

Government of Madras

LAW (EDUCATION) DEPARTMENT

G.O. No. 966, 27th May 1926

Elementary Education Fund—Audit—Annual report of the Examiner of Local Fund
Accounts for 1924-25—Reviewed.

28

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READ—the following paper:—

Letter from J. M. HOOPER, Esq., Examiner of Local Fund Accounts, to the Secretary to Government, Law (Education) Department, dated Fort St. George, the 22nd January 1926, L.F. No. 8559.

With reference to paragraph 2 (ii) of G.O. No. 754, Finance, dated the 20th October 1924, I have the honour to forward herewith Part IV of the Annual Report on the working of the Local Audit Department, Madras, for the year 1924-25.

ENCLOSURE

Annual Report on the working of the Local Audit Department,
Madras, for 1924-25.

PART IV.—LAW DEPARTMENT.

B. EDUCATION.

(a) ELEMENTARY EDUCATION FUND MAINTAINED BY LOCAL BODIES.

CORPORATION OF MADRAS.

Illegal Expenditure.

15. In G.O. No. 1890, Law (Education), dated the 3rd December 1924, the President was informed that no expenditure should thereafter be incurred from Elementary Education Funds on the feeding of pupils in the elementary schools of the Corporation. Nevertheless, the Corporation continued to incur expenditure on this account from the Elementary Education Fund under its control till the close of the year under audit. The payments made in contravention of the Government order aggregating to Rs. 3,534-10-6 are not admissible in audit and should be regularized by obtaining the sanction of Government or recovered from the persons responsible as otherwise they are liable to be surcharged.

Stock Books of Stores, Tools and Plant, etc.

16. Many instances were noticed in which credit for materials issued from the General Stores to the Corporation schools were not traceable in the stock books of the schools.

Defects in Stock Verification.

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18. The audit report for the year ending 31st March 1924 was despatched from this office on the 28th October 1924. It has not yet been received back with replies, duly approved of by the Council, for transmission to Government.

DISTRICT MUNICIPALITIES AND LOCAL BOARDS.

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21. Delays, extending in some cases to considerable periods, were noticed in the remittance of school-fees by village officers in the Coimbatore, Dharmapuri, Hosur, Madura, Namakkal, Tiruppattur, Udipi, Vaddachalam and Walluvanad taluk boards. A sum of Rs. 131-10-3 out of school-fees collected up to the end of September 1924 in the Tiruppattur Taluk Board remained to be accounted for at the time of the audit in July 1925.

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22. Several instances were noticed in which the contributions due to the Elementary Education Fund from the general funds of local bodies were not adjusted in full before the close of the year.

In the Peddapuram Municipality, for instance, the contributions for 1922-23 and 1923-24 had not been adjusted up to the 31st March 1925.

Adverse Balance.

23. The Elementary Education Funds of some of the local bodies closed with adverse balances, e.g., the Cannanore Municipality and the Bellary, Chittoor, Pithapuram, Vellore and Venkatagiri Taluk Boards. The Vizianagram Taluk Board Elementary Education Fund closed with an adverse balance of Rs. 59,383-1-4 as the contribution of Rs. 58,707 due was not made during the year from the general funds of the board; the Sivaganga Taluk Board Fund closed with an adverse balance even after the adjustment of the full contribution from the general funds. The fund of the Pithapuram Taluk Board closed with an adverse balance at the end of the previous year also.

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24. (i) The Chairman of the Udumalpet Municipality drew a self cheque for Rs. 801-5-11, being the pay due to certain teachers of elementary schools for 1924-25 on the 31st March 1925. It was cashed on the 20th April 1925 and disbursements were made between the 20th and 30th April 1925. The self cheque should not have been drawn on the last day of the year unless the money was required for immediate payment. The cheque was evidently drawn to prevent a lapse of the budget grant.

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25. In two cases in the Vizagapatam Taluk Board, house-rent for premises in which elementary schools were located was drawn for several months and retained by the headmasters without being disbursed on the ground that the repairs to the buildings had not been completed. As money was not required in such cases for immediate payment, the amounts should have been withheld in the monthly bills for future payment and not have been retained indefinitely by the headmasters.

Tenders not called for.

26. Large sums of money were spent by some of the local bodies on the purchase of furniture, etc., for elementary schools under their management, but the principle that tenders should be invited in such cases and supplies obtained on contract, was not followed, e.g., the Cochin Municipality; the Taluk Boards of Cuddalore, Guntur, Palghat, Proddatur, Rayachoti, Tindivanam and Tiruvallur.

Stocking of articles not required for immediate use.

27. In June 1923, the President, Taluk Board, Kandukur (Nellore district), bought 450 slates at a cost of Rs. 206-10-8 for use in elementary schools without ascertaining the actual requirements. Such a large number was not required for immediate use as only 10 slates were distributed during the ten months from June 1923 to March 1924.

False acquittances.

28. The third assistant of the Tirumullavasal Elementary School, Mayavaram Taluk Board (Tanjore district), was absent on leave and a person other than the one duly appointed by the President of the Taluk Board was appointed by the headmaster to act for a short period. In the bill and the acquittance submitted by the headmaster to the Taluk Board office, the name of the person appointed by the President was shown. For this the headmaster was fined Rs. 5 and transferred to another school.

False Claim.

29. Against a sum of Rs. 12 actually due on account of the travelling allowance to a teacher employed under the Penukonda Taluk Board (Anantapur district), a sum of Rs. 20 was passed and paid. When the excess payment was pointed out in audit, it was refunded into the treasury.

Double Payments.

30. (i) Four instances of double payments were noticed in the Narasaraopet Taluk Board (Guntur district).

The difference of pay due to a teacher for April to July 1923 and amounting to Rs. 28 was drawn twice in June 1924.

The establishment and contingent charges of the Enugupalem school for August 1924 amounting to Rs. 15-8-0 were drawn once in September 1924 and again in November 1924. The pay due to a teacher of a Muhammadan school for August 1924 amounting to Rs. 3-6-0 was similarly drawn twice: once in September and again in November 1924.

The pay of a teacher of the Velpur Girls school for 15 days of October 1924 amounting to Rs. 5-7-0 was drawn twice in November 1924.

(ii) The President of the Chidambaram Taluk Board passed the leave pay of a headmaster and certain acting allowances due to teachers amounting to Rs. 36-13-0 in the main bill of a school for April 1924 and again passed a supplemental bill received later on for the amount. There was thus a double payment which was short drawn on subsequent bills.

(iii) In the Madanapalle Taluk Board (Chittoor district), the pay of the establishment of the Nanjampet school for the months of October and November 1924 amounting to Rs. 50 was paid twice—first in January and again in March 1925. The payment made in excess was recovered after it was pointed out in audit.

(iv) The leave allowances of a teacher (Rs. 7-10-0) and the rent for a school (Rs. 3) were drawn twice in the Penukonda Taluk Board (Anantapur district).

(v) There were three double payments of the pay of teachers and a conductress and of rent for a school in the Sankari Taluk Board (Salem district).

Defects relating to Public Works.

31. Some of the defects noticed in connexion with the execution of public works from the general funds of local bodies were also noticed in regard to expenditure out of the Elementary Education Fund.

32. (i) The President of the Dharmavaram Taluk Board (Anantapur district), drew a sum of Rs. 400 against Rs. 150 sanctioned by the Taluk Board for the construction of a compound wall for which no estimate was prepared and sanctioned.

(ii) In the Chicacole Taluk Board, the final payment for constructing certain school buildings was made after a delay of more than two years from the date of check-measurement of the work.

(iii) In the Chicacole Taluk Board, an expenditure of Rs. 3,978-10-7 was incurred in March 1925, out of an outlay of Rs. 4,429-14-7 on public works during the year.

Defalcation.

33. (i) The sale-proceeds of articles manufactured by the weaving class attached to the Sengunthar Elementary school at Ambasamudram, Sermadevi Taluk Board (Tinnevely district), were remitted by the headmaster to the Taluk Board office from time to time and the acknowledgments of the head clerk obtained. On an examination of the accounts, it was noticed that a sum of Rs. 232-1-9 had been defalcated by the head clerk. It was, however, remitted into the treasury when the omission to bring it to account was detected in audit. The head clerk was warned and his increment stopped for two years.

(ii) The Headmaster of the Mundajee school in the Uppinangadi taluk (South Kanara district), misappropriated a sum of Rs. 7-7-0 out of the sums received by him for disbursement of pay to assistant teachers and absconded. On receipt of a complaint, the amount was recovered from a relative of the headmaster.

(iii) The Headmaster of the Labbipalem school, Kavali taluk (Nellore district), temporarily misappropriated the rent of the school building drawn monthly for the months of September 1923 to May 1924 amounting to Rs. 11-4-0. This misappropriation was rendered possible by the Taluk Board office not insisting on the payee's acknowledgment in support of the payments monthly, and it was not reported to this department.

(iv) There were instances of temporary misappropriations and defalcations of money in the Penukonda Taluk Board.

In May 1924, the ex-Vice-President of the Penukonda Taluk Board (Anantapur district) drew a sum of Rs. 106-5-0 on a self cheque towards the pay of the teachers of the Hindu Boys school, Roddam, for March and April 1924, received the amount himself according to the requisition from the headmaster and furnished an acquittance roll for the amount. A complaint was received subsequently from a teacher that a sum of Rs. 14-13-5 had not been disbursed to him. The ex-President decided that the headmaster should pay the amount. The ex-Vice-President, from whom a report was called for, stated that the undisbursed amount was returned to the ex-second clerk (dismissed), but there was no record in support of this and it is alleged that the signature of the teacher was forged in the acquittance roll furnished by the ex-Vice-President.

A sum of Rs. 35-14-0 being the pay of the teachers of the Hindu Boys school, Naranagapalli, for January 1925, was drawn along with other sums on a cheque issued in favour of a teacher of another school. It was later on discovered that the payment was not supported by an acknowledgment and that the amount had been misappropriated by the ex-head clerk. The taluk board then resolved by a majority that the amount might be drawn from the local fund again and paid to the teachers before steps were taken to recover it from the ex-head clerk who has been since dismissed from service.

A sum of Rs. 9 being the house-rent due to the owner of the Bukkapatnam Panchama school from November 1924 to January 1925 was drawn on the 23rd February 1925, but was not actually disbursed though charged off in the cash book. It was subsequently admitted by the ex-head clerk on the 30th July 1925 that the amount had been misappropriated by him.

There was no acquittance in support of the disbursement of a sum of Rs. 4-13-5 drawn in September 1924 on account of the pay of a teacher of the Jagarajapalli Boys school for August 1924. The teacher was transferred to another school and

when he preferred a claim in October 1924 for the pay for August 1924, the sum of Rs. 4-13-5 was drawn a second time from the Board's fund and disbursed to him. The amount was subsequently recovered when the double payment was pointed out by audit.

(v) In the following cases, school-fee collections handed over to village munsifs, were not credited to the Vellore Taluk Board :—

Rs. 75-1-6—Fee collections of the Odugathur school for the months of April 1924 to September 1924.

Rs. 15-2-0—School-fee collections of Adanur for the months of April 1924 to September 1924.

Rs. 17-7-0—This amount was found outstanding against the Anaikutt school at the end of March 1925 ; there was no information as to when the amount had been entrusted to the village munsif and whether it had been credited into the treasury.

*(b) DISTRICT EDUCATIONAL COUNCILS.**State of Accounts.*

34. The accounts of all the District Educational Councils for the year 1924-25 were audited and audit reports and notes were issued to the Presidents to be returned with their replies.

35. The general result of audit has been summarized in the individual audit reports as either satisfactory, fairly satisfactory or not satisfactory. Out of the 25 councils in the Presidency, the accounts of 10, viz., Anantapur, Coimbatore, Cuddapah, Ganjam, Kistna, Madras, Madura, Salem and Vizagapatam, were satisfactorily maintained, while those of Bellary and South Kanara were found to be unsatisfactory.

Delay in settling Audit Objections.

36. Old objections were pending settlement in the case of the following District Educational Councils :—

Name of Council.	Year or years to which the objections relate.	Number.	Name of Council.	Year or years to which the objections relate.	Number.
Anantapur ..	1923-24	2	Kistna ..	1923-24	1
Arcot, South ..	{ 1922-23 1923-24	2 2	Kurnool ..	{ 1922-23 1923-24	2 2
		4			4
Bellary ..	{ 1922-23 1923-24	1 9	Madras ..	1923-24	2
		10	Malabar ..	1923-24	2
Chingleput ..	{ 1922-23 1923-24	2 1	Nellore ..	1923-24	3
		3	Ramnad ..	{ 1922-23 1923-24	1 1
Cuddapah ..	1923-24	1			2
Ganjam ..	{ 1921-22 1922-23 1923-24	2 1 2	Salem ..	{ 1921-22 1922-23 1923-24	3 3 20
		5			26
Godavari ..	1923-24	2	Tanjore ..	{ 1922-23 1923-24	1 1
Guntur ..	{ 1922-23 1923-24	4 1			2
		5	Tinnevely ..	{ 1921-22 1922-23 and 1923-24	2 3
					5

It will be seen that seventeen councils had old objections pending settlement at the end of the audit for 1924-25; the Vizagapatam Council had not replied to the audit notes of 1923-24 when the audit for 1924-25 was completed. In the case of Ganjam, Salem and Tinnevely, the old objections dated back to the year 1921-22 during which those councils were constituted. In about ten cases, objections of 1922-23 had not been finally cleared while in all the seventeen cases some items of 1923-24 were pending.

Defect in Procedure.

37. The disposal of the amounts drawn on self-cheques was not watched through the cash book or through a subsidiary register by the Presidents of District Educational Councils in some places, e.g., Coimbatore and Nellore. An overdrawal of a sum of Rs. 9 on a self-cheque in the latter place was not noticed until it was pointed out in audit when steps were taken to recover the amount.

Device to prevent a lapse of budget grant.

38. (i) The President of the Godavari District Educational Council drew a sum of Rs. 229 on the 31st March 1925 for the purchase of some furniture, but the amount remained unspent up to the 24th June 1925 when it was refunded. The amount was drawn though it was not actually required for payment, apparently to prevent a lapse of budget grant.

(ii) A sum of Rs. 48-2-0 was drawn on the 30th March 1925 by the President, District Educational Council, Anantapur, for the purchase of stationery which was actually received only after the 31st March 1925. The money was drawn in this case to prevent a lapse of the budget grant.

Excess payments allowed as a special case.

39. Excess payments were made to certain correspondents of schools in the Malabar district in 1922-23 as a result of errors in calculation; when this was pointed out in audit, the Council allowed the payments to stand as a special case thus evading an audit objection.

Avoidable expenditure.

40. An expenditure of Rs. 59-10-0 was incurred in the South Kanara district on printing annual return forms locally which, according to the orders of Government, could have been had free of cost from the Superintendent of Stationery.

Unauthorized expenditure.

41. A clerk of the District Educational Council, South Arcot, who was transferred to the South Arcot District Board was paid leave allowances amounting to Rs. 57-4-8 from the funds of the District Educational Council. The irregular payment was condoned by Government as a special case.

Double Payments.

42. (i) A sum of Rs. 200 due to the correspondent of the Muhammadan school at Koilpatti was paid twice over by the District Educational Council, Tinnevely, first on the 26th March 1925 and again on the 28th March 1925. The mistake was, however, subsequently discovered and the correspondent who was asked to refund the excess, stated that he would refund it in two instalments before the end of 1925-26.

(ii) The list of aided schools not having been correctly drawn up in the Chittoor district, grants were paid twice over in respect of two schools during the year 1923-24. The double payments were subsequently detected and the amounts paid in excess recovered.

The grant due to a school was drawn and paid twice by the President of the District Educational Council, Chittoor, during 1924-25. The amount paid in excess was recovered after a delay of seven months.

(iii) The travelling allowance of a member of the District Educational Council, Guntur, for attending the meetings held in June, July and October 1924, were paid twice—once in October 1924 and again in March 1925. The excess amount paid was recovered when pointed out in audit.

(c) The Madras University Accounts.

43. The accounts for the year 1924-25 have been audited and the following points are worthy of mention:—

(i) The advantages to the University of buying and supplying paper to printers instead of allowing them to use their own paper and charge for it at high rates were pointed out in successive audits since 1920, but the suggestion remains to be given effect to.

(ii) Though the annual expenditure on account of printing amounts to nearly Rs. 30,000, tenders were not invited for the work nor was any agreement executed by the printers with whom arrangements for printing were made for a period of five years. Similarly, no tenders were invited for binding work and for the supply of cloth-lined covers, the expenditure on account of which amounted to nearly Rs. 6,000 during the year under report.

(iii) The desirability of framing rules for the guidance of executive officers with regard to the invitation and acceptance of tenders and entering into contracts for University supplies and services was pointed out in audit, but action remains to be taken.

(iv) There being no complete set of financial rules to regulate expenditure from the University funds, the desirability of framing such rules has been suggested, but action remains to be taken in this case also.

(d) Pachaiyappa's Charities, Madras.

44. Under a scheme passed by the High Court of Judicature, Madras, the audit of the accounts of this institution was transferred from this department to a certified Auditor with effect from the 1st July 1924.

(e) *Lawrence Memorial Royal Military School, Ootacamund.*

(f) *Dovelon Protestant College and Girls High School, Madras.*

(g) *Mrs. A. V. N. College, Vizagapatam.*

(h) *Civil Orphan Asylum, Madras.*

45. The accounts of the year have been audited and they do not call for any special remarks.

Order—No. 966, Law (Education), dated 27th May 1926.

Recorded.

2. The Government have already reviewed individual reports of most of the local bodies and issued detailed instructions on the defects noticed in the audit.

3. The attention of the Corporation of Madras is invited to paragraph 18 of the report regarding the delay in returning the audit report to the Examiner of Local Fund Accounts with its remarks thereon. The Corporation is requested to see that such delays do not occur in future.

4. The local bodies referred to in paragraph 20 of the report are requested to open without further delay separate banking accounts for the elementary education funds under their control and report the fact of their having done so to Government.

5. The special attention of the local bodies concerned is drawn to the remarks in paragraph 23 of the report and they are requested to take steps to see that their

elementary education funds do not close with a deficit at the end of the current year. The Director of Public Instruction is requested to examine the position of the elementary education funds of these bodies when submitting the budget estimates for 1926-27.

6. The Government desire to impress on presidents of district educational councils and taluk boards, and chairmen of municipal councils that no money should be permitted to be drawn from the bank or treasury unless immediately required for payment and that they should exercise close supervision over the work of the office establishment to ensure that moneys received are at once brought to account, that every payment is supported by proper acknowledgment or voucher and that the accounts and registers are properly maintained. It is only by the exercise of close supervision that the irregularities noticed in the report under the heads "defalcation", "double payment", and "false claim" can be prevented.

7. The Government trust that the presidents concerned have brought to the notice of revenue divisional officers the delays on the part of village officers in remitting school-fee collections entrusted to them.

8. The President, Taluk Board, Penukonda, is requested to submit a full report on the misappropriations and defalcations referred to in all the sub-paragraphs in paragraph 33 (iv) of the report except that relating to the Hindu Boys School, Roddam.

9. The presidents of the district educational councils mentioned in paragraph 36 of the report should see that all outstanding objections are settled without further delay. The Government will be glad to have a special report from the presidents of the district educational councils on the reasons for the pendency of objections dating back to 1921-22 and 1922-23.

(By order of the Government, Ministry of Education)

V. T. KRISHNAMA ACHARIYAR,
Secretary to Government.

To all Presidents of District Educational Councils.
,, all Presidents of Taluk Boards.
,, all Chairmen of Municipalities.
,, all Presidents of District Boards.
,, the Examiner of Local Fund Accounts.
,, the Inspector of Municipal Councils.
,, the Director of Public Instruction.
,, the Auditor-General (with C.L.).
,, the Finance Department.
,, the Local Self-Government Department.

Forwarded to the

(By order)

Superintendent,
Law Department.

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False acquittances.

28. The third assistant of the Tirumullivasal Elementary School, Mayavaram Taluk Board (Tanjore district), was absent on leave and a person other than the one duly appointed by the President of the Taluk Board was appointed by the headmaster to act for a short period. In the bill and the acquittance submitted by the headmaster to the Taluk Board office, the name of the person appointed by the President was shown. For this the headmaster was fined Rs. 5 and transferred to another school.

False Claim.

29. Against a sum of Rs. 12 actually due on account of the travelling allowance to a teacher employed under the Penukonda Taluk Board (Anantapur district), a sum of Rs. 20 was passed and paid. When the excess payment was pointed out in audit, it was refunded into the treasury.

Double Payments.

30. (i) Four instances of double payments were noticed in the Narasaraopet Taluk Board (Guntur district).

The difference of pay due to a teacher for April to July 1923 and amounting to Rs. 28 was drawn twice in June 1924.

The establishment and contingent charges of the Enugupalem school for August 1924 amounting to Rs. 15-8-0 were drawn once in September 1924 and again in November 1924. The pay due to a teacher of a Muhammadan school for August 1924 amounting to Rs. 3-6-0 was similarly drawn twice: once in September and again in November 1924.

The pay of a teacher of the Velpur Girls school for 15 days of October 1924 amounting to Rs. 5-7-0 was drawn twice in November 1924.

(ii) The President of the Chidambaram Taluk Board passed the leave pay of a headmaster and certain acting allowances due to teachers amounting to Rs. 36-13-0 in the main bill of a school for April 1924 and again passed a supplemental bill received later on for the amount. There was thus a double payment which was short drawn on subsequent bills.

(iii) In the Madanapalle Taluk Board (Chittoor district), the pay of the establishment of the Nanjampet school for the months of October and November 1924 amounting to Rs. 50 was paid twice—first in January and again in March 1925. The payment made in excess was recovered after it was pointed out in audit.

(iv) The leave allowances of a teacher (Rs. 7-10-0) and the rent for a school (Rs. 3) were drawn twice in the Penukonda Taluk Board (Anantapur district).

(v) There were three double payments of the pay of teachers and a conductress and of rent for a school in the Sankari Taluk Board (Salem district).

Defects relating to Public Works.

31. Some of the defects noticed in connexion with the execution of public works from the general funds of local bodies were also noticed in regard to expenditure out of the Elementary Education Fund.

32. (i) The President of the Dharmavaram Taluk Board (Anantapur district), drew a sum of Rs. 400 against Rs. 150 sanctioned by the Taluk Board for the construction of a compound wall for which no estimate was prepared and sanctioned.

(ii) In the Chicacole Taluk Board, the final payment for constructing certain school buildings was made after a delay of more than two years from the date of check-measurement of the work.

(iii) In the Chicacole Taluk Board, an expenditure of Rs. 3,978-10-7 was incurred in March 1925, out of an outlay of Rs. 4,429-14-7 on public works during the year.

Defalcation.

33. (i) The sale-proceeds of articles manufactured by the weaving class attached to the Sengunthar Elementary school at Ambasamudram, Sermadevi Taluk Board (Tinnevely district), were remitted by the headmaster to the Taluk Board office from time to time and the acknowledgments of the head clerk obtained. On an examination of the accounts, it was noticed that a sum of Rs. 232-1-9 had been defalcated by the head clerk. It was, however, remitted into the treasury when the omission to bring it to account was detected in audit. The head clerk was warned and his increment stopped for two years.

(ii) The Headmaster of the Mundajee school in the Uppinangadi taluk (South Kanara district), misappropriated a sum of Rs. 7-7-0 out of the sums received by him for disbursement of pay to assistant teachers and absconded. On receipt of a complaint, the amount was recovered from a relative of the headmaster.

(iii) The Headmaster of the Labbipalem school, Kavali taluk (Nellore district), temporarily misappropriated the rent of the school building drawn monthly for the months of September 1923 to May 1924 amounting to Rs. 11-4-0. This misappropriation was rendered possible by the Taluk Board office not insisting on the payee's acknowledgment in support of the payments monthly, and it was not reported to this department.

(iv) There were instances of temporary misappropriations and defalcations of money in the Penukonda Taluk Board.

In May 1924, the ex-Vice-President of the Penukonda Taluk Board (Anantapur district) drew a sum of Rs. 106-5-0 on a self cheque towards the pay of the teachers of the Hindu Boys school, Roddam, for March and April 1924, received the amount himself according to the requisition from the headmaster and furnished an acquittance roll for the amount. A complaint was received subsequently from a teacher that a sum of Rs. 14-13-5 had not been disbursed to him. The ex-President decided that the headmaster should pay the amount. The ex-Vice-President, from whom a report was called for, stated that the undisbursed amount was returned to the ex-second clerk (dismissed), but there was no record in support of this and it is alleged that the signature of the teacher was forged in the acquittance roll furnished by the ex-Vice-President.

A sum of Rs. 35-14-0 being the pay of the teachers of the Hindu Boys school, Naranagapalli, for January 1925, was drawn along with other sums on a cheque issued in favour of a teacher of another school. It was later on discovered that the payment was not supported by an acknowledgment and that the amount had been misappropriated by the ex-head clerk. The taluk board then resolved by a majority that the amount might be drawn from the local fund again and paid to the teachers before steps were taken to recover it from the ex-head clerk who has been since dismissed from service.

A sum of Rs. 9 being the house-rent due to the owner of the Bukkapatnam Panchama school from November 1924 to January 1925 was drawn on the 23rd February 1925, but was not actually disbursed though charged off in the cash book. It was subsequently admitted by the ex-head clerk on the 30th July 1925 that the amount had been misappropriated by him.

There was no acquittance in support of the disbursement of a sum of Rs. 4-13-5 drawn in September 1924 on account of the pay of a teacher of the Jagarajapalli Boys school for August 1924. The teacher was transferred to another school and

when he preferred a claim in October 1924 for the pay for August 1924, the sum of Rs. 4-13-5 was drawn a second time from the Board's fund and disbursed to him. The amount was subsequently recovered when the double payment was pointed out by audit.

(v) In the following cases, school-fee collections handed over to village munsifs, were not credited to the Vellore Taluk Board:—

Rs. 75-1-6—Fee collections of the Odugathur school for the months of April 1924 to September 1924.

Rs. 15-2-0—School-fee collections of Adanur for the months of April 1924 to September 1924.

Rs. 17-7-0—This amount was found outstanding against the Anaikutt school at the end of March 1925; there was no information as to when the amount had been entrusted to the village munsif and whether it had been credited into the treasury.

*(b) DISTRICT EDUCATIONAL COUNCILS.**State of Accounts.*

34. The accounts of all the District Educational Councils for the year 1924-25 were audited and audit reports and notes were issued to the Presidents to be returned with their replies.

35. The general result of audit has been summarized in the individual audit reports as either satisfactory, fairly satisfactory or not satisfactory. Out of the 25 councils in the Presidency, the accounts of 10, viz., Anantapur, Coimbatore, Cuddapah, Ganjam, Kistna, Madras, Madura, Salem and Vizagapatam, were satisfactorily maintained, while those of Bellary and South Kanara were found to be unsatisfactory.

Delay in settling Audit Objections.

36. Old objections were pending settlement in the case of the following District Educational Councils:—

Name of Council.	Year or years to which the objections relate.	Number.	Name of Council.	Year or years to which the objections relate.	Number.
Anantapur ..	1923-24 ..	2	Kistna ..	1923-24 ..	1
Arcot, South ..	{ 1922-23 .. 1923-24 ..	2 2	Kurnool ..	{ 1922-23 .. 1923-24 ..	2 2
		4			4
Bellary ..	{ 1922-23 .. 1923-24 ..	1 9	Madras ..	1923-24 ..	2
		10	Malabar ..	1923-24 ..	2
Chingleput ..	{ 1922-23 .. 1923-24 ..	2 1	Nellore ..	1923-24 ..	3
		3	Ramnad ..	{ 1922-23 .. 1923-24 ..	1 1
Cuddapah ..	1923-24 ..	1			2
Ganjam ..	{ 1921-22 .. 1922-23 .. 1923-24 ..	2 1 2	Salem ..	{ 1921-22 .. 1922-23 .. 1923-24 ..	3 3 20
		5			26
Godavari ..	1923-24 ..	2	Tanjore ..	{ 1922-23 .. 1923-24 ..	1 1
Guntur ..	{ 1922-23 .. 1923-24 ..	4 1			2
		5	Tinnevely ..	{ 1921-22 .. 1922-24 ..	2 3
					5

1922-23 and 1923-24

It will be seen that seventeen councils had old objections pending settlement at the end of the audit for 1924-25; the Vizagapatam Council had not replied to the audit notes of 1923-24 when the audit for 1924-25 was completed. In the case of Ganjam, Salem and Tinnevely, the old objections dated back to the year 1921-22 during which those councils were constituted. In about ten cases, objections of 1922-23 had not been finally cleared while in all the seventeen cases some items of 1923-24 were pending.

Defect in Procedure.

37. The disposal of the amounts drawn on self-cheques was not watched through the cash book or through a subsidiary register by the Presidents of District Educational Councils in some places, e.g., Coimbatore and Nellore. An overdrawal of a sum of Rs. 9 on a self-cheque in the latter place was not noticed until it was pointed out in audit when steps were taken to recover the amount.

Device to prevent a lapse of budget grant.

38. (i) The President of the Godavari District Educational Council drew a sum of Rs. 229 on the 31st March 1925 for the purchase of some furniture, but the amount remained unspent up to the 24th June 1925 when it was refunded. The amount was drawn though it was not actually required for payment, apparently to prevent a lapse of budget grant.

(ii) A sum of Rs. 48-2-0 was drawn on the 30th March 1925 by the President, District Educational Council, Anantapur, for the purchase of stationery which was actually received only after the 31st March 1925. The money was drawn in this case to prevent a lapse of the budget grant.

Excess payments allowed as a special case.

39. Excess payments were made to certain correspondents of schools in the Malabar district in 1922-23 as a result of errors in calculation; when this was pointed out in audit, the Council allowed the payments to stand as a special case thus evading an audit objection.

Avoidable expenditure.

40. An expenditure of Rs. 59-10-0 was incurred in the South Kanara district on printing annual return forms locally which, according to the orders of Government, could have been had free of cost from the Superintendent of Stationery.

Unauthorized expenditure.

41. A clerk of the District Educational Council, South Arcot, who was transferred to the South Arcot District Board was paid leave allowances amounting to Rs. 57-4-8 from the funds of the District Educational Council. The irregular payment was condoned by Government as a special case.

Double Payments.

42. (i) A sum of Rs. 200 due to the correspondent of the Muhammadan school at Koilpatti was paid twice over by the District Educational Council, Tinnevely, first on the 26th March 1925 and again on the 28th March 1925. The mistake was, however, subsequently discovered and the correspondent who was asked to refund the excess, stated that he would refund it in two instalments before the end of 1925-26.

(ii) The list of aided schools not having been correctly drawn up in the Chittoor district, grants were paid twice over in respect of two schools during the year 1923-24. The double payments were subsequently detected and the amounts paid in excess recovered.

The grant due to a school was drawn and paid twice by the President of the District Educational Council, Chittoor, during 1924-25. The amount paid in excess was recovered after a delay of seven months.

(iii) The travelling allowance of a member of the District Educational Council, Guntur, for attending the meetings held in June, July and October 1924, were paid twice—once in October 1924 and again in March 1925. The excess amount paid was recovered when pointed out in audit.

(c) The Madras University Accounts.

43. The accounts for the year 1924-25 have been audited and the following points are worthy of mention:—

(i) The advantages to the University of buying and supplying paper to printers instead of allowing them to use their own paper and charge for it at high rates were pointed out in successive audits since 1920, but the suggestion remains to be given effect to.

(ii) Though the annual expenditure on account of printing amounts to nearly Rs. 30,000, tenders were not invited for the work nor was any agreement executed by the printers with whom arrangements for printing were made for a period of five years. Similarly, no tenders were invited for binding work and for the supply of cloth-lined covers, the expenditure on account of which amounted to nearly Rs. 6,000 during the year under report.

(iii) The desirability of framing rules for the guidance of executive officers with regard to the invitation and acceptance of tenders and entering into contracts for University supplies and services was pointed out in audit, but action remains to be taken.

(iv) There being no complete set of financial rules to regulate expenditure from the University funds, the desirability of framing such rules has been suggested, but action remains to be taken in this case also.

(d) Pachaiyappa's Charities, Madras.

44. Under a scheme passed by the High Court of Judicature, Madras, the audit of the accounts of this institution was transferred from this department to a certified Auditor with effect from the 1st July 1924.

(e) *Lawrence Memorial Royal Military School, Ootacamund.*

(f) *Doveton Protestant College and Girls High School, Madras.*

(g) *Mrs. A. V. N. College, Vizagapatam.*

(h) *Civil Orphan Asylum, Madras.*

45. The accounts of the year have been audited and they do not call for any special remarks.

Order—No. 966, Law (Education), dated 27th May 1926.

Recorded.

2. The Government have already reviewed individual reports of most of the local bodies and issued detailed instructions on the defects noticed in the audit.

3. The attention of the Corporation of Madras is invited to paragraph 18 of the report regarding the delay in returning the audit report to the Examiner of Local Fund Accounts with its remarks thereon. The Corporation is requested to see that such delays do not occur in future.

4. The local bodies referred to in paragraph 20 of the report are requested to open without further delay separate banking accounts for the elementary education funds under their control and report the fact of their having done so to Government.

5. The special attention of the local bodies concerned is drawn to the remarks in paragraph 23 of the report and they are requested to take steps to see that their

elementary education funds do not close with a deficit at the end of the current year. The Director of Public Instruction is requested to examine the position of the elementary education funds of these bodies when submitting the budget estimates for 1926-27.

6. The Government desire to impress on presidents of district educational councils and taluk Boards, and chairmen of municipal councils that no money should be permitted to be drawn from the bank or treasury unless immediately required for payment and that they should exercise close supervision over the work of the office establishment to ensure that moneys received are at once brought to account, that every payment is supported by proper acknowledgment or voucher and that the accounts and registers are properly maintained. It is only by the exercise of close supervision that the irregularities noticed in the report under the heads "defalcation", "double payment", and "false claim" can be prevented.

7. The Government trust that the presidents concerned have brought to the notice of revenue divisional officers the delays on the part of village officers in remitting school-fee collections entrusted to them.

8. The President, Taluk Board, Penukonda, is requested to submit a full report on the misappropriations and defalcations referred to in all the sub-paragraphs in paragraph 33 (iv) of the report except that relating to the Hindu Boys School, Roddam.

9. The presidents of the district educational councils mentioned in paragraph 33 of the report should see that all outstanding objections are settled without further delay. The Government will be glad to have a special report from the presidents of the district educational councils on the reasons for the pendency of objections dating back to 1921-22 and 1922-23.

(By order of the Government, Ministry of Education)

V. T. KRISHNAMA ACHARIYAR,
Secretary to Government.

To all Presidents of District Educational Councils,
" all Presidents of Taluk Boards.
" all Chairmen of Municipalities.
" all Presidents of District Boards.
" the Examiner of Local Fund Accounts.
" the Inspector of Municipal Councils.
" the Director of Public Instruction.
" the Auditor-General (with c.l.).
" the Finance Department.
" the Local Self-Government Department.

25.1.26



L. F. No. 8559

STATION .. Fort St. George, Dated the 22nd January 1926.

From (Name) J. M. Hooper Esquire,
(Designation) Examiner of Local Fund Accounts,

To The Secretary to the Government of Madras,
Law Department.

S i r,

With reference to paragraph 2 (ii) of Government Order No. 754, Finance, dated the 20th October 1924, I have the honour to forward herewith Part IV of the Annual Report on the working of the Local Audit Department, Madras, for the year 1924-25.

I have the honour to be,

S i r,

Your most obedient servant,

J.M. Hooper

Examiner of Local Fund Accounts.

As of 12/1/25

L. E. No. 8693

STATION .. Fort St. George, dated the 22nd January 1926.

From (Name) J. M. Hooper, Esquire,

(Designation) Examiner of Local Land Accounts,

the Secretary to the Government of India.

Law Department.

With reference to paragraph 2 (ii) of Government

Order No. 734, Finance, dated the 30th October 1934, I have

the honor to forward herewith Part IV of the Annual Report

on the working of the Local Audit Department, Madras, for the

1954-55

I have the honor to be,

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Your most obedient servant,

J. M. Hober

Examiner of Local Tax Accounts.

PART IV.—LAW DEPARTMENT.

A. GEFERAL.

(a) ACCOUNTS OF THE ADMINISTRATOR-GENERAL.

1. Under Article 9 of the Civil Account Code and Rule VII (2) of the Rules for the Office of the Administrator-General, every payment charged in the Administrator-General's cash account should be supported by a voucher. Payments to creditors, etc., remained unsupported by payees' acknowledgments to the extent of about Rs. 10,000. The subject is under correspondence.

(b) ACCOUNTS OF THE OFFICIAL TRUSTEE.

2. The accounts do not call for any special remarks.

(c) ACCOUNTS OF THE OFFICIAL ASSIGNEE.

3. The audit of the accounts for the calendar year 1924 does not call for any special remarks except that the Register of Advances suggested in the last audit report has not yet been introduced and the practice of making payments to parties without obtaining from them beforehand vouchers in the proper form still continues.

(d) OFFICIAL RECEIVERS.

State of accounts.

4. The accounts of all the fifteen Official Receivers for the year 1924-25 have been audited and audit reports issued to the District Judges concerned. The general result of audit as summarized in the individual audit reports is satisfactory in the case of Chingleput, Godavari East, Kistna and South Arcot, not satisfactory in the case of Coimbatore and Guntur, and fairly satisfactory in the remaining cases—Cuddapah, Madura, North Arcot, Ramnad, South Kanara, South Malabar, Tanjore, Tinnevely and Trichinopoly.

Delay in settling audit objections.

5. A large number of old objections was pending settlement in the following districts :—

Coimbatore—								
1918-19	..	..	..	..	..	..	..	2 items.
1919-20	..	..	..	..	..	..	..	2 "
1920-21	..	..	..	..	..	..	..	10 "
1921-22	..	..	..	..	..	..	..	6 "
1922-23	..	..	..	..	..	..	..	6 "
1923-24	..	..	..	..	..	..	..	21 "
							Total ..	47 "

Tinnevely—										
1919-21	..	..	..	..	..	..	..	..	16 items..	
1922-23	..	..	..	..	..	..	..	..	9	„
1923-24	..	..	..	..	..	..	..	..	7	„

[illegible][illegible]

Money received not credited into Treasury in full but utilized for expenditure.

6. An important rule in regard to money transactions to which an officer of Government in his official capacity is a party, prohibits the appropriation of receipts to expenditure except when specially authorized. This rule was not observed by the Official Receiver of the Coimbatore district and several instances were noticed in which collections were used by him directly for expenditure.

Irregular drawing from Treasury: Amount drawn and kept in hand when not required.

7. A sum of Rs. 80 provided for in the budget of 1924-25 for contingent expenses of the Official Receiver, Coimbatore, was drawn by him in full in March 1925. Out of this a sum of Rs. 53-4-4 was refunded into the Treasury on the 18th June 1925, and the balance was retained in hand. This was irregular as funds should be drawn only when they are required for immediate payment and should be limited to actual requirements.

Double payments.

8. The Official Receiver, Ramnad, was responsible for two double payments.

In one case he paid a dividend of Rs. 46-9-6 to a creditor in the first instance and again a similar sum to the creditor's vakil though on the latter occasion there was not a sufficient balance to the credit of the estate.

In another case he paid a dividend twice to a creditor in the same month.

(e) SUITORS' FUND.

9. Under G.O. No. 152, Finance, dated the 20th February 1924, and No. 303, Finance, dated the 20th April 1924, the maintenance of the accounts of the Suitors' Fund was transferred from the Accountant-General, Madras, to the Registrar, High Court of Judicature, Madras, with effect from the 1st May 1924 and the annual audit of the accounts was entrusted to this department.

10. No cash book or register of receipts and charges or bank pass book was maintained during the period under audit. The discrepancies noticed between the balances shown in the books of the Registrar and those according to the statement of receipts and charges furnished by the Imperial Bank of India have been communicated to the Registrar for reconciliation.

(f) Prisoners' Cash Property.

11. The audit of the accounts of prisoners' cash property was transferred to the Accountant-General in February 1925 with reference to G.O. Mis. No. 127, Finance, dated the 19th February 1925.

(g) INDUSTRIAL SETTLEMENTS MANAGED BY THE SALVATION ARMY.

(h) PERAMBUR INDUSTRIAL SCHOOL MANAGED BY THE SALVATION ARMY.

(i) KAVALI SETTLEMENT MANAGED BY THE AMERICAN BAPTIIST MISSION.

12. The general result of audit of the accounts of the several institutions was as shown below:—

Perambur	..	..	..	..	..	Fairly satisfactory.
Pallavaram	..	..	..	..	..	Do
Sitanagaram, Guntur	..	..	..	..	..	Satisfactory.
Stuartpuram, Guntur	..	..	..	..	..	Fairly satisfactory.
Boys' Industrial School, Perambur	..	..	..	..	..	Do.
Kavali settlement	..	..	..	..	..	Not satisfactory

13. A stock account of raw material was not maintained at the Perambur settlement; a stock account of manufactured articles was not maintained in the Sitanagaram settlement, and stock accounts were not maintained at the Stuartpuram settlement for (i) livestock, (ii) fodder, (iii) paddy and (iv) articles such as rice, cloth, etc., bought for the boarders.

14. The Kavali settlement which receives grants-in-aid from Government on the net cost basis incurred expenditure without the approval of Government or of the Commissioner of Labour, under delegations made to him, either to the rates, amounts or nature of the charges, where it was necessary, and did not maintain a ledger account of each industry or contract to determine the profit or loss in each case.

B. EDUCATION.

(a) ELEMENTARY EDUCATION FUND MAINTAINED BY LOCAL BODIES.

CORPORATION OF MADRAS.

Illegal Expenditure.

15. In G.O. No. 1890, Law (Education), dated the 3rd December 1924, the President was informed that no expenditure should thereafter be incurred from Elementary Education Funds on the feeding of pupils in the elementary schools of the Corporation. Nevertheless, the Corporation continued to incur expenditure on this account from the Elementary Education Fund under its control till the close of the year under audit. The payments made in contravention of the Government order aggregating to Rs. 3,534-10-6 are not admissible in audit and should be regularized by obtaining the sanction of Government or recovered from the persons responsible as otherwise they are liable to be surcharged.

Stock Books of Stores, Tools and Plant, etc.

16. Many instances were noticed in which credit for materials issued from the General Stores to the Corporation schools were not traceable in the stock books of the schools.

Defects in Stock Verification.

17. The stock books of tools and plant and miscellaneous stores of many of the schools did not bear evidence of stock having been verified either quarterly or at the close of the year. From the quarterly verification reports, it was noticed that the verification was conducted in many of the schools by the headmasters of the respective schools but the fact of verification was not noted in the registers. The importance of the annual verification of the stock of tools and plant as also of miscellaneous stores by a responsible officer cannot be over-estimated.

18. The audit report for the year ending 31st March 1924 was despatched from this office on the 28th October 1924. It has not yet been received back with replies, duly approved of by the Council, for transmission to Government.

DISTRICT MUNICIPALITIES AND LOCAL BOARDS.

State of Accounts.

19. The accounts of the Elementary Education Funds maintained by municipal councils were, on the whole, not so badly kept as those maintained by local boards. Out of 80 municipalities, the general result of audit was satisfactory in 64, fairly satisfactory in 12 and not satisfactory in four, viz., Berhampore, Cochin, Guntur and Saidapet. In the case of local boards, the accounts were either not satisfactory or only fairly satisfactory in a large number of cases.

Separate Banking Account.

20. In order to ensure that the Elementary Education Fund under the control of each local body is not diverted even temporarily to purposes other than those authorized by the Elementary Education Act, 1920, the Government have ordered that a separate banking account should be opened for it distinct from that relating to the general funds of the local body with effect from the 1st April 1925. This was not done by some institutions e.g., the Berhampur, Kodaikanal, Periyakulam and Pollachi municipalities and the Cuddalore Taluk Board.

Delay in the remittance of school-fees.

21. Delays extending in some cases to considerable periods, were noticed in the remittance of school-fees by village officers in the Coimbatore, Dharmapuri, Hosur, Madura, Namakkal, Tirupattur, Udipi, Vriddhachalam and Walluvanad taluk boards. A sum of Rs. 131-10-3 out of school-fees collected up to the end of September 1924 in the Tirupattur Taluk Board remained to be accounted for at the time of the audit in July 1925.

Report of the 6 Taluk Boards...

Contributions from General Funds of Local Bodies not adjusted in full.

22. Several instances were noticed in which the contributions due to the Elementary Education Fund from the general funds of local bodies were not adjusted in full before the close of the year.

In the Peddapuram Municipality, for instance, the contributions for 1922-23 and 1923-24 had not been adjusted up to the 31st March 1925.

Adverse Balance.

23. The Elementary Education Funds of some of the local bodies closed with adverse balances, e.g., the Cannanore Municipality and the Bellary, Chittoor, Pittapuram, Vellore and Venkatagiri Taluk Boards. The Vizianagram Taluk Board Elementary Education Fund closed with an adverse balance of Rs. 59,383-1-4 as the contribution of Rs. 58,707 due was not made during the year from the general funds of the board; the Sivaganga Taluk Board Fund closed with an adverse balance even after the adjustment of the full contribution from the general funds. The fund of the Pithapuram Taluk Board closed with an adverse balance at the end of the previous year also.

Device to prevent a lapse of allotment.

24. (i) The Chairman of the Udumalpet Municipality drew a self cheque for Rs. 801-5-11, being the pay due to certain teachers of elementary schools for 1924-25 on the 31st March 1925. It was cashed on the 20th April 1925 and disbursements were made between the 20th and 30th April 1925. The self cheque should not have been drawn on the last day of the year unless the money was required for immediate payment. The cheque was evidently drawn to prevent a lapse of the budget grant.

(ii) The President, Chicacole Taluk Board (Ganjam district), drew a sum of Rs. 1,911-15-0 on the 31st March 1925 for the purchase of furniture and apparatus for elementary schools. Stamped acknowledgments from suppliers and acknowledgments of headmasters for the receipt of the articles were not produced during audit and it would appear that the money was drawn on the last day of the year in order to prevent a lapse of budget grant.

Money drawn when not required for payment.

25. In two cases in the Vizagapatam Taluk Board, house-rent for premises in which elementary schools were located was drawn for several months and retained by the headmasters without being disbursed on the ground that the repairs to the buildings had not been completed. As money was not required in such cases for immediate payment, the amounts should have been withheld in the monthly bills for future payment and not have been retained indefinitely by the headmasters.

Tenders not called for.

26. Large sums of money were spent by some of the local bodies on the purchase of furniture, etc., for elementary schools under their management, but the principle that tenders should be invited in such cases and supplies obtained on contract, was not followed, e.g., the Cochin Municipality; the Taluk Boards of Cuddalore, Guntur, Palghat, Proddatur, Rayachoti, Tindivanam and Trivellur.

Stocking of articles not required for immediate use.

27. In June 1923, the President, Taluk Board, Kandukur (Nellore district), bought 450 slates at a cost of Rs. 206-10-8 for use in elementary schools without ascertaining the actual requirements. Such a large number was not required for immediate use as only 10 slates were distributed during the ten months from June 1923 to March 1924.

False acquittances.

28. The third assistant of the Tirumulluvasal Elementary school, Mayavaram Taluk Board (Tanjore district), was absent on leave and a person other than the one duly appointed by the President of the Taluk Board was appointed by the headmaster to act for a short period. In the bill and the acquittance submitted by the

headmaster to the Taluk Board office, the name of the person appointed by the President was shown. For this the head master was fined Rs. 5 and transferred to another school.

False Claim.

29. Against a sum of Rs. 12 actually due on account of the travelling allowance to a teacher employed under the Penukonda Taluk Board (Anantapur district), a sum of Rs. 20 was passed and paid. When the excess payment was pointed out in audit, it was refunded into the treasury.

Double Payments.

30. (i) Four instances of double payments were noticed in the Narasaraopet Taluk Board (Guntur district).

The difference of pay due to a teacher for April to July 1923 and amounting to Rs. 28 was drawn twice in June 1924.

The establishment and contingent charges of the Enugupalem school for August 1924 amounting to Rs. 15-8-0 were drawn once in September 1924 and again in November 1924. The pay due to a teacher of a Muhammadan school for August 1924 amounting to Rs. 3-6-0 was similarly drawn twice : once in September and again in November 1924.

The pay of a teacher of the Velpur Girls' School for 15 days of October 1924 amounting to Rs. 5-7-0 was drawn twice in November 1924.

(ii) The President of the Chidambaram Taluk Board passed the leave pay of a headmaster and certain acting allowances due to teachers amounting to Rs. 36-13-0 in the main bill of a school for April 1924 and again passed a supplemental bill received later on for the amount. There was thus a double payment which was short drawn on subsequent bills.

(iii) In the Madanapalle Taluk Board (Chittoor district), the pay of the establishment of the Nanjampet school for the months of October and November 1924 amounting to Rs. 50 was paid twice—first in January and again in March 1925. The payment made in excess was recovered after it was pointed out in audit.

(iv) The leave allowances of a teacher (Rs. 7-10-0) and the rent for a school (Rs. 3) were drawn twice in the Penukonda Taluk Board (Anantapur district).

(v) There were three double payments of the pay of teachers and a conductress and of rent for a school in the Sankari Taluk Board (Salem district).

Defects relating to Public Works.

31. Some of the defects noticed in connexion with the execution of public works from the general funds of local bodies were also noticed in regard to expenditure out of the Elementary Education Fund.

32. (i) The President of the Dharmavaram Taluk Board (Anantapur district), drew a sum of Rs. 400 against Rs. 150 sanctioned by the Taluk Board for the construction of a compound wall for which no estimate was prepared and sanctioned.

(ii) In the Chicacole Taluk Board, the final payment for constructing certain school buildings was made after a delay of more than two years from the date of check-measurement of the work.

(iii) In the Chicacole Taluk Board, an expenditure of Rs. 3,978-10-7 was incurred in March 1925, out of an outlay of Rs. 4,429-14-7 on public works during the year.

Defalcation.

33. (i) The sale-proceeds of articles manufactured by the weaving class attached to the Sengunthar Elementary school at Ambasamudram, Sermadevi Taluk Board (Tinnevely district), were remitted by the headmaster to the Taluk Board office from time to time and the acknowledgments of the head clerk obtained. On an examination of the accounts, it was noticed that a sum of Rs. 232-1-9 had been defalcated.

26/10/25
by the head clerk. It was, however, remitted into the treasury when the omission to bring it to account was detected in audit. The head clerk was warned and his increment stopped for two years.

(ii) The Headmaster of the Mundajee school in the Uppinangadi taluk (South Kanara district), misappropriated a sum of Rs. 7-7-0 out of the sums received by him for disbursement of pay to assistant teachers and absconded. On receipt of a complaint, the amount was recovered from a relative of the headmaster.

(iii) The Headmaster of the Labbipalem school, Kavali taluk (Nellore district), temporarily misappropriated the rent of the school building drawn monthly for the months of September 1923 to May 1924 amounting to Rs. 11-4-0. This misappropriation was rendered possible by the Taluk Board office not insisting on the payee's acknowledgment in support of the payments monthly, and it was not reported to this department.

(iv) There were instances of temporary misappropriations and defalcations of money in the Penukonda Taluk Board.

In May 1924, the ex-Vice President of the Penukonda Taluk Board (Anantapur district) drew a sum of Rs. 106-5-0 on a self cheque towards the pay of the teachers of the Hindu Boys School, Roddam, for March and April 1924, received the amount himself according to the requisition from the headmaster and furnished an acquittance roll for the amount. A complaint was received subsequently from a teacher that a sum of Rs. 14-13-5 had not been disbursed to him. The ex-President decided that the headmaster should pay the amount. The ex Vice-President from whom a report was called for, stated that the undischursed amount was returned to the ex-second clerk (dismissed), but there was no record in support of this and it is alleged that the signature of the teacher was forged in the acquittance roll furnished by the ex-Vice-President.

A sum of Rs. 35-14-0 being the pay of the teachers of the Hindu Boys School, Naranagapalli for January 1925, was drawn along with other sums on a cheque issued in favour of a teacher of another school. It was later on discovered that the payment was not supported by an acknowledgment and that the amount had been misappropriated by the ex-head clerk. The taluk board then resolved by a majority that the amount might be drawn from the local fund again and paid to the teachers before steps were taken to recover it from the ex-head clerk who has been since dismissed from service.

A sum of Rs. 9 being the house-rent due to the owner of the Bukkapatnam Panchama school from November 1924 to January 1925 was drawn on the 23rd February 1925, but was not actually disbursed though charged off in the cash book. It was subsequently admitted by the ex-head clerk on the 30th July 1925 that the amount had been misappropriated by him.

There was no acquittance in support of the disbursement of a sum of Rs. 4-13-5 drawn in September 1924 on account of the pay of a teacher of the Jagarajapalli Boys School for August 1924. The teacher was transferred to another school and when he preferred a claim in October 1924 for the pay for August 1924, the sum of Rs. 4-13-5 was drawn a second time from the Board's fund and disbursed to him. The amount was subsequently recovered when the double payment was pointed out by audit.

(v) In the following cases, school-fee collections handed over to village munsiffs, were not credited to the Vellore Taluk Board :—

Rs. 75-1-6—Fee collections of the Odugathur school for the months of April 1924 to September 1924.

Rs. 15-2-0—School-fee collections of Adanur for the months of April 1924 to September 1924.

Rs. 17-7-0—This amount was found outstanding against the Anaikutt School at the end of March 1925 ; there was no information as to when the amount had been entrusted to the village munsif and whether it had been credited into the treasury.

Guntur, Salem, South Kanara under reference

(b) DISTRICT EDUCATIONAL COUNCILS.

State of Accounts.

34. The accounts of all the District Educational Councils for the year 1924-25 were audited and audit reports and notes were issued to the Presidents to be returned with their replies.

35. The general result of audit has been summarized in the individual audit reports as either satisfactory, fairly satisfactory or not satisfactory. Out of the 25 councils in the Presidency, the accounts of 10, viz., Anantapur, Coimbatore, Cuddapah, Ganjam, Kistna, Madras, Madura, Salem and Vizagapatam, were satisfactorily maintained, while those of Bellary and South Kanara were found to be unsatisfactory.

Delay in settling Audit Objections.

36. Old objections were pending settlement in the case of the following District Educational Councils :—

Name of Council.	Year or years to which the objections relate.	Number.	Name of Council.	Year or years to which the objections relate.	Number.
Anantapur ..	1923-24	2	Kistna ..	1923-24	1
Arcot, South ..	{ 1922-23 1923-24	{ 2 2	Kurnool ..	{ 1922-23 1923-24	{ 2 2
		4			4
Bellary ..	{ 1922-23 1923-24	{ 1 9	Madras ..	1923-24	2
		10	Malabar ..	1923-24	2
Chingleput ..	{ 1922-23 1923-24	{ 2 1	Nellore ..	1923-24	3
		3	Ramnad ..	{ 1922-23 1923-24	{ 1 1
Cuddapah ..	1923-24	1			2
Ganjam ..	{ 1921-22 1922-23 1923-24	{ 2 1 2	Salem ..	{ 1921-22 1922-23 1923-24	{ 3 3 20
		5			26
Godavari ..	1923-24	2	Tanjore ..	{ 1922-23 1923-24	{ 1 1
Guntur ..	{ 1922-23 1923-24	{ 4 1			2
		5	Tinnevelly ..	{ 1921-22 1922-24	{ 2 3
					5

8 9 (T) 18 10

It will be seen that seventeen councils had old objections pending settlement at the end of the audit for 1924-25; the Vizagapatam Council had not replied to the audit notes of 1923-24 when the audit for 1924-25 was completed. In the case of Ganjam, Salem and Tinnevely, the old objections dated back to the year 1921-22 during which those councils were constituted. In about ten cases, objections of 1922-23 had not been finally cleared while in all the seventeen cases some items of 1923-24 were pending.

Defect in Procedure.

37. The disposal of the amounts drawn on self-cheques was not watched through the cash book or through a subsidiary register by the presidents of District Educational Councils in some places, e.g., Coimbatore and Nellore. An overdrawal of a sum of Rs. 9 on a self-cheque in the latter place was not noticed until it was pointed out in audit when steps were taken to recover the amount.

Device to prevent a lapse of budget grant.

38. (i) The President of the Godavari District Educational Council drew a sum of Rs. 229 on the 31st March 1925 for the purchase of some furniture, but the amount remained unspent up to the 24th June 1925 when it was refunded. The amount was drawn though it was not actually required for payment, apparently to prevent a lapse of budget grant.

(ii) A sum of Rs. 48-2-0 was drawn on the 30th March 1925 by the President, District Educational Council, Anantapur, for the purchase of stationery which was actually received only after the 31st March 1925. The money was drawn in this case to prevent a lapse of the budget grant.

Excess payments allowed as a special case.

39. Excess payments were made to certain correspondents of schools in the Malabar district in 1922-23 as a result of errors in calculation; when this was pointed out in audit, the Council allowed the payments to stand as a special case thus evading an audit objection.

Avoidable expenditure.

40. An expenditure of Rs. 59-10-0 was incurred in the South Kanara district on printing annual return forms locally which, according to the orders of Government, could have been had free of cost from the Superintendent of Stationery.

Unauthorized expenditure.

41. A clerk of the District Educational Council, South Arcot, who was transferred to the South Arcot District Board was paid leave allowances amounting to Rs. 57-4-8 from the funds of the District Educational Council. The irregular payment was condoned by Government as a special case.

Double Payments.

42. (i) A sum of Rs. 200 due to the correspondent of the Muhammadan school at Koilpatti was paid twice over by the District Educational Council, Tinnevely, first on the 26th March 1925 and again on the 28th March 1925. The mistake was, however, subsequently discovered and the correspondent who was asked to refund the excess, stated that he would refund it in two instalments before the end of 1925-26.

(ii) The list of aided schools not having been correctly drawn up in the Chittoor district, grants were paid twice over in respect of two schools during the year 1923-24. The double payments were subsequently detected and the amounts paid in excess recovered.

The grant due to a school was drawn and paid twice by the President of the District Educational Council, Chittoor, during 1924-25. The amount paid in excess was recovered after a delay of seven months.

(iii) The travelling allowance of a member of the District Educational Council, Guntur, for attending the meetings held in June, July and October 1924, were paid twice—once in October 1924 and again in March 1925. The excess amount paid was recovered when pointed out in audit.

246 p

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(ii) Though the annual expenditure on account of printing amounts to nearly Rs. 30,000, tenders were not invited for the work nor was any agreement executed by the printers with whom arrangements for printing were made for a period of five years. Similarly, no tenders were invited for binding work and for the supply of cloth-lined covers, the expenditure on account of which amounted to nearly Rs. 6,000 during the year under report.

(iv) There being no complete set of financial rules to regulate expenditure from the University funds, the desirability of framing such rules has been suggested, but action remains to be taken in this case also.

44. Under a scheme passed by the High Court of Judicature, Madras, the audit of the accounts of this institution was transferred from this department to a certified Auditor with effect from the 1st July 1924.

45. The accounts of the year have been audited and they do not call for any special remarks.

45. The accounts of the year have been audited and they do not call for any special remarks.

C. 293 A.

From the Examiner of Local Fund Accounts, L.F.No.
8559, dated 22nd January 1926.

Subject : - Annual report on the working of the
Local Audit department for the
year 1924 - 1925.

Paragraphs 15 to 43 of the report relate to the Educa-
tion department.

2 Paragraph 15 of the report : -

The Corporation of Madras has applied for the
sanction of the Government to the expenditure on feed-
ing of pupils incurred after the issue of G.O. No.
Law (Education)
1890/dated 3rd December 1924 . The file has been
transferred to the Local Self-Government department for
the issue of orders.

3 Paragraphs 16 to 18 of the report.

The audit report on the accounts of the Elemental
Education Fund under the control of the Corporation of
Madras for 1924- 1925 has not been received . The
defects noticed may be dealt with when the report is
received and reviewed.

4 Paragraph 20 of the report.

The Municipal councils of Kodaikanal, Periyakul-
and
Pollachi and the Cuddalore taluk board have since
opened separate banking accounts for the Elementary
Education Fund under their control. The audit report
of the Berhampur municipality has not been received.
The local bodies which have not yet opened separate
banking accounts may be asked to open such accounts
without further delay.

5 Paragraph 21 of the report.

Some taluk boards have replied that steps are
being taken to avoid delays in the remittance of school
fee collections by village officers.

Paragraph 22 of the report.

Necessary instructions to the Peddapuram Municipal council to adjust its contributions for 1922-23 and 1923-24 may be issued when the audit report is received and reviewed.

Paragraph 23 of the report.

The audit reports of most of the local bodies referred to herein have not been received. The attention of the Director of Public Instruction may be drawn to the remarks of the Examiner of Local Fund Accounts and he may be asked to submit his recommendations when submitting the Elementary Education Fund budgets for 1926-1927 of the local bodies concerned.

Paragraph 24 of the report.

The audit reports on the Elementary Education Funds under the control of Udumalpet Municipality and the Chicacole Taluk Board have not been received. The necessary instructions may be issued on receipt of the reports.

Paragraph 26 of the report.

The Presidents of the Taluk Boards of Rayachoti, Tindivanam and Travellur have stated that the suggestions of the Examiner of Local Fund Accounts in regard to the calling of tenders will be adopted in future.

Paragraph 28 of the report.

The false acquittance in question was not brought to notice in the audit report submitted to Government - G.O.No. 35 Law (Education), dated 16th January 1926.

Paragraph 30 of the report.

The double payments were due to the fact that the accounts and registers were not maintained correctly as required by the rules. The attention of the local bodies may be drawn to the remarks contained in the report and they may be requested to ensure that the necessary accounts and registers are correctly maintained.

Paragraphs 31 and 32 of the report.

The audit reports of the Elementary Education Fund under the control of the Taluk Boards, Dharmavaram and Chicacole have not yet been received. Any instructions that may be considered necessary may issue on receipt of the reports.

Paragraph 33 of the report.

The Taluk Board, Penukonda, may be asked to submit a detailed report on the misappropriations and defalcations brought to notice.

The President of the Vellore taluk board may be asked to address the revenue authorities and to see that the school fee collections handed over to village munsiffs are remitted to the Taluk Board without further delay.

Paragraph 36 of the report.

The Government may impress on all District Educational Councils that all outstanding objections should be settled without further delay.

Paragraph 37 of the report

Does not call for any remarks, as the Presidents of the Councils concerned have taken the necessary steps in the matter.

Paragraph 39 of the report.

Please see paragraph 5 of the audit report on page 2 of G.O. No. 503 Law (Education), dated 5th December 1925. It is for consideration whether the words "and gradually" audit objections " may not be deleted in printing the report.

Paragraphs 40 and 41 of the report.

No special remarks are called for.

Paragraph 42 of the report.

The President, District Educational Council, Chittoor, explained that the double payments in question were due to insufficiency of establishment to cope with the work of the issue of teaching grant bill.

19 A draft review is submitted. It may be sent to Local Self Government and Finance department for acceptance.

24.2.26
5 Retype as revised

V.T.K.
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L.S.G.
Fin

Retyped and Submitted

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NH
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V.T.K.
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L.S.G.
Fin

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L. S. G. Deptt

Para 13 of the Law (Edn) Deptt's note on p 3 ante.

Penukonda TK Bd - defalcations.

This deptt obtained a report from the P.T. B on the first of the items of defalcations noticed in para 33 (iv) of the Report. The collector was also asked to investigate the matter. On the report of the collector, the Public Prosecutor ^{who} was consulted ~~as to~~ in the matter as stated that a prosecution ^{against} the

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11.4.26

The report was sent to it on 28.10.24 - para. 18 on page 4 of Report.

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ex-nice-president will ^{not} be successful. The papers are being sent to the Law (Edn) Deptt separately. With reference to para 7 of the draft order, it is subtd that it will be sufficient if the P.T. B submits a report on ~~the~~ items other than the first referred to in para 33 (iv) of the Report. Subject to these remarks, the draft may be accepted and the file passed on to Finance w.o.

Ry
5/3/26.

Para 2 of the Law Deptt. note - cross have issued, in G.O. No. 955 L & M. D. 5-3-26, informing the Corporation that the expenditure must be met from its general funds. Para. 3 of the Law Deptt. note - A para. may perhaps be added to the draft order drawing the attention of the Corporation to the inordinate delay ^{made} in returning the audit report to the Examiner with its remarks.

11.4.26

6.3.26
Bo. A. Seen

This section is mainly concerned with paragraphs 21, 24, 25, 26, 27, 28, 29, 30 & 33 of the audit report. This department may generally

agree with the remarks of Law (Eon) repts in respect of paragraphs 24, 26, 28-30 & 33. The following paragraphs of the audit report which have not been dealt with by Law (Eon) are examined below in detail:-

(1) Para 21 of the report. Delay in the submission of school fees by the village officers. In para 6 of the draft order it has been suggested that the conduct of the village officers should have been brought to the notice of the Rev. Divisional Officer concerned. No further action is necessary.

p 4 cf.

(2) Para 25. Non payment of house rents drawn until certain repairs were completed. No special action seems called for at present. This may perhaps be commented upon when the audit report for the Visagapattam Taluk is received.

p 5 cf.

(3) Para 27 - Stocking of articles not required for immediate use. No special action seems necessary at present.

p 5 cf.

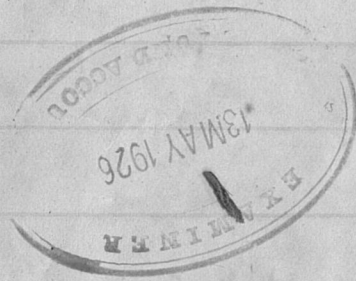
5. With these remarks the draft order may be accepted & the file passed on to Finance.

Fin (LA) 112-
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Fin (L.A.)



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Law

Law (Eon) Draft

Paragraph 8 of the draft has been amended with reference to L.S.G. note para 1 on pages 4-5 ante.
2. Paragraph 3 of the draft has been added with reference to para 3 of L.S.G. note on p. 5 ante.
3. The file may be circulated to H.M. M₂ and H.M. C₄



18/5/26

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19.5.26
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V.T.K.
no. 5

M₂

C₄

21/5/26

23/5/26

Sent to Press
on 26/5

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V.T.K.
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11.5.26

Please circulate to H.M. C₄

14/5/26

Fin (L.A.)

(S. 11)

The draft was prepared by the
Finance Department and is now
being forwarded to the
Government of Madras.

(S. 11)

Paragraph 2 of the Report has been
referred to the Finance Department
for their consideration. The
Finance Department has been
requested to communicate the
orders which have already been
passed or which will be passed
on the paragraphs of the Report.

and the Accountant-General, Madras.

2. In accordance with paragraph 2 (iii) of G.O.No. 754, Finance, dated the
20th October 1924, a copy of the orders passed by Government on the various
paragraphs included in the above Audit Report has to be communicated to the
Auditor-General. Departments of the Secretariat are requested to communicate
to the Auditor-General direct the orders which have already been passed or which
will be passed on the paragraphs of the Report.

G. T. Boag,
Secretary to Government.

To
Departments of the Secretariat (all sections).

T.R.K.

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Page 1

Perukanda
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File Serial
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Government of Madras.
Finance (Accounts) Department.

U. O. Note No. 5169 Accts., dated the 24th February 1926.

AUDIT REPORT ON THE WORKING OF THE LOCAL AUDIT DEPARTMENT,
MADRAS, for 1924-1925 -

A copy of the above Audit Report received from the Examiner of Local Fund
Accounts is being separately communicated by this Department to the Auditor-General
and the Accountant-General, Madras.

2. In accordance with paragraph 2 (iii) of G.O.No. 754, Finance, dated the
20th October 1924, a copy of the orders passed by Government on the various
paragraphs included in the above Audit Report has to be communicated to the
Auditor-General. Departments of the Secretariat are requested to communicate
to the Auditor-General direct the orders which have already been passed or which
will be passed on the paragraphs of the Report.

Noted
copy of
the Report
is being sent
to the Auditor-General

G. T. Boag,
Secretary to Government.

To
Departments of the Secretariat (all sections).

T.R.K.

Production

When received for Fair-copying.

When copied

When examined

When signed

When despatched

Date.

Initials.

ELEMENTARY EDUCATION FUND

Audit-annual report of the Examiner of
Local Fund Accounts for 1924 - 1925 -
reviewed.

READ AGAIN G.O. No., dated 192

” ” ” ” ” 192 .

READ ALSO :—

C. No. 2937A From the _____, No. _____, dated _____ 192

” ” ” ” ” ” 192

[illegible]

ORDER.

Pres

No. 968, dated 27. 5 1926

R e c o r d e d.

2. The Government have already reviewed individual reports of most of the local bodies and issued detailed instructions on the defects noticed in the audit.

3. X X X X X
4B. The local bodies referred to in paragraph 20 of the report are requested to open without further delay separate banking accounts for the elementary education funds under their control and report the fact of their having done so to Govt.

57A. The special attention of the local bodies concerned is drawn to the remarks in paragraph 23 of the report and they are requested to take steps to see that their Grants do not close with a deficit elementary education ~~deficit~~ at the end of the current year. The Director of Public Instruction is requested to examine the position of the elementary education

12 2
funds of these bodies when submitting the budget estimates for 1926- 1927.

65. The Government desire to impress on Presidents of District Educational Councils and Taluk Boards, and Chairmen of Municipal Councils that no money should be ^{permitted to be} drawn from the bank or treasury unless immediately required for payment and that they should exercise close supervision over the work of the office establishment to ensure that moneys received are at once brought to account, that every payment is supported by proper acknowledgment or voucher and that the accounts and registers are properly maintained. It is only by the exercise of ~~such~~ close supervision that the irregularities noticed in the report under the heads " defalcation", "double payment". and "false claim " can be prevented.

76. The Government trust that the presidents concerned have brought to the notice of ~~the~~ revenue divisional officers ^{the} delays on the part of village officers in remitting school-fee collections entrusted to them.

87. The President, Taluk Board, Penukonda, is requested to submit a full report on the misappropriations and defalcations referred to in all the sub-para-paragraphs in paragraph 33(iv) of the report except that relating to the Hindu Boys School, Reddam.

8.

26 13 130
98. The Presidents of the District Educational Councils mentioned in paragraph 36 of the report should see that all outstanding objections are settled without further delay. The Government will be glad to have a special report from the presidents of the district educational councils on the reasons for the pendency of objections dating back to 1921-1922 and 1922-1923.

- 68 CF
DECEASED
924 - JUN 26
- all Presidents of District Educational Councils. ✓
 - all Presidents of Taluk Boards. ✓
 - " Chairmen of Municipalities. ✓
 - " Presidents of District Boards. ✓
 - Re Examiner of Local Fund Accounts. ✓
 - " Inspector of Municipal Councils. ✓
 - " Director of Public Instruction. ✓
 - " Auditor General (with c.l.) ✓
 - " Finance Department. ✓
 - " Local Self Government department. ✓

V.T.K.
26.2

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15



PRESS SLIP.

Scott. 11-38-2,723-2-2-22.

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Law (884) DEPARTMENT.

Current No. dated 192

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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 Referencer 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.

[P.T.O.]

TO PRESS, MADRAS, OOTY.

A

Please send proof in duplicate. The papers have been carefully edited.

Referencer.
Clerk.

Supt.

B

Proof returned corrected. Please strike off and send number of copies as indicated.

Type may be released after usual interval at once.

Referencer.
Clerk.

Supt.

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.

Referencer.
Clerk.

Supt.

SPECIAL INSTRUCTIONS.

TO BE FILLED IN BY THE PRESS.

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

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