

Lane (Edu) (1926) Department.

mis SERIES.

G.O. No. 618

DATED 15.4.1926

10

[Despatch Abstract.]

Elementary Education Fund -

Corporation of Madras - Audit report 1923-24 -

Orders passed.

BACK PAPERS.

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

FURTHER PAPERS.

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

C.F. 32.

In reply, please quote number, date and short title.*

Local Fund Audit DEPARTMENT.

Received

Registered

From (Name) J. M. HOOPER, ESQUIRE, B.A.,

(Designation) Examiner of Local Fund Accounts,

Post Box , (Station) Fort St. George, Madras.

Telegraphic Address

To The President,

Corporation of Madras,

Madras.

No. 1324.110, dated 28th October 1924.

Sir,

ENCLOSURES

SPARE COPIES

* In forwarding the accompanying audit report on the Elementary Education Fund Accounts for the period extending from 1-4-1923 to 31-3-1924, I have the honour to invite a reference to G.O.No.978 Law (Education) dated 16-6-1924 and G.O.Mis.No.1373 Law (Education) dated 25th August 1924 and to request that you will be so good as to return the report in original to this office, as early as possible, with your replies (in duplicate) duly approved by the Council for transmission to Government.

I have the honour to be,

Sir,

Your most obedient servant,

R. Siva Sankar Rao
For Examiner of Local Fund Accounts.

Report on the audit of the Elementary Education Fund

To, the Accounts of the Madras Corporation by reference to the

by Mr. J.M. Hooper, Examiner of Local Fund Accounts,

for the period extending from 1-4-1923 to 31-3-1924.

No recovery except the monthly instalments of Rs 35/-

During the period under audit, the office of

President was held by Diwan Bahadur Sir.P.Tyagaraya

Chettiyar, Kt., M.L.C. from 1-4-1923 to 31-10-1923 and

by M.R.Ry., Diwan Bahadur V.Tirumalai Pillai Avargal from

1-11-1923 to 31-3-1924; the office of Commissioner by

(i) Khan Bahadur Muhammad Bazlullah Sahib Bahadur, O.B.E.

from 1-4-1923 to 13-8-1923;

(ii) E.H.M.Bower, Esquire from 14-8-1923 to 23-11-1923; and

(iii) G.T.Boag, Esquire, I.C.S. from 24-11-1923 to 31-3-24;

and the office of the Superintendent of Corporation Schools

by M.R.Ry. P.Ekantharangam Naidu, Avargal.

(2). A statement showing the receipts and charges of

the Fund is herewith appended.

(3) The general result is satisfactory.

(4) Advance granted to the Superintendent of Schools

for the purchase of a motor cycle.

At a general meeting held on 17-7-1923, the

Council sanctioned the grant of an advance of Rs 2,100/-

to the Superintendent of Schools for the purchase of a

motor cycle repayable in 60 monthly instalments of Rs 35/-

each on the usual condition as to execution of a mortgage

bond. The advance was accordingly paid to him in August

1923.

As the officer was a Government servant lent to

the Corporation, it was pointed out in audit that the

sanction of Government should be obtained to the grant

of the advance and that the amount of advance should not

exceed Rs 2,000/- or the cost of the motor cycle, which-

ever is less, under Articles 156 and 157 of the Civil

Account

Account Code; and therefore the excess over the actual cost of the motor cycle should be recovered, and the recovery of the advance should be made in 36 monthly instalments according to rules 18 of 1923-4-1.

No recovery except the monthly instalments of Rs 35/- each was made, nor was the cash bill or the receipt granted by the payee produced for audit until July 1924 when it was observed that the purchase was completed in August 1923 on payment of Rs 700/-. With reference to this amount the Government sanctioned an advance of only Rs 700/-. The unspent advance of Rs 1,400/- should have been refunded in August 1923. But a sum of Rs 1,100/- was refunded in July 1924 and the balance was pending recovery till the end of September 1924. The mortgage bond has also not been executed. It will thus be seen that this Inspector has held on to Corporation money for his own purposes for over a year.

The Government of India have decided - vide G.O. No. 446 Finance, dated 16-6-1924 that interest at 5% should be charged on all advances for house-building, purchasing motor-cars, motor-cycles, etc. It is therefore for consideration whether a similar rule should not be framed in respect of advances granted to the Corporation servants from Corporation Fund and whether in the particular case under reference, interest should not be charged on the balance outstanding on the date on which the G.O. quoted above came into force.

For Examiner of Local Fund Accounts

CORPORATION OF MADRAS.

STATEMENT I-1923-24.

Elementary Education.

RECEIPTS.

Items.	Estimate for 1923-24.		Receipts from April 1923 to March 1924.		Total Receipts.	
	Details of minor heads	Totals of major heads				
Ordinary						
	Rs.	Rs.	Rs.	A P.	Rs.	A P.
1. Opening Balance	17,440	...	...	...	17,440	11 2
2. Education tax at $\frac{2}{4}$ per cent on the annual value of buildings and lands	...	...	...	...	...	...
3. Fines and penalties under Education Act.	...	...	...	...	...	...
4. Income from Investments and other properties	210	...	...	...	...	...
5. School fees.	...	...	...	...	...	...
6. Other receipts.	...	...	...	...	...	...
7. Appropriation from Government Grant	4,960	...	4,962	0 0	4,962	0 0
8. Appropriation from Endowments & Contributions...	...	...	...	...	...	...
9. Contribution from revenue	2,02,400	...	1,67,400	0 0	1,67,400	0 0
10. Advances Recovered	...	...	...	...	...	...
Total, Ordinary receipts	...	2,25,010	...	...	1,89,802	11 2
Capital						
1. Opening Balance	65,530	...	...	...	65,532	1 1
2. Capital receipts	...	...	...	...	...	...
3. Contribution from private individuals.	...	...	...	...	...	...
4. Appropriation from loans...	1,00,000	...	...	...	...	...
5. Temporary transfers	...	...	35,000	0 0	35,000	0 0
Total, Capital receipts	...	1,65,530	...	...	1,00,532	1 1
Grand Total	...	3,90,540	...	...	2,90,334	12 3

STATEMENT II—1923-24.
ELEMENTARY EDUCATION.
EXPENDITURE.

Items.	Estimate for 1923-24.		Charges from April 1923 to March 1924.		Total Charges.	
	Details of minor heads.	Totals of major heads.	Rs.	A. P.	Rs.	A. P.
Ordinary.						
Staff—						
1 Salaries and allowances ...	1,19,240	...	1,15,206	14 3	...	...
2 Contingencies and equipment renewals	43,560	...	33,647	10 7	...	...
3 Prizes and scholarships	200	...	...	...	...	...
4 Repairs to buildings ...	6 000	...	3,269	4 7	...	...
5 Interest on and repayment of debts	37,230	...	32,986	0 0	...	...
6 Advances Recoverable (Permanent)	10	...	14	0 0	...	...
Do. Others	1,850	...	1,987	0 0	...	...
7 Pensions and Gratuities Inferior Grade	60	...	57	0 0	...	...
Total Ordinary charges ...	...	2,08,150	1,87,167	13 5	1,87,167	13 5
Closing balance ...	...	16,860	...	...	2,634	13 9
Total ...	...	2,25,010	...	...	1,89,802	11 2
Capital						
1 Lands and buildings ...	1,36,530	...	78,274	15 1	...	...
2 Equipment	29,000	...	9,733	8 0	...	...
Furniture and apparatus ...	...	...	...	...	...	...
Library books and maps...	...	...	...	...	...	...
Total, Capital charges...	...	1,65,530	88,008	7 1	88,008	7 1
Closing balance...	...	...	...	...	12,523	10 0
...	...	1,65,530	...	...	1,00,532	1 1
Grand Total ...	...	3,90,540	...	...	2,90,334	12 3

Extract from the Minutes of the Proceedings of a General Meeting of the Council held on 19th January 1926. (S)

No.7.

Extracts from the Proceedings of the Standing Committees.

S.C. (T & F) dated 11-2-1925.

Item 35:- Placing before the Council the audit report on the Elementary Education Fund Accounts for the period extending from 1st April 1923 to 31st March 1924 and the Commissioner's note thereon dated 8-1-1925.

The President put to the meeting the following proposition:-

" That this Council accepts the replies of the Commissioner on the audit report on the Elementary Education Fund Accounts for the period extending from 1-4-1923 to 31-3-1924. "

" Carried ".

Sd/ A.N. Dharmalingam.

Manager on Duty.

(True copy)

B.B. Shanker Rao.
Supt. Corporation Audit.

Note for the Standing Committee (Taxation & Finance)
and Council. (b)

Report on the Audit of the Elementary Education
Fund for 1923-24.

11/2-3 audit

The only point to which the Auditor takes exception is the advance drawn by the Superintendent of Schools for the purchase of a motor cycle.

An advance of Rs 2,100/- was sanctioned in July 1923 and drawn in August 1923 when the Superintendent of Schools bought a second-hand motor cycle for Rs 700/-. He explains that he omitted to refund the balance of Rs 1,400/-. because the Elphinstone Co., from whom he bought the motor cycle promised to exchange it for a better one.

The irregularities pointed out by the Auditor are:-

(1) The Superintendent of Schools being a Government servant, the sanction of Government ought to have been obtained for the grant of the advance; and the grant of the advance ought not to have exceeded Rs 2000/- or the cost of the motor cycle whichever was less.

(2) The cost of the motor cycle being only Rs 700/- the Superintendent should have refunded the difference of Rs 1,400/-. This he failed to do until July and September 1924.

(B)

A.O. No. 2357 J.H.

26.8.24

Sanction of Government has now been obtained for the grant of the advance of Rs 700/- and the balance of Rs 1,400/- has been recovered.

A bond mortgaging the motor cycle to the Corporation has also been executed. No further action is called for.

It is for the Corporation to consider whether it wishes to follow the example of the Government of India and charge interest on advances made to its servants. Even if the Corporation decides to charge interest on certain advances I do not suppose that it will wish to give such an order retrospective effect. It does not seem fair to lend money to an officer free of interest for a period of years and in the middle of that period to be-

begin to charge interest on the loan.

Sd/ A.N. Dharmalingam.

Manager on Duty.

(True copy)

B.B. Shankar Rao.
Superintendent
Corporation Audit Section
dms



479
Examiner's Office.
M.C. 13-24-274, Dated 26.2.26.
Audit Report on the Corporation of Madras-
Elementary Education Fund Accounts for
1923-24.

pp2-3 and 4
Forwarded to the Secretary to the Government
of Madras, Law(Education) Department, with copies of
the Commissioner's replies and the resolution of the
Council.

Ms 6-8 and
Z E 5-85C
26.2.26

Hooper.
Examiner of Local Fund Accounts.
dms
25.2.26

C.No. 85 C - From the Examiner of Local Fund Accounts,
No. 13-24 - 274, dated 26-2-1926.
Audit Report - 1923-24 - Elementary Education
Fund - Corporation of Madras.

Paragraph 4 of the Audit Report.

Though the Government order sanctioning the grant by the Corporation of an advance of Rs. 700 to the Superintendent of School was issued on 26th August 1924, the payment of the advance was actually approved of by the Corporation in July 1923 and the amount was drawn in August. The Government order about the levy of interest on advances for conveyance and house building was issued on 16-6-1924 and it was to take effect from the 1st July 1924. In view of the remarks of the Commissioner it does not seem right to charge interest ^{for the advance} at this stage.

2. ~~now~~ The general question of the desirability of the Corporation levying interest on the advances granted to its servants in future ^{one} is for consideration in L.S.G. The file may be sent to that Department for remarks.

The advance for the purchase of the motor cycle was drawn in August 1923. The cycle was purchased in the same month for Rs. 700. The Supt. of the Schools should therefore have refunded the balance immediately. His

G.O. No. 2351 dt. 26.8.24 (B)

p 7 c. f.

G.O. No. 446 dt. 16.6.24
p 7 c. f.

p 3 c. f.

Law & S. 585 dt. 16.7
10.3.26

7426



p 3 c. f.

accuse seems to be that the Elphinstone Co. had promised to exchange the machine for a more serviceable one and that in that case he would have had to pay about Rs. 300 more. Even then, he should have refunded the balance of Rs. 1100. This he did not do till July 1924.

As the money was not utilized for the purchase of the motor cycle, ^{there seems to be no} ~~it appears~~ reason why interest should be charged for it. ~~but for the~~ remarks of the Commr. re: charging of interest ^{in his note on page 7 of C.F.} ~~can be accepted~~ apply only in regard to the portion of the advance used for the purchase ~~and the purpose of the~~ ~~the~~ ~~corpn.~~ to forego interest on the amount from August 1923 to July 1924. The corpn. may be

requested to charge interest on the amount for the period from Sept. 1923 to July 1924 upto which ^{the Superintendent} ~~he~~ kept it with him unauthorizedly.

The corporation may also be requested to consider the question of charging interest on such advances with reference to Rs. 100

446 Finance of 16.6.24. The Law Dept. may be requested to send to this Dept. a copy of the notes in this case.

The Case may be referred to Law with the request that a copy of these notes may be sent

p. 97 20235120
26.8.24 (B)

R.
200
300
1000
Balance 1,100
13cf

This may be done
MR
7.4.26
To Mr
8.4.26

1.24/282223 and
25.8.24
MR
8.4.26



to this Dept for further action
MR
7.4.26.

Memo 7426-1 from
9/4/26
L. Sec. 1132C
9.4.26

MR
8.4.26
Law. 00

Law (Education) Dept.

A draft order is subd.

Copy of the notes will be sent to d.s.g. along with the order.

MR
10/4/26
10.4.26

MR
15/4

	Date.	Initials.
When received for Fair-copying.		
When copied	..	
When examined	..	
When signed	..	
When despatched	..	

Law (Education) DEPARTMENT

Elementary Education
Fund - Corporation of
Madras - Audit report -
1923. 24 - Order passed.

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

" " " " "192

READ ALSO :—

C. No. 588-E From the Encr. of L. F. Aceti., No. 4-E-13-24-
274, dated 26. 2. 1926

” ” ” ” ” ” ” 192

” ” ” ” ” ” ” 192

ORDER.

No. 618, dated 15. 4. 192

Ms

Recorded.

2. Orders will ~~be~~
issued ~~by~~ⁱⁿ the local
Self Government depart-
ment on the suggestion
contained in paragraph
(4) of the audit report.

DESPATCHED
92-17 APR 1926

p 3 u. f.

20

The Enr. of L. F. Heeli.
President, Corporation
of Madras (with refer.
to the proceedings of the
Corporation on 17.1.26)
S. P. J. ✓ at 0
D. S. G. ✓ at 0
with copy of notes + state
(1-3 n. b.)

$\frac{1300}{1094} = 1.24$

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, BRING AMOUNT FOR DESPATCH
IN ORIGINAL.

N.B.—

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