

Are Toronto's expenses for various activities and services properly apportioned?

*Who knows?*

The Board will soon be in a position to know—if the City Auditor's recommendations are adopted.

**Can the Board afford not to adopt them?**

**Can the public school supporters afford to allow them to be ignored**

?

A succeeding bulletin will outline what costs a modern school accounting system might produce for the guidance of Board Members and School Supporters.

## EFFECTIVE CITIZEN CO-OPERATION

WHAT IS EVERYBODY'S BUSINESS SHOULD  
BE EACH BODY'S BUSINESS

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## SCHOOL ACCOUNTS

**like all others should  
show not only that**

- 1. Every dollar goes where intended  
but that**
- 2. All dollars are expended on the  
various school activities  
in due proportion.**

The first is necessary to secure honest administration;  
The second is necessary to secure effective administration.

That the accounts of the Board of Education secure the first end has never been doubted by the public.

That its accounts have never given adequate information as to the second is obvious.

*How can the Board know—how can the taxpayer know—that the money which goes to public education is spent to the best advantage*

?

The City Auditor has just submitted a report on school accounting making fundamental recommendations which, if put into effect, will afford not only

an improved check on payments  
and receipts  
but

a foundation for educational cost  
accounting heretofore entirely lacking.

All waste motion having been eliminated, does it necessarily take more space and time to find out a thing's real cost than its "near" cost?

Will not a knowledge of real costs of services, activities, etc. eventually be much less expensive than ignorance of these fundamental costs?

The Auditor's report makes good reading.

*Within is a summary.*



## Summary of Recommendations on School Accounting recently made by the City Auditor.

- 1 All accounts should be changed from the present cash basis to the revenue basis, all liabilities being entered as they are assumed.
- 2 The annual statement should be ready a few weeks instead of a few months after the end of the financial year.
- 3 When the accounts are placed on a revenue basis, it will be possible and necessary to draw up a balance sheet and operating (income and expenditure) account.
- 4 There should be an internal audit to catch errors as they occur.
- 5 The present accountant should be given complete charge over all accounting affairs.
- 6 Loss of time and inconvenience should be obviated by greater accuracy in filing cheques, vouchers, contracts, etc.
- 7 Greater care should be exercised in regard to signing contracts and receiving them back from the solicitor before action.
- 8 An expenditure ledger should be established to do away with the three appropriation or analysis ledgers now kept.
- 9 All transactions of the Board affecting the accounts should be recorded and posted daily.
- 10 Instead of ten accounts in the cash book, only two need be kept.

## These recommendations imply that

- 1 Accounts are at present on a purely cash basis and therefore do not supply information as to the actual cost of running the schools or of any school activity.
- 2 Several months pass after the end of each financial year before the Board's annual statement is ready for the City Auditor.
- 3 At present the Board can have no true balance sheet or operating account. The necessity of these for intelligent administration is obvious.
- 4 There is at present no internal audit, and, therefore, no effective internal control.
- 5 At present the accountant has not complete charge of the Board's accounts.
- 6 Inaccuracy of filing financial documents at present causes inconvenience and loss of time.
- 7 Sufficient care in these respects is not now exercised.
- 8 Time is wasted at present by keeping three books instead of one.
- 9 Such transactions are not now posted daily.
- 10 Time is now wasted in keeping ten accounts in the cash book instead of two.

## Summary of Recommendations

—Continued.

- 11 Time would be saved if the officials' salaries were paid in the same way as teachers' salaries, instead of by individual cheque.
- 12 The accountant should not make up the salary lists, but should check them after they have been completed and initialled by some other official.
- 13 Workmen's pay sheets now require 400 signatures monthly by the Superintendent of Building when one would be sufficient.
- 14 Wage pay-rolls should not be made up and paid by the same official.
- 15 All returns of fees should be signed by the principals and the total deposited with the Secretary-Treasurer as soon as possible.
- 16 No advance should be made to principals or officials unless authority has first been obtained.
- 17 Supplies must be purchased only by duly authorized officials.
- 18 Expenditure of a general character should be apportioned to the various schools on a definite basis.
- 19 All materials and supplies should be charged to Stores Account in the general ledger.
- 20 Materials and supplies should not be taken from the stores except by requisition duly signed by authorized officials. The amount of each requisition should be charged to the particular school or activity and the stores account credited.
- 21 The Superannuation Fund should be kept distinct from the general system with a bank account of its own.