Circular 20/1928:- Bankruptcy or Insolvency of Civil Servants

I am directed by the Minister for Finance to state that he has had under consideration the question of the treatment of Civil Servants, permanent or temporary, who become bankrupt or insolvent.

Apart from considerations of the discredit which such cases bring upon the public service, it will be obvious that the services of an official who becomes financially embarrassed must deteriorate in value. An efficient performance of his official duty is not to be expected from a person whose time and thoughts, instead of being engaged in his official business, must be occupied in efforts to extricate himself from his financial embarrassments. It is, moreover, highly undesirable that such a person should be placed or retained in a position of trust. At the same time the circumstances of cases that arise will vary. It may, for example, sometimes happen that the position in which an officer finds himself may have been due to causes not altogether within his own control, and not due to personal neglect or improvident habits. For these reasons the Minister for Finance considers it desirable that the treatment of officials who become financially embarrassed should, so far as possible, be left to the discretion of the Heads of Departments, but in order to ensure uniformity of practice in the matter throughout the Service he directs me to request that the following procedure may be observed in future:-

(1) A Civil Servant, temporary or permanent, who becomes a bankrupt or insolvent must immediately report the fact to the Head of his Department. This requirement should be conveyed to every official in the Service with an intimation that failure to comply with it will be regarded as grave misconduct which may result in dismissal.

(2) The Official concerned should be requested to submit, without delay, a complete statement of the facts of his case to the Head of his Department. If the circumstances disclose that the official who has become bankrupt or insolvent has committed an act of dishonesty or otherwise acted discreditably, the facts should be reported to this Department with an expression of view as to the course of action merited in the case. If the circumstances present no such serious feature it will be for the Head of the Department to decide in his discretion whether disciplinary action is called for.

Pending the inquiry into and consideration of his case the officer concerned should be continued in his post unless there is reason to believe that public monies or property have been or are likely to be involved, in which case he should be suspended. Under no circumstances should a Civil Servant who is bankrupt or insolvent be allowed to remain on duties involving the handling of public money or property.

A record should be placed on the personal file of an officer in regard to whom action under this Circular has been found to be necessary.

Finally, I am to express the Minister's desire that in the interests of Civil Servants themselves, and for the credit of the Service as a whole, any departmental circulars conveying to staff the directions in this circular should give warning as to the possible serious consequences which financial embarrassment may entail to the present and future prospects of a Civil Servant who allows himself to be placed in that position.

Additional copies of this Circular required for purposes of distribution to outdoor staffs, etc., may be obtained on application to the Controller, Stationery Office,

Mise, le meas,

H. P. Boland