Sectt. H-29—15,503—6-12-24.

Law (Education) (1925) Department.

6rd. SERIES.

G.O. No. 658

DATED 30.4.25

[Despatch Abstract.]

University —
Grant for the lexicon – Auditor's objections – powers of the Auditor and Govt. — Note recorded

BACK PAPERS.

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

FURTHER PAPERS.

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

Law (Edn.)

2

(D) In his letter recorded in G.O. No. 241 Ed., d/ 16.2.'25 the Examiner of Local Fund Accounts submitted the payment of travelling

p. 2 — (D) allowance from the Tamil Lexicon Account of the university for the orders of Govt. The Govt. did not propose to take any action and the letter was recorded. The G.O. may be forwarded to the Examiner w/o for perusal of the notes therewith

23-2-25

23.2.25

Law Edn. No. 523C/25-1
24.2.25

V.T.K.
24.2.

Exr's C No. 78
24/2/5

Exr of L.F accounts U.O

Examiner's Office.

I submit the following case for information and for favour of such orders as may be deemed fit.

2. The work of controlling and supervising the preparation and publication of a standard Tamil Lexicon has been entrusted to the University of Madras according to Government Order No.991, Educational, dated 11th November 1912. The expenditure on account of this is met entirely from contributions

received from Government and the charges include establishment pay, travelling allowance, cost of books purchased and the cost of printing the Lexicon.

3. In December 1923, applications were invited by the University by a notification in the Fort St.George Gazette for the posts of Editor and Assistant Editor, Tamil Lexicon. One of the applicants, who was required to appear in person but who was not promised payment of any travelling allowance and was not eventually selected for either of the posts, claimed travelling allowance amounting to Rs.47-2-0 for his journey to Madras and back. This was paid by the University out of the funds placed at its disposal by Government for the Lexicon.

Page 3 at D

4. The payment was objected to during audit by this department as the journey was made by the applicant for the post in his own interests and not in the interests of the University. On this, the University Syndicate passed a resolution to the effect that it has not exceeded its powers in determining that travelling allowance should be paid to the applicant for the post, although there was no stipulation in the gazette notification regarding such payment and although no such payment has been made in other cases.

Pages 3-4 at D

This would neither regularise the payment if wrong nor render it improper if otherwise regular
[illegible]

5. Thereupon, I referred the case to Government for orders--vide my letter No.3876, dated 23rd September 1924, to the Law (Education) Department.

Page 1 of flag D

D

But the Law (Education) Department have recorded my letter in Government Order No.241, dated 16th February 1925, without passing any orders on the point raised by me. Please see the Law (Education) Department's notes on page 14 of the Government Order, particularly the portion side-lined A in blue chalk. The amount involved has nothing to do with the matter.

D

6. It appears to me that the Director of Public Instruction and the Law (Education) Department have entirely misunderstood the objection and the position of audit with regard to the University.

D

7. The Director of Public Instruction states in his U.O.Note, dated 20th January 1925, on page 9 of the Government Order, that the Syndicate has not exceeded its powers under Section (15) of Law 3 of Chapter VIII of the Laws of the University framed under the University Act VII of 1923. But I have to point out that the payment in this case was made not out of the University Fee Fund created under Section 44 of the University Act, but out of the special contribution by Government for the publication of the Lexicon, a work entrusted to the University, such contribution not being credited to the University Fee Fund and not being subject to the provisions of the University Act or the Laws framed thereunder.

N Renumbered

T Renumbered

K

8. Even if the contribution had been credited to the University Fee Fund, which was not done in this case, it appears to me that, under the provisions of Section 21 (1) of the Act, it is open to me during audit to scrutinise payments and object to any irregular or inadmissible payments and ask for the decision of Government on any point which the University does not accept.

S Renumbered

9. I have to mention here that I am not raising any question relating to the autonomy of the University or to the control of Government over the

xpenditure incurred by the University out of the Government contribution. My point is, when the University does not agree with me in regard to the wastefulness, inadmissibility etc., of expenditure pointed out in audit and does not act on my suggestion, whether it is not competent for me to raise a question and for the Government, under whose direction, according to Section 21 (1) of the Act, an examination and audit of the accounts is conducted, to pass a decision on the question raised by me ~~during audit~~ and on which there is a difference of opinion between the University and myself. I would, in this connection, invite a reference to paragraph 5 of Government Order No.620, Law (Education), dated 16th April 1924, and to the Hon'ble the Law Member's remarks on page 133 of the Government Order, from which it will be clear that the examination and audit conducted by me under the direction of Government is not intended to ensure merely the "mechanical accuracy" of the accounts, but is "referable to a more thorough and deeper scrutiny" of items of receipts and expenditure, this examination and audit being the only safeguard provided by the Act in regard to the proper administration of the funds held in trust by the University.

S — Resumed

page 1 of flag C

C

10. In regard to the particular item of expenditure under reference, viz., payment of travelling allowance, to an applicant for a post, who was asked to interview the University authorities from the Tamil Lexicon Fund, a reference is invited to the Finance Department's notes on pages 121 and 124 of Government Order No.620, Law (Education), dated 16th April 1924, and it is respectfully suggested that the expenditure which, from an audit point of view, appears to be wasteful, unless covered by the sanction of competent authority, should, if admitted, be regularised by an order in the Law (Education) Department.

C

S. [signature] 3/4/28.

5/

C

I cannot follow the argument that this particular contribution by Govt. does not form part of the University Fund. Under § 44 any contribution by the Local Govt shall be credited to the Fund. This seems to exclude the possibility of any ~~a~~ contribution which does not go to the fund. Further the fixed sum of Rs 85,500 paid under § 44 (a) apparently includes the contribution towards the Lexicon; vide para 3(iii) of note on pp. 92-93 of Flag C. G.O. 620 Law Edn. d. 16.4.24.

Nor can I find authority in § 21 for the position that the Auditor is entitled to call upon the Govt to arbitrate between the University & himself in cases of a difference of opinion.

The procedure laid down is
1) annual accounts 2) audit,
3) publication, 4) submission of accounts with copies of audit report to Senate & Local Govt.; 4)
5) consideration of accounts by Senate
6) resolutions thereon by Senate
6) obligatory action on these ~~regulations~~ resolutions by Syndicate.

The Auditor it seems to me is functus officio when he has made his audit report. It is for the Senate to issue such instructions as it sees fit on the audit report.

And here I think is where the Examiner has misapprehended the the Hon'ble the Law Member's remarks to which he refers. The Examiner as Auditor is bound not merely to certify that the accounts tallied correctly etc, but to call attention to all cases of breaches of financial rules, of unsanctioned payments of improper payments, etc etc as in any other case of audit. I do not think the Hon'ble Member implied more. But he cannot appeal to Govt. because the Senate takes a different view from the Auditor nor can Govt. direct the Senate to give effect to his view. The power Govt. have in the ultimate resort is that of the purse. If from the audit reports they feel that the financial administration of the University is bad or scandalous they can withhold non-obligatory grants if the position is not rectified.

This seems to me the conclusion arrived at in the long notes to G.O. 620 d. 16-4-24 & I see no reason to ask for a reconsideration. But Law Sect. should see.

[illegible]
3/4/25

Law Sect. [illegible]

p. 133 of G.O. No 620 / 16.4.24 (C)

X

L. Ex 1119C
6/4/25

Ext. No. 78-1
4/4/25

Law (Edn.) Dept

Portion K on page 3 ante

The grant of Rs 1 lakh G.O. No 791 / 11.11.22 (X)

5

papers in [illegible]

originally sanctioned by Government was exhausted in 1921. Since that year the cost of the Lexicon has been met from the interest on the accumulated savings in the recurring grant of Rs 65,000. (p excluding grant for travelling allce of Fellows.) The grant for the Lexicon is, therefore, governed by the provisions of Sec. 44 (2) a of the Madras University Act, 1923. This grant is not subject to the vote of the Legislative council and neither the Council nor the Government have the power to impose any restrictions in regard to the expenditure out of this grant.

M on p. 8 of papers at slip (Q)

'P' on p. 38 of G.O. No. 620 / 16.4.24 (C)

Paragraph 5 of G.O. No. 620 Law (Edn.) d. 16.4.24, to which the Examiner refers ~~does~~ ~~not~~ applies only to grants under Sec. 44 (2) (b) of the Act and not to those under Sec. 44 (2) (a). The only method of checking the extravagance of the University which the Government posses, in regard to grants under the latter section, is that stated at 'X'

p. 4 ante

A

in the Finance Secretary's note on p. 6 ante.

2 The papers may be

658 of 30-4-25

Order

Recorded

Mis

8·4·25 8·4·25

8·4·25

523C

V.T.K. 8/4

Examiner may peruse the notes above.

8·4·25

V.T.K. 8/4

University

Grants ~~made~~ for the Lexicon — Auditor's objections — powers of the Auditor and Government — notes recorded.

Examiner of L. F. Accounts r/o

Examiner's Office.

Seen and returned with thanks.

2. Under Section 44 of the University Act 1923, the University shall have a fund to which shall be credited (1) its income from fees, Endowments and grants, if any; and (2) any contribution by the Local Government. It would appear from this that all sums creditable to the University should be kept in a common fund and the fund cannot be split up and kept in different places or in separate banking accounts.

Law C.No 523C-2 15-4-25

Exrs C No 150 16-4-25

3. Under para 8 of Chapter XIV of the Laws of the University all cash and accumulated balances

6

of the Fee Fund account alone remain in the custody of the Accountant-General and the Lexicon grant which, according to the notes of the Law (Education) Department on page 7 ante, is governed by Section 44 (2) (a) of the University Act 1923, and other Government contributions &c. are kept in separate accounts in the Imperial Bank of India as shown in the margin* apparently under the impression that those grants and amounts which are intended for different purposes should be kept in different banking accounts apart from the Fee Fund. It will be pointed out to the University that the several amounts should be pooled and kept in the common fund according to the Act but that there is no objection to several accounts being kept in the books of the University.

*
1. Government recurring grant.
2. Government non-recurring grant.
3. Government contributions.
4. University Expansion Fund.
5. Vacation Lectures account.
6. Publication account.
7. Research and Development Fund account.
8. Economics account.
9. University Library account.
10. Endowment account.

Law (Education) u.o.

22/4/25

Exrs No. 150-1

Edn 1278 16/4/25

Law (Edn.) Dept

Submitted for perusal. The papers may now be put away.

24·4·25

27·4·25

V.T.K. 28/4

When given for copying
When copied
When examined
When signed
} 192 .

READ AGAIN G.O. No. , DATED
192 .

CURRENT No..

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT .. .. A A A A A A A

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

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

N.B.—

A = Copy in full.
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