

EAST AFR. PROT
31463

C.O.
31463

Governor
Belfield

Conf
151

MONEY ORDERS

1914

21st July

Explains procedure for issue, checking etc. states members of Post Office staff below rank of first Class Postmaster who have to deal with cash or stamps is required to give security.

Last previous Paper.

Gov
9477

H. Stephenson

Any others?

H. J. R.

21/8/14

Publy ↓

H. Read

The usual precautions are apparently being taken, and arrangements are being made for more frequent inspection and closer supervision. ? Publy

H. J. R.
24/8/14

at once
H. J. R.

24/8/14

Next subsequent Paper.

EAST AFRICA PROTECTORATE

31753

GOVERNMENT HOUSE,

NAIROBI.

BRITISH EAST AFRICA.

Confidential No. 161

July 21st 1914.

Sir,

*4
302-49*

With reference to paragraph 2 of your Confidential despatch of the 19th of March, I have the honour to inform you as follows:-

2. The receipts for Money Orders are bound in books each containing 500 receipts with the relative counterfoils. Every book is numbered and the receipts likewise from 1 to 500 in each book. The stock of receipt books is kept in the Strong Room and the issues made by European Officers under the supervision of the Chief Accountant who is responsible that no book is issued to any Office unless accounts shew that that in use is nearly finished.

3. When the Money Order Accounts from the different Post Offices are examined at Headquarters they are checked in order to see that the Money Orders issued are in strict numerical order, and this shews that every receipt up to the number of the last order issued has been accounted for. A monthly reconciling statement which takes into account every Money Order transaction

THE RIGHT HONOURABLE

LEWIS HARCOURT, P. C., M. P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET,

LONDON, S. W.

transaction in the country is also prepared as soon as each month's accounts have been completed in the Chief Accountant's Office. This should disclose any error or fraud which has actually entered into the accounts of any Office.

4. At District Post Offices the Postmaster is responsible for the checking of the local stock of Money Order receipt forms and verifying the amounts of the orders issued. The Money Order Receipt Book is also checked whenever the Office is inspected.

5. At small Post Offices worked by single handed Indian Postmasters it is difficult to provide for any regular satisfactory check excepting that exercised at the Departmental Accounts Office. There is often no suitable local supervision available to prevent the Postmaster from issuing Money Order receipts out of sequence and suppressing the Money Orders, or from issuing Money Orders for less amounts than are actually received and entering such on the counterfoils of the receipt forms. Frauds of this nature are however very rare and there has only been the one case, at Machakos, during the last 10 years.

6. The question of additional safeguards has been carefully considered by the Postmaster General in consultation with the Auditors and with his Accounting Staff. More frequent inspection and closer supervision, which is now becoming practicable with the additional staff available, should tend to reduce the risk at small Stations, but it is impossible to eliminate it altogether. It is not financially practicable to provide

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provide such supervision as will prevent a dishonest Postmaster from stealing if he is working a small Post Office singlehanded at an outlying Station remote from effective supervision. Even in a London Post Office a counter clerk, about to proceed on his annual vacation, could, during his last day of duty, embezzle a large amount by fraud in connexion with Money Order and Savings Bank transactions, and be well clear of England before this was discovered and this, in principle, is what happened at Machakos. In any case discovery is certain and any person engaged in such frauds would usually have made up his mind to leave the country. In the Machakos case Mr. Williams returned to East Africa after a lapse of several months and was apprehended and brought to trial. He is now undergoing sentence of four years' imprisonment.

7. I may add that every member of the Post Office staff, below the rank of First Class Postmaster, who has in any way to deal with cash or stamps is required to give security through an Insurance Company. In this respect the Postal Department of this Protectorate is in a better position than the British Post Office whilst the nature of the risks run is practically identical.

I have the honour to be,

Sir,

Your humble, obedient servant,

Almond, B. J. J.

GOVERNOR.