

FINANCIAL DEPARTMENT.

FINANCE.

CALCUTTA, THE 8TH JULY 1878.

RESOLUTION.

READ—

Government Circular (Education) No. 12, dated the 24th September 1877, addressed to all District Officers and Inspectors of Schools, directing that no money should be drawn from the treasury save to meet expenditure actually incurred, and that no sums should be drawn towards the close of the year and held in deposit for disbursement during the following year; also calling for a report as to whether the practice of keeping in hand unspent balances has in any case been allowed.

Read—

The following replies to the above circular, and letters from the Director of Public Instruction on the subject, viz:—

- From the Magistrate of Bankoora, No. 263, dated 10th November 1877.
- „ the Vice-President, District Education Committee, Midnapore, No. 1620E., dated 9th February 1878.
- From the Magistrate of the 24-Pergunnahs, No. 806, dated 4th December 1877.
- „ the Magistrate of Jessore, No. 324E.D., dated 5th November 1877.
- „ the Magistrate of Moorshedabad, No. 453E., dated 27th November 1877.
- „ the Magistrate of Pubna, No. 184E., dated 26th January 1878.
- „ the Magistrate of Dacca, No. 437, dated 8th October 1877.
- „ the Magistrate of Mymensingh, No. 279, dated 8th November 1877.
- „ the Magistrate of Fureedpore, No. 146E., dated 7th December 1877.
- „ the Magistrate of Noakhally, No. 41, dated 24th January 1878.
- „ the Magistrate of Gya, No. 285, dated 11th March 1878.
- „ the Magistrate of Mozufferpore, No. 269E., dated 29th November 1877.
- „ the Magistrate of Bhagulpore, No. 282, dated 24th October 1877.
- „ the Deputy Commissioner, Lohardugga, No. 1596, dated 19th December 1877.
- „ the Director of Public Instruction, No. 1262, dated 22nd February 1878.
- „ Ditto ditto No. 1661, dated 20th March 1878.
- „ Ditto ditto No. 2015, dated 2nd April 1878.
- „ Ditto ditto No. 2133, dated 10th April 1878.

It recently came to the notice of Government that an educational officer had unnecessarily retained public money in his hands instead of repaying it into the treasury, and Circular No. 12, dated 24th September 1877, quoted at the head of this Resolution, was issued, directing that no sums are to be “drawn out of the treasury from the grant allotted for primary education, or from any other grant, save to defray expenditure actually incurred; and also that no sums are to be drawn towards the close of the year and held in deposit for expenditure during the following year.” At the same time, it was ordered that a specific report be submitted to Government as to whether the practice of keeping in hand unspent balances had in any case been allowed.

2. On reconsideration, it appears to His Honor the Lieutenant-Governor that the rule forbidding money to be drawn from the treasury, except to meet expenditure actually incurred, cannot in all cases be strictly maintained, and is indeed only applicable in the case of expenditure which can in the first instance be met from a permanent advance. To secure accuracy of record in the public accounts, and to diminish the risk of fraud or embezzlement in the offices of disbursing officers, as well as to simplify the accounts to be kept by such officers, it is necessary that money drawn from the public treasury should be either finally paid away within a reasonable time, or should be repaid into the treasury.

Consequently no money should as a rule be drawn from the treasury, unless it is required for immediate expenditure, and no money so drawn, and

not at once required for expenditure, should, unless under special orders, be either kept in hand, or lodged in a private or public bank, or placed in deposit in the treasury, or used as an advance to meet any item of expenditure other than that for which it was drawn.

3. The answers which have been received to the circular quoted in the opening paragraph of this Resolution, show that the rule forbidding the retention in the hands of disbursing officers of unspent balances has in many cases been violated in connection with the expenditure on account of education. The administrative requirements of the Education Department are no doubt unusual, and in some respects peculiar to that department; but the direct violations of the rule which have been reported could in many instances have been avoided without inconvenience.

4. The irregularities which have occurred need not be here dealt with in detail, as they fall naturally into certain classes, and it will be sufficient to examine separately each class of cases, and to suggest such remedies as may render unnecessary any violation of rule in future.

(a.)—*Delay in paying stipends of teachers of primary schools.*—It appears that, as a rule, the stipend of the teacher of a primary school can only be paid when the Sub-Inspector visits a school; and as he is only required to do so once in three months, though of course his visits may be more frequent, it follows that occasionally the teacher is only paid once in three months, and the money that has been drawn from the treasury remains for a considerable time in the hands of the Sub-Inspector. A remedy for such a state of affairs would be obtained by not drawing the stipend of any month until the Sub-Inspector was about to visit the school to the teacher of which it was payable. In this way, the time during which the stipends remained in the hands of the Sub-Inspector would be reduced to a minimum; but difficulties arise in practice, owing to the fact that the stipends are drawn at head-quarters and sent out to the Sub-Inspector, and that it is impossible to tell beforehand what primary schools he may visit in any month. In such cases Government must rely upon its officers to exercise discretion in not drawing stipends from the treasury an unnecessarily long time before they are wanted.

(b.)—*Delay in refunding money drawn on account of pathsalas closed since date of last inspection.*—Such refunds should be made by deduction from the amount of the first bill sent to the treasury after it has been ascertained that a refund must be made.

(c.)—*The balance of the pathsala grant is drawn towards the close of the year for expenditure either in rewards to gurus and pupils on the result of the primary school examination just ended, or in building grants to pathsalas.*—The employment of the balance of the primary grant in this way is quite legitimate, but the procedure followed leads to frequent and great irregularities. The balance of the primary grant should never be drawn even at the end of the year, unless it is wanted for immediate expenditure, or unless it is wanted for expenditure within so short a time that it would be withdrawn from the treasury even if the end of the financial year was not approaching. Local officers should be able to make such a forecast of their expenditure as will show them what balance will be available for rewards and for building grants, and should arrange for the disbursement of this amount within the financial year; but if in any case the balance of the grant is not required for immediate expenditure at the close of the year, it should not be drawn from the treasury. All such devices, as drawing money from the treasury at the close of the year and keeping it in hand, or placing it in deposit in the treasury, or in a private bank, or in the Government Savings Bank, have always been forbidden and must cease.

(d.)—*Money is sometimes drawn from the treasury before the amount to be expended is or can be known.*—This procedure is said to be necessarily involved in the system of payment by results. At every centre of examination, all boys who come up to a certain standard are paid then and there a certain sum. All gurus also who furnish returns at the close of the year are paid a certain sum.

It might *primâ facie* appear that this difficulty could be got over by ascertaining in the first instance the amount to be paid away, and afterwards distributing it among the persons entitled to receive it. But this course would be impracticable owing to the labour and expense involved in distributing all over the country the small sums to be paid away on this account. All that can be done is to require that all sums to be paid in this way shall be drawn from the treasury as short a time as possible before the date of payment, and that all money not disbursed on account of examinations held, or returns received, within the financial year, shall be refunded to the treasury on the earliest opportunity.

(e.)—*Money is sometimes drawn from the balances of Government Zillah or Vernacular Schools and held in deposit (often for an indefinite period) until it is wanted to meet expenditure.*—This procedure is objectionable on several grounds; it is forbidden by Government and the re-grant system renders it absolutely unnecessary. It should therefore cease.

5. In addition to the classes of irregularities enumerated in the preceding paragraphs, it appears that a system opposed to existing rules has been followed in the Behar Circle for the encouragement of the production of school books. It is stated that the Magistrates of districts in Behar are in the habit of furnishing the Inspector of Schools with sums of money drawn from the various primary grants; that the Inspector forms these sums into a fund which is kept in the Bank of Bengal and employed to encourage the production of useful school books, a separate account being kept with each Magistrate. Under this system money is drawn from the treasury before it is required for expenditure; it is kept out of the public accounts for an indefinite period and is lodged in a bank. All these practices are forbidden, and the fund must at once be wound up. Should any special measures be still required to encourage the production of school books in Behar, some system must be devised under which money will not be drawn from the treasury until it is required for actual expenditure. The Inspector could doubtless ascertain from each Magistrate how much he was prepared to expend in the purchase of useful school books, and the amount could be drawn from the treasury when it was actually required to be paid away.

ORDER.—Ordered that a copy of the Resolution be forwarded to all Magistrates and Deputy Commissioners and to the General Department (Education) of this office, with the request that steps may be taken to call the attention of the various local officers concerned to the cases reported in the correspondence quoted at the head of the Resolution, in which the rules now laid down have been violated by them.

By order of the Lieutenant-Governor of Bengal,

D. BARBOUR,

*Offg. Secretary to the Govt. of Bengal.*

Circular No. 24.

COPY forwarded to the

By order of the Lieutenant-Governor of Bengal,

RAJENDRA NATH MITRA,

*Assistant Secretary to the Govt. of Bengal.*

CALCUTTA;

The 8th July 1878.

R. P. D.—Reg. No. 3786—31-7-78.

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Copy forwarded to the Principal  
Presidency College for information and  
guidance. —

Fort William  
The 5<sup>th</sup> August 1783

My  
offy Director of Publics