

AN ACT PROVIDING, WITH THE CONSENT OF THE SECRETARY OF WAR FIRST HAD, FOR A SYSTEM OF MONEY AND PROPERTY ACCOUNTABILITY FOR THE GOVERNMENT OF THE PHILIPPINE ISLANDS AND ITS SUBO...

Act No. 1792, October 12, 1907

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By authority of the United States, be it enacted by the Philippine Commission, that:

SECTION 1. This Act shall be known as the "Accounting Act," and shall not; be considered as amended or repealed in any part by subsequent legislation, unless specifically so stated in the amending or repealing Act.

THE AUDITOR.

SEC. 2. There shall be an Auditor for the Islands, who shall be Director of the Bureau of audits, and who shall be appointed by the Secretary of War, with the concurrence of the governor-General and the approval of the Philippine Commission. The duty of the Auditor shall be to examine, audit, and settle all accounts pertaining to the reveinics and receipts from whatever source of the Insular Government and of the city of Manila, including trust funds and funds derived from bond issues: and to audit, in accordance with law and administrative regulations, all ex-denditures of funds or property pertaining' to or held in trust by the Insular Government and the city of Manila, lie shall, through a corps of district auditors, perform a like duty with respect to the revenues, receipts, and expenditures of the provinces., municipalities, townships, settlements, or other government branches.

He shall keep the general accounts of the government preserve the vouchers pertaining thereto.

It shall be the duty of the Auditor to bring to the attention of the proper administrative officer expenditures of funds or property which, in his opinion, are irregular, unnecessary, excessive, or extravagant.

SEC. 3. There shall be Deputy Auditor, two assistant auditors f district auditor, to be appointed in the or. They shall sign such official papers as the Auditor may designate and perform such other duties as the Auditor may prescribe. In ease of the death, resignation, sickness, or other absence of the Auditor from his office from any cause, the Deputy Auditor shall have charge of the Bureau of Audits as Acting Auditor. In ease of the absence from duty from any cause of both the Auditor and the Deputy Auditor, one of the assistant auditors, or the chief district auditor, to be designated by the Governor-General, shall have charge of the Bureau as Acting Auditor.

SEC. 4. There shall lie a chief clerk to the Auditor, to be appointed by the Auditor, subject to the provisions of the Philippine Civil Service Act, and the chief clerk shall perform such duties as may be prescribed by the Auditor.

SEC. 5. The official the of the Auditor, to be affixed to his official signature, shall he "Auditor for the Philippine Islands," and the official title of the Deputy Auditor shall be "Deputy Auditor for the Philippine Islands:" Provided, That for the sake of brevity the words "Auditor" and "Deputy Auditor"" may be used where the full title of the office otherwise appears on the document or paper requiring signature, and that as a distinctive title the words "Insular Auditor" may be used.

Sec. 6. The jurisdiction of the Auditor over accounts, whether of funds or property, and all vouchers and records

pertaining thereto, shall be exclusive. With the approval of the Governor-General he shall from time to time make and promulgate general or special rules and regulations not inconsistent with law covering the methods of accounting for public funds and property and funds and property held in trust by the Insular Government or any of its branches: Provided, That any Director of Bureau or other officer accountable for public funds or properly under the provisions of this Act may require such additional reports or returns from his subordinates or others as he may deem necessary for his own information and protection.

The decisions of the Auditor shall be final and conclusive upon the executive branches of the Government, except that appeal therefrom may lie taken by the part v aggrieved or the head of the Department concerned, within one year, in the manner hereinafter prescribed. The Auditor shall, except as hereinafter provided, have like authority as that conferred by law upon the several Auditors of the United States and the Comptroller of the United States Treasury, and is authorized to communicate directly with any person having claims before him for settlement, or with any Department, officer, or person having official relations with his office.

SEC. 7. The Auditor shall forward to the Secretary of War, as soon as practicable and within sixty days after the expiration of each month, a statement of all receipts of the Government of whatever class, and payments of moneys made on warrants or otherwise during the preceding month, and such other statements of the finances of the Government as may be required by the Secretary of War.

SEC. 8. As soon after the close of each fiscal year as the accounts of said year may be examined and adjusted, the Auditor shall submit to the Governor-General, the Philippine Commission, and the Secretary of War an annual report of the fiscal concerns of the Government, showing the receipts and disbursements of the various Departments and Bureaus of the Insular Government and of the various provinces and municipalities, and make such other reports as may be required of him by the Governor-General, the Philippine Commission, or the Secretary of War.

SEC. 9. In the execution of their duties the Auditor, the Deputy Auditor the assistant auditors, the chief district auditor, and the district auditors are authorized to summon witnesses, administer oaths, and to take evidence, and, in the pursuance of these provisions, may issue subpoenas and enforce the attendance of witnesses in the manner provided in the case of provincial fiscals in section two of Act Numbered Three hundred and two.

SEC. 10. The Auditor shall have and keep an official seal, upon which shall be engraved the following design: "Office, Auditor for 11n| Philippine Islands, official seal." The Auditor shall affix his nllicial. seal lo all copies or transcripts of papers in his office which he may be required to certify.

THE TREASURER.

SEC. 11. There shall be a Treasurer of the Islands, to be appointed in the same manner as the Auditor, who shall be Director of the Bureau of the Treasury. The Treasurer of the Islands shall receive and safely keep all moneys arising from the revenues and receipts of the islands from whatever source derived, including cash and depositary funds of whatever nature, and shall keep proper accounts thereof in permanent books of record, and shall disburse the same only on warrants, countersigned by the Auditor or his designated subordinate, or otherwise in accordance with law, and lie shall be held responsible for indorsements upon such warrants except as hereinafter provided: Provided, That depositary funds shall be disbursed upon the official check of the officer or agent in whose mime such funds were deposited. The official title of the Treasurer to be affixed to his official signature shall be "Treasurer of the Philippine islands:" Provided, That for the sake of brevity the words "Treasurer" and "Assistant Treasurer" may be used where the full title of the office otherwise appears on the document or paper requiring signature and that as a distinctive title the words "Insular Treasurer" may be used.

SEC. 12. There shall be an Assistant Treasurer of the Islands, to be appointed in the same manner as the Auditor.

The duties of the Assistant Treasurer shall be, under the supervision of the Treasurer, to receive and disburse cash in the office of the Treasurer, to have charge of the cash room, and to perform such other duties as the Treasurer may assign to him. He shall have charge of the Bureau of the Treasury in case of the death, resignation, sickness, or other absence of the Treasurer.

SEC. 13. The Secretary of Finance and Justice is authorized to designate, from time to time, either the chief clerk, the paying teller, or the receiving teller of the Bureau of the Treasury as Acting Assistant Treasurer during the absence of the Assistant Treasurer and when the Assistant Treasurer, by virtue of his office, is performing the duties of Acting Treasurer. In the absence of both the Treasurer and the Assistant Treasurer the employee so designated shall take charge of the Bureau as Acting Treasurer.

SEC. 14. The Treasurer shall render daily accounts of the receipts and disbursements of his office and submit the same to the Auditor. In rendering such accounts the Treasurer shall charge himself with all funds received during the period covered by the account, and shall credit himself with all funds paid upon warrants, which warrants shall be submitted with his accounts to the Auditor for examination: Provided, That: the Insular Treasurer shall have the custody of all paid warrants for two years after the date of their issue, when his responsibility for indorsements thereon to the Government and to the payee shall proscribe and cease, and they shall thereafter be filed with the Auditor.

SEC. 15. The Treasurer shall forward to the Secretary of War, through the Bureau of Audits for certification, not later than ten days after the expiration of each month, such report, duly certified, as may be required of moneys received, together with a statement of disbursements made.

SEC. 16. The Treasurer and Assistant Treasurer shall give bonds, to be approved by the Governor-General, for the faithful performance of the duties of their respective offices, in such amounts as shall from time to time be fixed by the Governor-General. An additional separate record of such bonds shall be kept in the office of the Auditor.

TREASURER RECEIPTS.

SEC. 17. The Treasurer shall issue receipts for all moneys received by him pertaining to the Insular Government or the city of Manila, which shall be numbered consecutively, a series for each fiscal year, and shall bear the date upon which deposit was actually made and show from whom and on what account received. All such receipts shall be registered and countersigned by the Auditor or his duly authorized subordinate, without which they shall be invalid, and for this purpose the Treasurer shall transmit all receipts when issued to the Auditor, who, after registry and countersignature, shall transmit such receipts to the depositor.

WARRANTS.

SEC. 18. Warrants upon the Treasurer for the payment of public moneys shall be issued by the Director of Bureau or other person charged by law with the control of an appropriation, or by such subordinate as shall be designated for such duty by the head of the Department to which, such Bureau or Office pertains, either to the order of any creditor of the Government or to the order of an officer or agent designated under the provisions of section twenty of this Act for disbursement for official purposes, but in the latter case the words "advance for official expenditures" shall be plainly stated upon each such warrant: Provided, That warrants drawn upon appropriations for the city of Manila, shall be issued by such officer or agent as shall be designated by the Municipal Board, with the approval of the Governor-General: And provided further, That warrants chargeable to appropriations for unassigned service shall be drawn by such officer as shall be designated by law or, in the absence of such designation, as shall be designated by the Governor-General. No warrant shall be paid by the Treasurer without the counter-signature of the Auditor, the Deputy Auditor, one of the assistant auditors, the chief district auditor, or such other employee of the Bureau of Audits as may be duly authorized therefor in writing by the Auditor

before payment thereof may be made by the Treasurer, and no warrant due and payable shall be held by the Auditor without action for more than twenty-four hours, exclusive of Sundays and legal holidays.

SEC. 19. Every payment of public moneys in the city of Manila, except for salaries and wages, shall be made by warrant issued in provisions of this Act: Provided, That payments for other purposes in the city of Manila not exceeding one hundred pesos in any one case and salaries and wages to whatever extent may be made from funds drawn for disbursement for official purpose.

COLLECTING AND DISBURSING OFFICERS.

SEC. 20. Directors of Bureaus or other officers having administrative control of appropriations are authorized to designate, with the approval of the Governor-General or proper head of Department, as the case may be, such number of officers or agents as may be necessary to disburse such appropriations: Provided, That at the request of any Director or officer in charge of a Bureau or Office the Insular Treasurer shall designate a subordinate of his office to make payments in cash of monthly pay rolls in the city of Manila, and such officer or agent shall render such accounts thereof as may be required by the Insular Auditor.

SEC. 21. Except as otherwise provided in this Act, the officers or agents authorized to receive and collect moneys arising from the revenues of the Insular Government, and receipts, of whatever kind, shall be required to pay the full amounts received and collected by them, respectively, to the Insular Treasurer, promptly and without any deduction whatever, and to render to the Auditor monthly accounts therefor within five days after the expiration of the month to which they pertain, in such form as may be required by him.

SEC. 22. Transfers of Insular funds from one officer or agent to another shall be made only upon the authority of the Auditor given in advance. When there is any change in officers or agents, the outgoing officer or agent shall render an account in full showing the disposition of his unexpended balance, whether transferred to his successor in accordance with the provisions herein contained, or deposited with the Treasurer of the Islands.

SEC. 23. Every officer or agent is responsible to the Insular Government under his bond for payments of public funds or disposition of public property made by him, whether such payments or dispositions are made by direction of his superior officers or not, and the fact of such direction will not relieve him of responsibility, but the officer directing an illegal payment or disposition of funds or property shall be first held for the amount thereof: Provided, however, That no settled account shall be reopened by the Auditor when even- material fact was before him at the time of audit and settlement.

ACCOUNTS.

SEC. 24. All accounts of the Treasurer of the Islands and of the various officers and agents authorized to collect the revenues, receive moneys, and make disbursements, and all other accounts subject examination and settlement by the Auditor, shall be with the "Government of the Philippine Islands," and all balances certified by the Auditor shall be certified as due to or from said Government, as the case may be: Provided, That in settlements of provincial or municipal accounts such settlements shall be made with the particular province or municipality to which the account pertains.

SEC. 25. Accounts of appropriations shall be kept so as to show the balances remaining undrawn and subject to withdrawal at any time. Appropriations shall not be confined to fiscal years, but shall be available until expended for the purposes for which appropriated, subject to such restriction as may be specifically imposed in the appropriation Act. The Auditor is authorized and directed to transfer at any time, from moneys appropriated for a specific purpose, to the unappropriated general fund, any balances standing to the credit of a Department, Bureau, or Office when the head of such Department, Bureau, or Office shall, certify to the Auditor that the work or purpose for which the appropriation was made has been completed and that there are no outstanding obligations to

be paid from such appropriation.

SEC. 26. Information of all orders of the Government, through its officers or agents, which may originate a claim or in any manner affect the settlement of any account, shall be transmitted to the Auditor by the officer issuing said order, under such regulations as the Auditor may prescribe.

SEC. 27. Every contract under which a payment may be made shall be submitted to the Auditor with the account to which such payment pertains. In the case of deeds to property purchased by the Government, the Auditor shall require an official certificate by the Court of Land Registration or other evidence satisfactory to the Governor-General that the title is in the Government.

SEC. 28. The Auditor shall, at convenient intervals, send an official notification in writing to each Bureau, Office, officer, or agent whose accounts have been settled in whole or in part, stating the cash balances found due thereon and certified and the charges or differences arising on such settlement by reason of disallowances, charges, or suspensions made by the Auditor, or from other causes, which statement of charges or differences shall be properly itemized. The reasons for disallowance, charge, or suspension of credit shall in all cases be stated. A charge or suspension which shall not be satisfactorily explained within ninety days after the deposit in the mails of notice to the officer concerned of such charge or suspension shall become a disallowance, unless the Auditor shall, in writing, extend the time for answer beyond ninety days.

SEC. 29. The Auditor, on account of fraud, collusion, error in calculation, or newly discovered material evidence, or when in his judgment the interests of the Government may seem to require it, is authorized, within three years after original settlement, to reopen any account previously settled by him or by a district auditor, and, after written notice to the person involved and after a reasonable time for the reply or appearance of said person, to certify thereon a new balance.

SEC. 30. Any officer or agent whose duty it is to collect and receive moneys arising from the revenues of the Insular Government, or moneys accruing to the same, of whatever kind, who shall fail to render complete accounts of such receipts to the Auditor or to transmit the same within five days after the expiration of the month to which they pertain, or shall, neglect to render the same when requested to do so, or who, being accountable for moneys advanced him for purposes of disbursement, shall neglect to account therefor immediately upon receipt of the Auditor's written request, shall be subject to such penalties as may be prescribed by law, and the Auditor may request the Governor-General to direct prosecution under Act Numbered Seven hundred and forty-nine in any case which in his judgment, may seem to require such action: Provided, That postal accounts of postmasters shall be rendered within five days after the close of each quarter.

SEC. 31. When suit is brought in any case of delinquency of an officer or agent accountable or responsible for public funds or property, a transcript from the books and proceedings of the Auditor or the Office, concerned, or both, certified by the Auditor under his seal, shall be admitted as evidence and judicial notice shall be taken thereof, and the court trying the case shall be authorized to grant judgment and award execution accordingly. All true copies of contracts, or other papers relating to, or connected with the Auditor with, the settlement of any account between the Government and an individual, when certified by the Auditor under his seal to be true copies and the originals on file in his office, or that of the Bureau or Office concerned, or both, may be annexed to such transcripts, and shall have equal validity and be entitled to the same degree of credit which would be due to the original papers if produced and authenticated in court: Provided, That where suit is brought upon a bond or other instrument, and the answer of the defendant denies the execution of the same, and the defendant makes his motion to the court for the production of the same, verifying such answer and motion by his oath the court may take the same into consideration, and, if it appears to be necessary for the attainment of justice, may require the

production of the original bond, contract, or other papers specified on such affidavit.

SEC. 32. Upon the trial of any complaint or information against any person for misappropriation of public moneys or property, it shall be sufficient evidence, for the purpose of showing a balance against such person, to produce a transcript from the books and proceedings of the Auditor or Bureau or Office concerned, or both, as provided by the preceding section, and a showing of any balance against such person shall be prima facie evidence of the misappropriation of the funds or property unaccounted for.

SEC. 33. Collections arising under the Internal Revenue Law, exclusives of the proceeds of cedula and municipal licenses and licenses, weights and measures under Act Numbered Fifteen hundred and nineteen, shall be deposited in the Insular Treasury. The adjustment and payment of the per centum of such revenues which accrue to the city of Manila, the provinces, and municipalities in accordance with law shall be made by warrant upon the Treasurer issued by the Auditor or his duly designated subordinate: Provided, That collections of the proceeds of cedulas and municipal licenses imposed by Act Numbered Eleven hundred and eighty-nine and weights and measures under Act Numbered Fifteen hundred and nineteen in the city of Manila shall be deposited to the credit of the general fund of the city of Manila, and the Auditor may direct, under regulations to be prescribed by him, the separation of revenues which accrue in part to the insular government and in part to provinces or municipalities and cause the deposit thereof in the treasury of the province concerned, any provisions of existing law to the contrary notwithstanding.

SEC. 34. All revenues accruing to the Moro Province shall be deposited directly in the treasury of the province and not in the Insular Treasury and all disbursements which are required to be made from funds of the Moro Province shall be made directly from such funds, under appropriations of the legislative council, and section three of Act Numbered Eight hundred and thirty-three is hereby repealed. This section is not to be construed as removing the collectors of customs in the Moro Province from the administrative jurisdiction of the Collector of Customs of the Islands.

SEC. 35. The customs collection accounts of the Moro Province shall be examined and settled by the Insular Auditor, who shall certify his settlement to the district auditor assigned to the Moro Province.

SEC. 36. Any person aggrieved by the action or decision of the Auditor in the settlement of his account or claim may within one year take an appeal in writing to the Governor-General, which appeal shall specifically set forth the particular action of the Auditor to which exception is taken, with the reason and authorities relied on for reversing such decision. If the Governor-General shall confirm the action of the Auditor, he shall so indorse the appeal and transmit it to the Auditor, and the action shall thereupon be final and conclusive. Should the Governor-General fail to sustain the action of the Auditor, he shall forthwith transmit his grounds of disapproval to the Secretary of War, together with the appeal and the papers necessary to a proper understanding of the matter. The decision of the Secretary of War in such case shall be final and conclusive.

BONDS.

SEC. 37. In all cases where an Insular, provincial, or municipal officer or agent shall receive or have custody of funds or property in the discharge of his official duties he shall give bond to the Government of the Philippine Islands, for whom it may concern, for the faithful performance of his duties and the accounting for all funds or property which may come into his hands by virtue of his office; unless he be an officer of the Army or Navy of the United States detailed for the duty, in which case no bond shall be required. It shall be the duty of the Auditor to fix the amount of such bond, to approve the same, and to retain it in his custody, except as provided in Act Numbered Seventeen hundred and thirty-nine, entitled "An Act creating the fidelity bond premium fund, providing for assurance against losses, shortages, and defalcations by officers or employees accountable for public

funds and public property, and for Bond at the other purposes:" Provided, That with the approval of the Governor-General or head of Department, as the case may be, any of me officers so exempted may be required to give bond at the expense of the accountability less the Government: And provided further, That in cases where the accountability or responsibility involved is less than five hundred pesos no bond need be required, in the discretion of the Auditor.

GOVERNMENT DEPOSITARIES.

SEC. 38. The Governor-General may designate banking institutions in the Philippine Islands as depositaries of the Insular, provincial, and municipal governments when there shall have been filed with him satisfactory evidence of their financial responsibility and such security as he shall require and approve. Such institutions banking may deposit their securities with the Insular Treasurer, or the Bureau of Insular Affairs of the War Department, Washington, District of Columbia, in which latter event, if found satisfactory by the Secretary of War, he may approve the same, and designate such institutions as official depositaries and. advise the Governor-General that such banking institutions have made deposits of bonds or other securities as security for the deposit of governmental funds, stating the amount of such bonds or. securities so deposited, and that he has approved the same.

The Secretary of War may designate banking institutions in the United States as depositaries of the Government of the Philippine Islands, after they have filed in the Bureau of Insular Affairs of the War Department, Washington, District of Columbia, sufficient evidence of their sound financial condition and deposited bonds of the United States or of the Government of the Philippine Islands or other security satisfactory to the Secretary of War in such amounts as may lie designated by him; and no banking institution shall lie designated a depositary of the Government of the Philippine Islands until the foregoing conditions have been complied with.

SEC. 39. Officers or agents of the Government or any of its subdivisions shall deposit funds placed in their hands for disbursement pursuant to appropriations only in such depositaries in the Philippine Islands as may be designated by the Insular Treasurer. When payment is made by check, its number shall be noted on the voucher to which it pertains. Such depositaries shall report to the Auditor at the close, of each quarter, or oftener if he shall require it. the balances to the credit of all officers or agents as shown by their records. In every ease where two years have elapsed since the rendition and settlement of the final account of an officer or agent and there remains a balance in any depositary to the credit of such officer or agent by reason of the nonpresentation of checks or otherwise, the Auditor shall require the said depositary to deposit the said balance with the Treasurer of the Islands, to be carried by the Auditor to a permanent appropriation for "outstanding liabilities." No official check shall be paid after two years from the date of its issue. Collecting officers or agents shall deposit their funds in such depositaries as may be designated by the Insular Treasurer and in accordance with regulations to be prescribed by him.

SEC. 40. Whenever any original check or warrant is lost, stolen, or destroyed, issuing officers or agents are authorized, after the expiration of three months and within two years from the date of such check, to issue a duplicate check or warrant, and the Treasurer or designated depositaries of the Government are directed to pay such duplicate checks or warrants, under such regulations in regard to their issue and payment and upon the execution of such bonds, with surety to indemnify the Government, as the Auditor and Treasurer shall jointly prescribe: Provided, That upon satisfactory evidence that the check or warrant has been destroyed or never reached the payee, the above-mentioned period of three months may lie waived.

SEC. 41. In case the officer or agent by whom such lost, destroyed, of stolen original check was issued is dead or no longer in the service of the Philippine Islands, it shall be the duty of the Auditor to direct the Treasurer, or proper depositary, to transfer from the balance to the credit of such officer or agent to the account of "outstanding

liabilities" the amount of such lost, destroyed, or stolen 'heck and to state an account in favor of the owner of the original check for the amount thereof.

SEC. 42. The Treasurer and designated depositaries shall, at the close of business on every thirtieth day of June, report to the Auditor the condition of every official account standing on their books, stating the name of each depositor, with his official designation, the total amount remaining on deposit to his credit, and the dates, respectively, of the last credit and the last debit made to each account; and each officer or agent shall make a like return of all checks issued by him and which may have been outstanding and unpaid for two years or more, stating fully in such report the name of the payee, for what purpose "each check was given, the depositary on which drawn, the number of the voucher received therefor, the date, number, and amount for which it was drawn and, when known, the residence of the payee.

SEC. 43. Whenever an officer or agent, shall cease to act in an official capacity, he shall submit to the Auditor a statement of the public funds or trust funds received in his official capacity remaining to his credit in any depositary, and he shall submit a list of checks, with names of the payees and amounts, which he has drawn against the same which are still outstanding and unpaid.

SEC. 44. When an officer or agent becomes separated from the service through removal, resignation, or death, and in the settlement of his accounts it becomes necessary to transfer funds from his depositary account to the General Treasury, it shall be the duty of the Treasurer of the Philippine Islands to charge the officer's or agent's account in the sum to be deposited in the Treasury, and to deposit the same therein as requested by the Auditor; and the written request of the Auditor for such action shall be sufficient authority for the Treasurer or the designated depositary to make such deductions and deposits.

SEC. 45. Any balance in any depositary to the official account of any officer or agent of the Government or any of its branches which shall not have been increased by any new deposit thereto or decreased by any check drawn thereon for the space of one year shall be covered into the Treasury to the credit of "outstanding liabilities." The amount of such balance so transferred may be credited by the Auditor to the officer or agent in whose name it had stood on the books of the depositary if it appears that he is entitled to such credit.

SEC. 46. All claims arising on account of outstanding liabilities, as aforesaid, shall be filed with the Auditor, with the evidence pertaining thereto, if the Auditor shall find that such claim is valid and unpaid, he shall certify the amount due and cause to be issued a warrant on said certificate.

POSTAL MONEY ORDERS.

SEC. 47. The Auditor shall keep the accounts of the money-order business separately and in such manner as to show the number and amount of money orders issued at each post-office, the number and amount paid, and the fees received. The Auditor shall certify quarterly the receipts as fees from the sale of money orders, and upon such certification the fees so collected shall be transferred to postal funds and taken up as postal receipts. Losses of money-order funds in transit, by fire, burglary, or other unavoidable casualty, if credit be allowed therefor, shall be deducted from the fees collected before the quarterly transfer of such fees as postal receipts.

SEC. 48. Money-order accounts shall be rendered as often as required by the Auditor. Transfers of money from postal receipts to money-order funds, or vice versa, may be made by the postmaster, under such regulations as the Auditor may prescribe, when his receipts from the sale of money orders are insufficient to pay the orders drawn upon his office, or when the postal revenues are insufficient to meet immediately the authorized expenditures of his office.

LOSSES, INDEBTEDNESS, ETC.

SEC. 49. Claims of officers or agents whose duty it is to collect, have the custody of, or account for public moneys or account for public moneys or property, for losses of funds or property in transit, by fire, burglary, or other unavoidable casualty, shall be transmitted to the Auditor within one month after such loss occurs, with all available evidence in the same. If the Auditor shall find that the said funds or property were properly in the hands of such officer or agent, or were properly remitted, and that the loss resulted through no fault of said officer or agent, he may, with the written consent of the Governor-General, credit the account of such officer or agent with the amount of the loss: Provided, That in no case shall a credit in excess of two thousand pesos be given in this manner. Claims for losses in excess of two thousand pesos shall be submitted, through the Auditor and Governor-General, to the Philippine Legislature for relief through legislative enactment.

The officer or agent shall be liable for all losses resulting from any cause, except an act of God or the public enemy, unless relieved therefrom as herein provided.

SEC. The Auditor may, with the written consent of the Governor-General, mitigate, remit, remove, compromise, release, or discharge, any liability, in whole or in part, to the Insular Government, a provincial or a municipal government, in any matter before time when in his judgment the interests of such government require it. except in cases provided for in the next preceding section, and subject to such further restrictions as may be provided by law: Provided, That no liability in excess of two thousand pesos shall be so mitigated, remitted, compromised, released, or discharged, but shall be submitted to the Philippine Legislature for relief through legislative enactment.

SEC. 51. The Auditor shall supervise the collection of all debts found to be due the Government in connection with his settlement and adjustment of accounts, through the usual civil and judicial channels, and request the Governor-General to direct the institution of any legal proceedings necessary to enforce the payment of such debts and the restitution of all amounts found to be due said Government, in settlements made by him, with interest at six per centum per annum from the date of the Auditor's written demand, and he may direct the proper officer or agent to withhold from any officer, agent, or employee of the Government who is indebted to it any amount which may be due or which may become due to such officer, agent, or employee who fails to pay such indebtedness on demand. Indebtedness to the Government shall be construed to mean indebtedness to the Insular Government, to a provincial government, or to any municipal government, and whether for funds or property or both.

SEC. 52. Upon the separation from the service of any officer or agent by death or other cause, money due him or his estate by the government for salary, leave, or any other reason, shall first be applied to the payment of any indebtedness of such officer or agent to the Insular or to any provincial or municipal government: Provided, That any salary, accrued leave, or other amount due to any officer or agent of the Government from any appropriation or other funds of the Government may be at any time withheld and applied to the payment of any indebtedness due the Insular Government or 'my provincial or municipal government of the Islands from such officer or agent.

SEC. 53. There, shall be maintained, under the jurisdiction of the Insular Auditor, a corps consisting of such number of district auditors as may be provided for by law, and at such salaries as may be fixed in the appropriating Acts. Each district auditor shall examine and settle the accounts of the provincial and municipal treasurers or other officers or agents collecting and disbursing provincial and municipal funds within the district assigned to him, and shall likewise examine and settle all accounts of provincial or municipal property within his district, he shall be the examiner or agent of the Insular Auditor within his district, as provided in section seventy-two, and shall make such examinations of the Insular money or property accounts and render reports thereon as the Insular Auditor may direct. The district auditors shall be appointed by the Insular Auditor, subject to the approval of the Governor-General.

SEC. 54. Each district auditor shall have original and exclusive jurisdiction over the settlement of the provincial and municipal accounts within his district, except as otherwise provided in this Act.

SEC. 55. With the exception of the city of Manila, the Philippine Islands shall be divided into as many districts, consisting of one or more provinces, as may be fixed by the Insular Auditor. A district auditor shall be assigned to each district by the Insular Auditor: Insular Auditor may, if necessities require it, the districts from time to time or assign one district auditor to two or more districts, and he may withdraw any of the district auditors as the exigencies of the service may demand, or transfer them to other assignments.

SEC. 56. It shall be the duty of the provincial board of each province to furnish the district auditor with suitable office space in the provincial building and with the necessary office supplies, furniture, and janitor service, the adequacy of all which the Insular Auditor shall determine. In the event of a failure of a province to supply such office space and service; the District Auditor may, with the prior approval of the Insular Auditor, himself provide such necessities, and the cost thereof shall be a proper charge against the funds of the province concerned.

There shall be employed in each of the provinces a clerk not above the grade of Class A, who shall be appointed under civil service rules by the district auditor, with the approval of the Insular Auditor. Such clerks shall be under the direction of the district auditors and shall be paid from provincial funds and subject to the laws governing provincial employees with reference to expenses of transportation and per diems in lieu of subsistence. The Insular Auditor may in his discretion transfer such clerks from one province to another, as the exigencies of the service may require, or to the end that in the small provinces a clerk may not be permanently stationed, in which casts the salary, per diems, and expenses of such clerk shall be apportioned between the provinces concerned in such manner as the Insular Auditor may deem to be equitable. In case of necessity for the permanent assignment of more than one clerk to a province or the payment of a salary for a clerk in excess of that herein provided, such assignment and salary shall have the prior approval of the Governor-General.

SEC. 57. The headquarters of each district auditor shall be at a place in his district to be established by the Insular Auditor, and while absent from such headquarters on official business he shall be entitled to such per diem and the actual and necessary cost of transportation as may be provided by law.

SEC. 58. Each district auditor shall certify the balances arising in the accounts settled by him to the Insular Auditor and to the proper provincial and municipal treasurer, in such form as the Insular Auditor may prescribe.

SEC. 59. A district auditor shall be ineligible for appointment as a provincial treasurer of any province within his district, except temporarily under the provisions of sections sixteen and twenty-one of Act Numbered Eighty-three, as amended, until one year shall have elapsed after he shall cease to be the auditor for the district in which the province is located.

SEC. 60. Every decision by a district auditor making or modifying an original construction of a statute shall be forthwith reported to the Insular Auditor, and items in any account affected by such decision shall be suspended and credit for payment thereof withheld until the Insular Auditor shall approve, disapprove, or modify such decision and certify his action to the district auditor.

SEC. 61. Any person aggrieved by the action or a decision of a district auditor in the settlement of an account may within one year appeal in writing to the Insular Auditor, whose decision shall be final, except that a farther appeal may be taken by the person aggrieved to the Governor-General, whose decision shall be final and inclusive upon all concerned. In all cases of appeal all papers in the case shall be transmitted to the Insular Auditor for action or reference to the Governor-General, as the case may be.

SEC. 62. The Insular Auditor may revise, on his own motion, any settlement made by a district auditor and certify

a new balance thereon, which balance shall be final and conclusive upon all parties, except that a party aggrieved may appeal as provided in section thirty-six of this Act. The Insular Auditor may require any account and accompanying vouchers to be forwarded to him for the purpose of such revision.

SEC. 63. In the application of this Act to provinces and municipalities other than the city of Manila the words "district auditor" shall be substituted for the word "Auditor" wherever such word appears in sections twenty-six, twenty-seven, twenty-eight, twenty-nine, and thirty-two hereof.

ACCOUNTABILITY TOR PUBLIC PROPERTY.

SEC. 64. The Director, chief, or other designated head of a Bureau or Office of the Insular Government, or department under and offices. the municipal government of the city of Manila, the treasurer of a province, district, municipality, township, or other branch of the Government; shall be accountable for the custody, care, preservation, and proper use of all public property pertaining to his office acquired by purchase, transfer, assignment, gift, or by any other means; and each officer or agent aforesaid and his sureties, in the absence of due care or diligence on his part, shall be held responsible for the money value of said public property in case of loss, improper or unauthorized use, misappropriation, or unreasonable deterioration caused to said public property, whether in his actual possession or not.

SEC. 65. Whenever public property is in the possession or custody and control of an officer or agent other than the accountable officer or agent, the latter may require such officer or agent to keep such records and make such reports as lie may deem necessary for his own protection and as provided by section six of this Act, and in the absence of duo care and diligence on his part the officer or agent having possession or custody of public property, and his sureties, shall be held responsible for the money value of such public properly in case of the improper or unauthorized use, misappropriation, or unreasonable deterioration caused to said property.

SEC. 66. When public property has become unserviceable from any cause, or is no longer needed for the public service, and upon the application of the accountable officer, it shall be inspected by a district auditor, or other duly designated officer or agent of the Bureau of Audits, and if found to be valueless or unsalable may be destroyed in the presence of the inspecting officer, and if found

to be valuable shall he fold at public auction to the highest bidder after advertisement for not less than six days by printed notice in a newspaper of general circulation in the community where such property is in be sold, or by notices posted a like period in at least four public places, where there is no newspaper published: Provided, That on the authority of the respective heads of Department concerned, public property may be transferred at an appraised valuation between bureaus, municipalities, or provinces: And provided further, That when in his discretion the public interests will be best served by such action, the Governor-General may authorize the sale of public property at private sale, subject to such restrictions as he may impose in each case.

SEC. 67. When public funds or property arc shipped from one place to another and the consignee, whether an agent of the Government or otherwise, shall accomplish the bill of lading or receipt therefor without notation thereon of a shortage in or damage to the public property covered by such bill of lading, such consignee shall be held for the full amount and value of such public property in default of competent evidence to the contrary satisfactory to the Auditor, a district auditor, or other committee appointed under the provisions of this Act: Provided, That evidence of the opening or tampering with any package of public property shall bind the carrier for any shortage or damage that may appear therein, and when notation is made upon the bill of lading or receipt of such evidence the burden of proof that Hie shortage or damage occurred after the shipment left the carrier's possession shall be upon such carrier.

PROCEDURE IN CASE OF DEATH OR OTHER INCAPACITATION.

SEC. 68. Whenever any officer or agent of the Insular Government responsible for public money or property for which, another is accountable dies, absconds, or becomes incapacitated from any other reason, it shall be the duty of the district auditor within the district, with the consent of the proper accountable officer or agent, to take charge of the cash and property of such responsible officer or agent at once, to make an inventory thereof in the presence of one or more disinterested witnesses, and to notify the Insular Auditor forthwith, and to forward as soon thereafter as possible a duly signed and witnessed copy of the inventory taken. In the event that the proper accountable officer or agent can not at once be communicated with, the district auditor shall take charge of such cash and property without the prior consent or approval of the proper accountable officer or agent, but shall inform the latter immediately of the action taken by the quickest and most direct usual means of communication. The district auditor shall retain possession of such money and property until a duly designated successor or acting officer or agent arrives, whereupon he shall turn over to such officer or agent duly designated such money and property and take proper receipts therefor. The district auditor shall render on behalf of the deceased, absconding, or otherwise incapacitated officer or agent his final accounts and make credit therein for the money or property received for by his successor.

SEC. 69. Whenever any officer or agent who is accountable for public funds or public property dies, absconds, or becomes otherwise incapacitated for the performance of his duties, the Governor-General or proper head of Department, as the case may be, in the case of Insular funds or property, the President of the Municipal Board of the city of Manila in the case of funds or property of that city, the Executive Secretary in the case of provincial funds or property, and the provincial treasurer in the case of municipal, township, or settlement funds or property, as the case may be, shall designate a person to take charge of such funds or property until a successor to such deceased, absconding, or otherwise incapacitated officer or agent is properly appointed and qualified, and shall appoint a committee of one or more persons to count the cash and make an inventory of the property for which such deceased, absconding, or otherwise incapacitated officer or agent was accountable, and determine the responsibility for any shortage in such funds or property. One copy of such inventory and of the report of the committee, duly certified, shall be filed with the Insular Auditor. In case such agent was bonded, his sureties shall have the right to representation on such committee: Provided, That when an officer or agent responsible for public funds or property for which another is accountable dies, absconds, or becomes otherwise incapacitated, the officer or agent accountable for such funds or property intrusted to the care, custody, or use of such responsible officer or agent may appoint a committee as aforesaid, or take any other lawful measures for the protection of his interests: And provided further, That the findings of any committee appointed under the provisions of this section shall not be conclusive until they have the approval of the Insular Auditor or his duly authorized representative.

GENERAL PROVISIONS.

SEC. 70. The Governor-General, through his authorized agent or agents shall make, as often as by him deemed advisable, an examination of the books and accounts of the Auditor and Treasurer, and a comparison of the results shown by the same, and also an examination and count of moneys in the hands of the Treasurer, and submit his report thereon to the Secretary of War.

SEC. 71. Wherever the term "appropriation" is used in this Act, it shall be understood to mean the appropriations made by the Philippine Commission or other legislative body in the Philippine Islands authorized by the Congress of the United States of America are referred to; wherever the term "Government" is used in this Act, unless otherwise qualified, it shall be understood to mean the Government of the Philippine Islands; and wherever the term "officer" or "agent" is used in this Act, it shall be understood to mean an officer or agent of the Government of the Philippine Islands, the city of Manila, a provincial, municipal, township, settlement, or other government established under the laws of the Philippine Islands and shall specifically include any officer or enlisted man of

the Army or Navy of the United States or any officer or agent of any other department or branch of the United States Government who is performing any duty of or for the Government of the Philippine Islands or any of its branches, whether by its authority or otherwise.

SEC. 72. All laws or parts of laws providing for traveling examiners, inspectors, special agents, or for other persons engaged in the examination of accounts, under whatever designation in any Department Bureau, or Office, except that of the Auditor, are hereby repealed. The Auditor shall have jurisdiction over all examinations of accounts in the offices of the various officers or agents collecting or disbursing funds of the Insular Government and of the provincial governments as provided in this Act, and shall have control over all officers or employees that may be provided for by law to make such office or field examinations of accounts, and all provisions of law in conflict with this section are hereby repealed: Provided, That the Auditor is authorized to employ his examiners or agents in making such administrative investigations for the benefit of other Bureaus or Offices as such bureaus or Offices may reasonably request.

SEC. 73. Acts Numbered Ninety, One hundred and forty-five, Two hundred and fifteen. Three hundred and twenty-eight, Nine hundred and nine, and Fourteen hundred and two of the Philippine Commission and all amendments thereto are hereby repealed; and all other Acts of the Philippine Commission or parts thereof which to are in conflict with this Act are likewise hereby repealed: Provided, That nothing herein contained shall be construed to affect existing appointments made under prior Acts nor to require the rebonding of officials or employees except when the Governor-General or the Auditor shall so require.

SEC. 74. The public good requiring the speedy enactment of this bill, the passage of the same is hereby expedited in accordance with section two of "An Act prescribing the order of procedure by the Commission in the enactment of laws," passed September twenty-sixth, nineteen hundred.

SEC. 75. This Act shall take effect on its passage.

Enacted, October 12, 1907.

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