

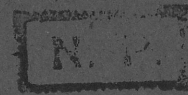
Government of Madras

HOME DEPARTMENT (EDUCATION).

G.O. No. 651, 17th May 1917

Grant-in-aid Code

Approving the proposal of the Director of Public Instruction to make an addition to Rule 37 of Chapter IV of the —, regarding the auditing of accounts of secondary schools by a competent auditor.



INDEXED

N. P.

ORIGINAL

Government of Madras

HOME DEPARTMENT (EDUCATION).

G.O. No. 651, 17th May 1917

Grant-in-aid Code

Approving the proposal of the Director of Public Instruction to make an addition to Rule 37 of Chapter IV of the —, regarding the auditing of accounts of secondary schools by a competent auditor.

READ—the following paper :—

Letter—from the Hon'ble Mr. J. H. STONE, M.A., F.R.H.S., C.I.E., Director of Public Instruction.

To—the Secretary to Government, Home (Education) Department.

Dated—Madras, the 31st March 1917.

No.—C. 2780.

It is a matter of general knowledge that regular accounts of income and expenditure are not always maintained in schools under private management and it seems desirable to insist in the case of secondary schools on having their accounts regularly audited by a competent person as a condition of aid. This is now insisted on in the case of European schools—vide Rule 33 (d) of the Code of Regulations for European schools. I have therefore the honour to submit, for the approval of Government and publication in the *Fort St. George Gazette*, the following addition to the Grant-in-Aid Code.

[Addition issued as notification.]

Order—No. 651, Home (Education), dated the 17th May 1917.

The proposal of the Director of Public Instruction is approved. The following notification will be published in the *Fort St. George Gazette* :—

NOTIFICATION.

The following shall be added to Rule 37 of Chapter IV of the Grant-in-Aid Code :—

“ which the Director may require to bear the countersignature of a competent auditor not in any way connected with the institution ”

(True Extract)

R. RAMACHANDRA RAO,
Secretary to Government.

To the Director of Public Instruction.
„ Superintendent, Government Press, for publication of notification in Gazette.

NOTES CONNECTED WITH G.O. No. 651, HOME (EDUCATION),
DATED THE 17TH MAY 1917

[SUBJECT.—Amendment of article 37 of the Grant-in-aid Code.]

From the Director of Public Instruction, No. 2730, dated the 31st March 1917.

Article 37 of the Grant-in-Aid Code provides that the management of every secondary school shall submit to the Director through the Inspector not later than the 1st May of each year a financial statement in the form prescribed in appendix F. As regular accounts of income and expenditure are not always maintained in schools under private management, the Director proposes that the rule should be amplified so as to give power to the Director to require the management, if necessary, to have its accounts audited by a competent person unconnected with the institution as a condition of aid. In support of the proposal, the Director refers to the requirements of rule 33 (d) of the Code of Regulations for European schools.

2. Managers of schools in out-of-the way places may find it difficult to secure the services of competent auditors at reasonable rates of remuneration and, if there is a dearth of such men, the management may find it difficult to submit its accounts by the prescribed date. It is for consideration whether before, approving the proposal, the Director may be asked to obtain and submit to Government the views of managers of select secondary schools as to its feasibility.

N.K.—9-4-17.

Audit is desirable. Some definition of a "competent auditor" seems necessary. It is not known what qualifications are demanded of those who audit the accounts of European schools. Persons with audit certificates under the Indian Companies Act are few; and a class of professional auditors with definite training and test has yet to be created. A scheme for the establishment of a college of accountancy and audit is under the consideration of Government. What is apparently contemplated by the Director of Public Instruction is a man of humbler qualifications who can conduct an independent audit.

If no qualifications are to be prescribed, the question is who is to certify about the competency of the auditor. Is it to be the Inspector and is the approval to be prior to the auditor's taking up the work? The latter seems to be necessary to avoid audits being rejected subsequently. The institutions affected number large and instructions should be definite.

The file may be sent to the Director of Public Instruction for further elucidation.

C. RAMANUJA ACHARIYAR—14-4-17.

Article 33 (d) of the Code of Regulations for European schools referred to recites "by a competent person not in any way connected with the school". The proposal runs "a competent auditor not in any way connected with the institute".

The rule will permit of the audit having to be done by *certified* auditors and it is possible several of the schools under private management may not afford to pay an auditor his travelling expenses and fees. I see the accounts are very simple. It appears to me check by any local trustworthy person is adequate.

Is it not usual for the Inspector to see at inspection the accounts are up to date? If so, I should like to know how the Director of Public Instruction's proposal will help towards the maintenance of the accounts systematically?

R. RAMACHANDRA RAO—14-4-17.

Attention is solicited to rule 60 (i) of the Madras Educational Rules which requires every secondary school to maintain among others a "cash book showing all receipts and expenditure" and to submit it to the inspecting officers when required.

Grant in Aid Code

Approving the proposal of the D.P.I to
make an addition to Rule 37 of chapter
IV of the _____, regarding the auditing of accounts
of secondary schools by a competent auditor.

READ AGAIN G.O. No/....., dated 191 .

” ” ” ” ” ” 191 .

C. No. 1700, From the D.P.S C, No. 2730, dated 31. 3. 1917.

” ” ” ” , ” ” 191

No. 651, dated 17-5-1917.

Ph

C. RAMANUJA ACHARIYAR—5-5-17.

R. RAMACHANDRA RAO—6-5-17.

C.R.—7-5-17.

The language follows that of article 33 (*d*) of the Code for European schools.

K.R.—7-5-17.

P[ENTLAND]—8-5-17.

S.K.—10-5-17.

N.K.—13-5-17.

C.R.—16-5-17.

R.R.—17-5-17.

22
 Dear Sir
 with
 1857
 17
 The S.P.I.
 & S.P. for publication
 justification in
 Gazette
 1857
 17
 "Which the Director may
 "require to bear the
 "countersignature of a
 "competent auditor not
 "in any way connected
 "with the institution"
 SK
 1857
 17
 CA
 1857
 17

For approval
28/5/17
Director's signature for
approval of the Public
Instruction Officer
1/6
30/5/17

NOTES CONNECTED WITH G.O. No. 651 HOME (EDUCATION),
DATED THE 17TH MAY 1917

[SUBJECT.—Amendment of article 37 of the Grant-in-aid Code.]

From the Director of Public Instruction No. 2730, dated the 31st March 1917.

Article 37 of the Grant-in-Aid Code provides that the management of every secondary school shall submit to the Director through the Inspector not later than the 1st May of each year a financial statement in the form prescribed in appendix F. As regular accounts of income and expenditure are not always maintained in schools under private management, the Director proposes that the rule should be amplified so as to give power to the Director to require the management, if necessary, to have its accounts audited by a competent person unconnected with the institution as a condition of aid. In support of the proposal, the Director refers to the requirements of rule 33 (d) of the Code of Regulations for European schools.

2. Managers of schools in out-of-the way places may find it difficult to secure the services of competent auditors at reasonable rates of remuneration and, if there is a dearth of such men, the management may find it difficult to submit its accounts by the prescribed date. It is for consideration whether before, approving the proposal, the Director may be asked to obtain and submit to Government the views of managers of select secondary schools as to its feasibility.

N.K.—9-4-17.

Audit is desirable. Some definition of a "competent auditor" seems necessary. It is not known what qualifications are demanded of those who audit the accounts of European schools. Persons with audit certificates under the Indian Companies Act are few; and a class of professional auditors with definite training and test has yet to be created. A scheme for the establishment of a college of accountancy and audit is under the consideration of Government. What is apparently contemplated by the Director of Public Instruction is a man of humbler qualifications who can conduct an independent audit.

If no qualifications are to be prescribed, the question is who is to certify about the competency of the auditor. Is it to be the Inspector and is the approval to be prior to the auditor's taking up the work? The latter seems to be necessary to avoid audits being rejected subsequently. The institutions affected number large and instructions should be definite.

The file may be sent to the Director of Public Instruction for further elucidation.

C. RAMANUJA ACHARIYAR—14-4-17.

Article 33 (d) of the Code of Regulations for European schools referred to recites "by a competent person not in any way connected with the school". The proposal runs "a competent auditor not in any way connected with the institute".

The rule will permit of the audit having to be done by certified auditors and it is possible several of the schools under private management may not afford to pay an auditor his travelling expenses and fees. I see the accounts are very simple. It appears to me check by any local trustworthy person is adequate.

Is it not usual for the Inspector to see at inspection the accounts are up to date? If so I should like to know how the Director of Public Instruction's proposal will help towards the maintenance of the accounts systematically?

R. RAMACHANDRA RAO—14-4-17.

Attention is solicited to rule 60 (i) of the Madras Educational Rules which requires every secondary school to maintain among others a "cash book showing all receipts and expenditure" and to submit it to the inspecting officers when required.

Under paragraph 104 of the Madras Inspection Code, inspecting officers are required to check the registers at the time of inspection. In the draft revised Educational Rules recently submitted by the Director of Public Instruction it is proposed to prescribe the form in which this cash book should be maintained. The form closely corresponds to the one prescribed in rule 37 and appendix F of the Grant-in-Aid Code. It has also been ascertained from the Director's office that the Inspectors do check these accounts but since their time is limited and since they are not professional accountants they find it difficult to spare sufficient time to check them in detail. If the accounts are countersigned by competent auditors a mere cursory examination of the method of keeping the accounts would suffice and time would be saved for more important work such as looking into the methods of teaching, organisation, etc. Moreover while the inspection of secondary schools goes on for eight months in a year and has to be completed by the end of February the financial statement is required, under article 37 of the Grant-in-Aid Code, to be submitted by the 1st of May at the latest. The Inspector may not therefore be able to verify the entries in the statements in all cases before the grant is drawn. In these circumstances the countersignature of a competent auditor seems to be desirable. It is for consideration whether the file may be sent to the Director of Public Instruction u.o. with reference to the Registrar's remarks on page 1 ante.

A.S.—28-4-17.

2. Attention is solicited to paragraph 9 of the Director of Public Instruction's letter No. 956, dated the 27th April 1917, regarding the audit of accounts of European schools by professional agency.

N.K.—1-5-17.

An Inspector cannot be expected to *audit* the year's accounts. He can only see that the registers are, at the time of inspection, properly maintained in the prescribed forms.

C. RAMANUJA ACHARIYAR—5-5-17.

I am afraid an *audit* will not improve matters. All an auditor has to see is that the form of accounts is correct, a demand, collection and balance is maintained and the expenditure is supported by vouchers.

Please put up the Grant-in-Aid Code.

R. RAMACHANDRA RAO—6-5-17.

Submitted.

C.R.—7-5-17.

To escape the difficulty of obtaining certificated auditors and the heavy fee such persons demand I would recast the proposed addition as follows:—

Which the Director may require to be certified as audited by a competent person not in any way connected with the institution.

The language follows that of article 33 (d) of the Code for European schools.

R.R.—7-5-17.

I prefer the Director of Public Instruction's words: he may be trusted to exercise his discretion: the words are permissive.

P[ENTLAND]—8-5-17.

A draft order is submitted for approval.

S.K.—10-5-17.

N.K.—13-5-17.

C.R.—16-5-17.

R.R.—17-5-17.

[G.O. No. 651, Home (Education), dated the 17th May 1917.]

ORDINARY.

PRESS SLIP.

PREFERENCE.

URGENT (a).

Sectt. II-33-2-16.

H. H. H. DEPARTMENT

Current No., dated 191

G.O. No. 657, dated 17. 191

Number of MS. pages sent {
(b) Correspondence. 6
(b¹) Notes. 6Brief subject. *Trans. in aid Code.*

(c) Number of copies required when struck off (not including copies for columns and editors' table which are retained in the Press).	(c) E. T. copies to supply requisitions for purchase by the public.	Complete correspondence and orders.	Notes.
FOR RECORD.*			
Madras Records	4	25	20
Coty Records		5	7
For filing with original			
Total ..		31	26

FOR ISSUE.†

Signature copies.	Letter only.	Complete G.O.	(b) Special issue copies of G.O.		Notes.
			No.	Papers.	
India Office.	2				
Govt. of India. Dept.					
Revenue Department.					
Public Works Department.					
Local and Municipal Department.					
Educational Department. Dept.					
Public Dept.					
Judicial Dept.					
Political					
Financial Dept. } Total					
Marine Dept.					
Ecclesiastical Dept.					
Total ...					

Spare copies

The. 8 P. 2.	6			
The.				
The.				
The.				
The. <i>Personal file</i>	10			
The.				
The.				
The.				
The.				
The.				
The.				
The.				
Total ...	16			

INSTRUCTIONS FOR THE SECRETARIAT.

(a) If a paper is marked to be printed urgently, the Superintendent of the section concerned should sign the Press slip. The Superintendent should exercise a careful discretion in the matter.

(b) Each letter, memorandum, or order, or set of orders, in the file of correspondence should be headed in succession with the Roman numeral I, II, III, etc., the number being written in red ink or blue chalk* above the item. The particular papers to be printed in the special issue-copies should be indicated by the Roman numeral (I, II, etc.) by which that item has been headed in the correspondence file. All matter, including marginal remarks or references, to be printed should be written in ink and matter which should not be printed should be encircled. Initials and signatures that are not quite legible should be re-written distinctly.

(b¹) For rules regarding printing of notes, see rule 315 of the office Manual.

(c) The number of copies and the details of distribution should be filled in by the Superintendent or Referencee concerned.

(d) In the absence of special instructions to the Press to keep matter standing for a specified period, ordinary papers of 8 pages and under will be kept standing for one week, and larger papers for two weeks only. The type of notes and of all confidential papers is distributed immediately after striking.

(e) This slip, properly and completely filled in, should accompany every paper sent to Press; it will be returned by the Press when proofs are furnished; it should be sent to the Press when a call is made for revised proofs or when a corrected proof is sent for striking. When finally returned by Press it should be filed with the original order or letter.

INSTRUCTIONS FOR THE PRESS.

(a) If, in the opinion of the Superintendent of the Press, a paper has been marked urgent unnecessarily, he should send the Press slip to the Registrar with a remark to that effect.

(b) Unless a note to the contrary is made against the matter, pencil entries should not be printed. The Superintendent of the Press may bring to the notice of the Registrar any instance of incomplete or careless editing.

(c) Signature copies of letters to the Secretary of State or to the Government of India should be printed on hand-made paper.

(d) This slip should be returned by the Press to the Secretariat when proofs are furnished; it will be sent back to the Press when proofs are returned corrected and should be finally returned to the Secretariat when struck-off copies are supplied.

(e) The names of the Secretary and Members should be printed in full when they occur on the right hand side, only the first time when they appear on the left side, the initials alone being printed later.

* Copies distributed on †(Press Clerk).

† Copies distributed on †(Press Despatcher).

† To be initialled and dated.

[P. T. O.]

TO PRESS, MADRAS OOTY.

A	B	C
Please send proof in duplicate. The papers have been carefully edited.	Proof returned corrected. Please strike off and send number of copies as indicated.	As the matter is clear manuscript and has been carefully edited, (b) proof need not be sent. Please print and supply number of copies as indicated.
Type may be released after usual interval at once.	Type may be released after usual interval at once.	Type may be released after usual interval.
Referencer. Clerk.	Referencer. Clerk.	Referencer. Clerk.
Supdt.	Supdt.	Supdt.

SPECIAL INSTRUCTIONS.

Press
 The notification in the G.O. will have to issue in the next gazette. Please send the original with the Gazette proof

QSD
 19/5/11

TO BE FILLED IN BY THE PRESS.

Diary.	Initials of Press official.
Received in Press on.....	
First proof furnished on.....	
Call for revised proof received on.....	
Revised proof furnished on.....	
Corrected proof received for striking on.....	
Final copies supplied on.....	

Account of copies.	Complete copies.	Notes.	Issue copies.	Special E.T. edition
Supplied to Secretariat for Record.....				
" " " Issue.....				
" " " for Extra E.T. copies to supply requisitions for sale to the public.				4
For Volumes.....				
For supply to newspapers and institutions admitted to the privileges of the E.T.				
Total ...				