

Law (1921) Department.
(Education)
Ordinary SERIES.

G.O. No. 1469

DATED

1469
 4-10-21
 4-10-1921

(8)

[Despatch Abstract.]

Audit of accounts of Dt. Edl. Councils and elementary education
 fund - Auditor General's instructions communicated to Examiner
 of Local Fund accounts.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

✓ 128
Law (Edn) Dep.

Subject

Rules under the Madras Elementary Education Act.

Under the Madras Elementary Education Act ~~all grants~~ which has been brought into force from 1st April 1921 all grants ^(from Provincial funds) to elementary schools under private management will be sanctioned by District educational Councils established under the Act. Rules have been framed under Sec. 42(2) of the Act laying down the procedure to be followed by D. E. Councils in sanctioning grants in aid ^(recurrent and non-recurrent) & defining their powers of sanction. The A.G. may be requested to state whether he has any remarks to offer on the draft rules.

Edn. no. 2456A-2
24.6.21.

SK
20/6/21.
NH
21/6/21

RA
21.6.21
my
22/6/21
Accountant Genl

U.O. 310

Office of the Accountant General,

Fort St. George, the 30th Aug. '21.

M.S. buffer

I enclose a copy of a note on the subject submitted

by the Examiner, Local Fund Accounts with which I agree.

I also enclose a copy of a letter from the Auditor-

General respecting the audit of expenditure incurred

by local Bodies out of Government grants and suggest

that directions may be issued to the Examiner, Local

Fund Accounts, on the lines indicated in para. 4 of the

letter. The audit carried out by the Examiner should

not only cover the grants made to institutions by the

District Educational Councils and Elementary Educational

Funds but also include a check to ensure that their

claims for Government grants are due under the provisions

of Sec. 37 of the Madras Elementary Education Act. 1920.

M. S. M. M.

G. H. A. G.

To

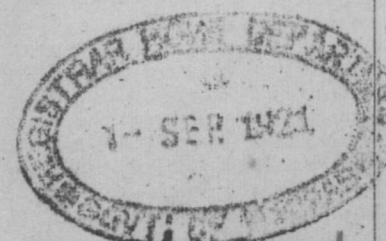
The Secretary to the Government of Madras,

Law (Education) Department. U.O.

Encls. 2

~~Law (Ed.) Dept.~~

~~The suggestions of the Examiner of J. A.~~



This appears only to Ed. Funds

For 4260 A
U. O. 21

(Put up with the file dealing with the draft rules under the Madras Ed. Act. Removed for making separate notes to the Examiner).

OFFICE OF THE ACCOUNTANT-GENERAL, MADRAS,

Fort St. George, the _____ of _____ 192 .

No.

ENCLOSURES.

Copy of letter from the Auditor-General, Body Guard Lines, Delhi, No. 399 T/A & A, to the Accountant General, Punjab, dated 5th July, 1921, copy forwarded to the Accountant General, Madras, for information.

With reference to your letter No. 152-3-1043, dated the 6th May, 1921, I have the honour to state that the questions raised by ~~me~~ you are:-

(1) Does the audit of grants made by the Sanitary Board and other Departments of Government to Local Bodies form part of the local Fund audit or is the Auditor-General responsible for it?

(2) What audit is to be applied to such grants. // As regards (1) audit has to be applied at two stages, viz.,

(i) the making of the grants and (ii) the spending of the grant by the Local body.

The audit at stage (i) is undoubtedly the duty of the audit Department and when a grant is made, audit has to see that it is admissible and within the competence of the sanctioning authority and that there is a proper receipt for the payment. The audit

at stage (ii) is the function of the Local Fund Audit Department, if the grant be made to a local fund not administered by Government. In all other cases it is the duty of the Auditor-General.

(3) the answer to question 2 is that the Local Government is the determining authority in respect of audit at stage (ii) if the audit has to be applied by the Local Audit Department and if that Department remain under the ^{administrative} control of the Local Government.

In all other cases the auditor ^{- General} is the determining authority. //

4. As in many provinces, the Auditor-General, has been asked under rule 12 of the Rules framed by the Secretary of State in Council under Sec. 96-D-(1) of the Government of India Act to undertake the audit of local funds, and thus retains administrative

131
administrative control over the local fund audit ~~department~~ concerned it is desirable to take this opportunity of issuing the following instructions to those Local Fund Audit Departments which are under his control as regards grants to such Local Funds and to Accountants General as regards grants to other bodies.

(1) When a grant is made for general purposes, it has to be seen that it is earned; (ii) when a grant is made for a specific purpose (e.g.) buildings, it should be seen that it is properly spent. Primarily the responsibility in both the cases rests with the departmental authorities sanctioning the grant but it is equally the duty of the Audit Department to see by means of occasional check that the departmental authorities fulfil their duty in this respect.

In regard to the grant for a specific purpose it will be sufficient for audit to satisfy ^{itself} that the amount granted by Government has been actually spent on the work for which it was given and that the work has been completed.

In cases of grants for general purposes the audit department should satisfy itself at local inspections:-

(a) that the conditions if any, subject to which the grant is made are fulfilled, (e.g.) if the grant to a school is subject to the condition that the number of students should not be less than a prescribed number, that number actually exists.

(b) that the institution is actually a deserving one and that it does not ^{spend} any money on objects which are not fit objects for expenditure of public money

(True copy)

MS
(19) There are accounts & vouchers in support of the expenditure.
There are completion certificates.

132
OFFICE OF THE ACCOUNTANT-GENERAL, MADRAS,

Fort St. George, the _____ of _____ 192 .

No.

ENCLOSURES.

Copy of U.C. note by the Examiner of Local Fund Accounts.

A, regards the mode of drawing funds from Treasuries, payments by means of cheques would appear to be more convenient and suitable rather than on bills presented at the Treasury for payment. If this procedure is accepted the Presidents may be allowed to draw on simple receipts money required for expenses as was done in the case of Official Receivers, until cheque books are printed and supplied. Then the payments by means of cheques will have to be endorsed on the forms printed as appendices Nos. 23, 26, 27, and 28 appended to G.O. No. 819 Law (Education), dated 31st May, 1921. The forms may be amended so as to provide for this and the reference to payment by the Treasury Officer may be omitted therein.

(2). Appendix 12 The form of the Budget of the Elementary Education Fund, requires revision so as to exhibit "Capital" and "Ordinary" transactions separately. The headings shown under "III Elementary Education Account on pages 34 and 35 of G.O. No. 849 L. & M., dated 16th May, 1921, based on the report of the Accounts Committee may, perhaps, be substituted as they were specially provided for in the accounts of Local Bodies, which are the local authorities under Section 3 (ix) of "the Madras Elementary Education Act, 1920".

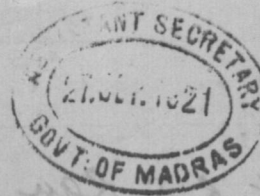
(3) Appendix 11. Similar distinction between "Capital" and "Ordinary" may be made in the accounts of the District Educational Council. Under section 12, it may own property (capital assets) and manage any endowment. The classifications of transactions may be revised so as to bring it into line with those of local bodies.

4. The accounts to be maintained by the District Educational Councils need mentioning. These are a cash book, a counterfoil receipt Book, Treasury Remittance Chalang, pass book and cheque book appear to be necessary for the present.

(5) Lastly Rule 5 (Tabulation of Schools admitted to aid and publication of lists) should be made clear so as to require that at least two copies of the consolidated lists of elementary schools, admitted to aid, should be sent to the Examiner of Local Fund Accounts-one to be retained in his Office and the other to be transmitted to his assistants for check during local audit.

(Signed) K. R. S. Rao,

Examiner of Local Fund Accounts.



The suggestions in the note of the Examiner on pages 5 & 6 supra have been noted on under the appropriate heads in the file dealing with the draft rules under the Madras Elementary Education Act (submitted separately). An extract of para 4 of the Auditor-general's letter on pages 3 & 4 supra may be communicated to the Examiner for information & guidance.

A draft order is submitted for approval. It may be sent to the Finance Dept for acceptance.

21.9.21
MS
21/9/21

21-9-21

2692

Finance Dept

ES no. 4260A-1
26.9.21.

Finance 4667A
27-9-21
6757B

Submitted that the draft order may be accepted.

Rev 6157B-1
29.9.21

27.9.21

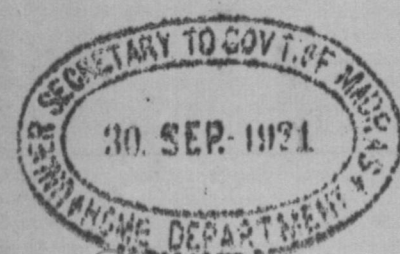
Law (ES) Dept.

28.9.21

Law (ES) Dept.

May 20.9.21

4102



Can 4757A
30.9.21

Date.	Initials.
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When examined

When signed

When despatches

READ AGAIN G.O. No., dated 192

192

READ ALSO:—

C. No., From the, No., dated 192

ORDER.

Enis

No. 1469, dated 4-10-1921

An extract of para 4 of the letter from the Auditor - General No 399 T/A & A, dated 5th July 1921, is forwarded to the Examiners of Local Fund Accounts who will be guided by the instructions therein laid down in conducting the audit of accounts of District Councils & ~~and~~ of the Elementary Education funds of local authorities under the Madras Elementary Education Act, 1906.

The audit showed Treasury held
 the claims of local authorities
 for Govt grants under section
 37 of the Mavoras Elyy Edur Act
 are really due.

21.9.21.
 My
 21/9/21

20.9.21

26.9.21

The Examiner of
L. F. Accounts.

order with a copy

(72) Jan

Abstract of accounts of
Council & Government
of the Province of
Madagascar - General
Communications to Government
of the Province

53 0/4

An extract of the 1st of
the letter from the
No 22744, dated 28 July 19
is forwarded to the
of local funds. A
will be provided by the
therein laid down in
the audit of account of
of Council & of the
the account of local
Madagascar under the
Government of
the audit of account
of local funds
of the Province
of Madagascar

When given for copying
When copied
When examined
When signed

192

READ AGAIN G.O. No.
192

DATED

CURRENT No.

ENCLOSURES TO G. No.

ORDER OF GOVERNMENT ..

A A A A A A A

LETTER OF GOVERNMENT

STATEMENT WITH DIET.

PAPERS NOT FILED UP, BEING MEANT FOR DESPATCH
IN ORIGINAL.

N.B.-

- A = Copy in full.
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- P = Copy abstract only.
- Q = Copy heading only.