took place. In order that further investigation may be carried out I wish to take the statements of the officers concerned.

MEH

Colonial Secretary.

3

MINUTE.

15th February, 19 39.

2.
(It is requested that, in any reference to this minute, the above Number and the date may be quoted.)

From The Colonial Postmaster,

To The Honourable

The Colonial Secretary,

Stanley.

Stanley, Falkland Islands.

With reference to your minute 13/39 of the 13th February, I have the honour to inform you that the names of the Post Office Staff were Mr. John Bound and Mr. Harold Bennett. Mr. John Bound was ill on the 7th December and Mr. Bennett took over his duties in the Post Office.

M. Caney

Colonial Postmaster.

INSTRUCTIONS REGARDING PUBLIC MONEYS, BOOKS AND
SIMILAR PROPERTY.

*Typed on Stencil
6. 3. 39.*

1. The handing over of public moneys, books, etc., when an officer is proceeding on leave or transfer, or is unable to carry out his duties through illness or other cause, must always be carried out with the utmost care. Both the outgoing and the incoming officer shall sign a certificate in the form attached in duplicate; one copy shall be forwarded to the Colonial Secretary, the other being retained in the Department.

2. In the event of there being any discrepancy or deficiency, the outgoing officer shall sign an acknowledgement of the fact and the incoming officer shall report the discrepancy or deficiency to the head of the department concerned or, in the case of the Department being handed over, to the Colonial Secretary.

3. The outgoing officer shall be personally liable to make good all discrepancies reported, and the incoming officer shall be similarly liable for all deficiencies not reported but subsequently discovered.

4. Whenever an officer who is responsible for the custody of public moneys is unable to attend his office through illness or other cause he shall hand over his keys to the head of his department, who shall take immediate action to check and verify in the presence of another officer the balance of public moneys in the custody of the handing over officer. In the event of there being any discrepancy or deficiency, the head of the department and the witnessing officer shall sign a record of the fact (full details being given) and shall report the matter to the Colonial Secretary.

5. Every head of a department, or other sub-accountant, is personally and pecuniarily responsible for the due performance of the financial duties of his department or office, and for the proper collection and custody of all public moneys receivable by him; and also in respect of any inaccuracies in the accounts rendered by him, or under his authority.

The/

The responsibility of the Auditor for checking and reporting any shortcomings in connexion with the Public Accounts or finances, does not absolve any officer from his responsibility for complying, or securing compliance, with instructions within the scope of his own authority. Such officer will not be relieved from any portion of his responsibility should he depute to his subordinates the performance of duties which he should have performed himself. It is his duty, without fail, to bring to the notice of the Colonial Secretary any incompetence or carelessness on the part of his subordinates.

6. No officer charged with the custody of public moneys may hand over to another officer the keys of the safe or safes in his charge without first having obtained in writing the authority of the head of his department or, in the case of the head of a department, the authority of the Colonial Secretary.

7. The special attention of officers is drawn to the provisions of Section IV of the Rules and Regulations (1931) for keeping the Public Accounts.

CERTIFICATE IN CASES WHERE AN OFFICER IS ABSENT
THROUGH ILLNESS OR OTHER CAUSE.

_____ Department.

I hereby certify that I have this day examined and verified in the presence of Mr.....of theDepartment the public moneys and stamps in the custody of Mr..... as detailed below :-

Head of Department.

I hereby certify that the public moneys and stamps in the custody of Mr.....were this day checked by the head of his Department in my presence and were found as detailed above.

Witnessing Officer.

Date.._____

NOTE. In the event of there being any discrepancy or deficiency the words "and verified" must be struck out and a separate report furnished giving full details of the discrepancy or deficiency.

(H)

CERTIFICATE OF HANDING OVER PUBLIC MONEYS, ETC.

_____ Department.

I hereby certify that I have this day handed over to Mr.
..... all public moneys
and stamps in my custody as detailed below :-

Signature of outgoing officer.

I hereby certify that I have this day taken over from
Mr.....of the.....
Department the public moneys and stamps detailed above and
found all to agree with the balances shown on this date.

Signature of incoming officer.

Date _____

NOTE. In the event of there being any discrepancy or
deficiency the words "and verified" must be
struck out and a separate report furnished giving full
details of the discrepancy or deficiency.

8

No. 13/39.

(It is requested that, in any reference to this minute, the above Number and the date may be quoted.)

MINUTE.

14th March, 1939.

From

To HEADS OF DEPARTMENTS.

THE COLONIAL SECRETARY,

Stanley, Falkland Islands.

I am directed by the Governor to transmit herewith copies of instructions which have been issued regarding Public Moneys, Books and similar property, and to request that a copy be handed to each member of the Staff in your Department.

2. All public officers will be held responsible for due compliance with the instructions in question.

WCH

Colonial Secretary.