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Educational (1907) Department.

ORDINARY PRINTED.

G.O., No. 689.

DATED 10-10-07

V. U.
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[Despatch Abstract.]

Lawrence Asylum Press, Madras,

Forwarding to the Trustees of
the — Report in the audit of the Account
of the — and requesting them to
arrange for the payment of an
audit fee of Rs 300.

BACK PAPERS.

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

FURTHER PAPERS.

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

Government of Madras.

EDUCATIONAL DEPARTMENT.

Recd.

Regd.

1907.

Enclosures

Spare copies

G.O., No. 689, 10th October 1907.

Lawrence Asylum Press, Madras.

Forwarding to the Trustees of the — the report on the audit of the accounts of the — and requesting them to arrange for the payment of an audit fee of Rs. 300.

GOVERNMENT OF MADRAS.

EDUCATIONAL DEPARTMENT.

READ—the following paper:—

Letter—from F. L. CARVALHO, Esq., Chief Superintendent in charge of Outside Audits.

To—the Accountant-General, Madras.

Dated—the 25th September 1907.

No.—O.A. 114/64.

I have the honour to submit my report on the audit of the accounts of the Lawrence Asylum Press, Madras, for the calendar year 1906.

2. The usual statements marked A, B and C accompany.

3. According to statement A, the total cash receipts of the Press for the year amounted to Rs. 1,96,576-1-9 and the disbursements to Rs. 2,03,151-11-6 against Rs. 2,10,322-6-1 and Rs. 2,24,293-2-2 respectively of the previous year. The cash balance at the end of the year was Rs. 3,792-14-0 made up of Rs. 1,632-1-9 in the hands of the Superintendent and Rs. 2,160-12-3 in the Bank of Madras. The latter was verified with the Bank's Pass book and was found to be less than the amount shown in the pass book by Rs. 12,445-6-10 due to certain cheques issued during the year not having been cashed till after its close. The cash balance in the custody of the cashier on the evening of the 16th September 1907 was examined by me and found to be correct.

4. The result of the year's working according to statement C was a *net* saving of Rs. 10,448-15-10. If to this sum were added the cost of work done *gratis* and the contribution paid to the Lawrence Asylum at Ootacamund and the charges incurred in the maintenance of the Asylum lads, the gross profit would amount to Rupees 33,624-3-7. This compares favourably with the previous year.

5. According to statement B, the total amount of securities lodged with the Accountant-General was Rs. 47,500 and these have been examined with the Accountant-General's books and found to agree. The fixed deposits of Rs. 10,000, Rs. 2,250 and Rs. 500 lodged with the Bank of Madras and Messrs. Arbuthnot & Co., have been examined with the receipts granted by them and found to be correct.

6. As in last year, no charge has been made on account of depreciation in the value of the Press Premises. The sum of Rs. 960-13-1 referred to in paragraph 11 of last year's audit report was recovered during the year by deduction from the amount due to the contractor and adjusted in the books.

7. For the reasons stated in paragraph 13 of the audit report for 1903, a sum of Rs. 1-2-7 which represented the gain on exchange during the year has been expunged from both sides in statement C appended.

8. *Disputed bills*.—There was a large decrease (Rs. 9,718-14-1) under this head as compared with the previous year.

9. *Day book*.—The entries in this are made from docket slips showing the work done daily by each department of the Press. The amounts chargeable on each job are entered by the storekeeper on the obverse of the slips while the details working up to the amounts are given on the reverse thereof. These slips are placed before the Superintendent who either confirms or alters the rates charged. The altered amounts are almost invariably entered in pencil by the Superintendent under his initials. But when an amount is altered, no corresponding alteration is made in the details and the clerk in charge of the book has therefore to allocate the altered rates according to his pleasure. It seems desirable that the Superintendent when passing the slips should make the necessary corrections in the details also, so that there may be no room for fraud. The entries should be made in ink and the amount passed by the Superintendent written in words. It should not be left to the subordinates to do as they

please as has been done in many cases. In the course of the test audit applied to these work dockets it was observed that in some cases the amounts passed by the Superintendent have been struck out in pencil and new entries made without attestation.

10. *Journal*.—The entries in this book have not been attested by the Superintendent nor is the register at any time subject to the scrutiny of the Superintendent and signed at the close of each month as required in previous audit reports, although it is said that the entries are made under his orders. Whenever a transfer adjustment is made, the reason for the transfer should be clearly stated and the document or documents supporting them always quoted to facilitate references and the entries attested by some responsible officer.

11. *Bill book*.—The book is not properly kept and does not serve the purpose for which it is intended. The dates of payment have not been entered in some cases while in others the amounts written back or received in excess have not been entered in the remarks column. The register contains numerous corrections which have not been attested and some officer should be held responsible for the correctness of the register and for attesting the entries at the time of payment. No steps are taken to effect an agreement between the monthly totals of the day book with the bills-receivable book. It is true that the day book is monthly agreed with the ledgers but to ensure that bills have been punctually and correctly made and sent out and to watch the outstandings it is desirable that the bill book also should be agreed monthly with the day book. Even in the case of articles sent by V.P.P., it is necessary that bills should be made out and therefore there will remain only a few items in each month which will have to be taken into account in effecting the desired agreement.

12. *Stock books*.—The stock of stationery was taken by the Deputy Superintendent at the end of the year and a list made out of all excesses and deficiencies. But the list has not been submitted to the Agent for his information and approval. There were large differences between the book and actual balances and this is due, as in previous years, to one kind of paper being issued for another. Careful attention to the instructions contained in paragraph 19 of the last year's audit report would have set matters right. These books are not reviewed by the Superintendent or his Assistant. It would be well if a periodical examination is made. Depreciation in the stock of forms and books have been taken at $2\frac{1}{2}$ per cent. as against 5 per cent. in the previous year. No stock of types and plant was taken this year also. A register for railway forms is kept, but the entries in some cases have been made in pencil. To be of any use the book should be properly kept. No register of municipal forms is kept. The stock in both cases was actually counted at the end of the year and a valuation made.

13. *Outstanding bills*.—The total outstandings at the end of the year amounted to Rs. 65,481-2-3 spread over the following years:—

	RS.	A.	P.
1904	1,099	7	3
1905	3,491	3	6
1906	60,890	7	6

Of these, Rs. 56,982-6-5 have been collected up to 12th September 1907, leaving a balance of Rs. 8,498-11-10 still to be collected. The largest outstandings are against the Comptroller of Printing, Calcutta, Rs. 3,340-4-0 and P. Venkatachellam Rs. 551-14-0.

14. *Cash book—Receipts*.—The register is neatly written up but there are corrections which have not been attested. Some of the heads in the book are unnecessary and out of place on the receipt side, such, for instance, as "establishment", "overtime", "almanac charges" and the like. The columns are apparently intended to show the recoveries on account of overpayments already made or the refund of undisbursed pay. So far as the recoveries are concerned, one column will suffice for all, viz., "cash recoveries" and these amounts may be adjusted at the end of each month to the credit of the heads previously over-charged. This is the proper course to follow and if this were done, there could hardly be any difficulty in making up the accounts at the end of the year. With regard to undisbursed pay, it has been repeatedly pointed out in previous audit reports that the amounts should be refunded by short drawal in the next month's bill. If this were done, there would be no necessity for a separate column for this purpose.

15. *Payments*.—The following defects were noticed in the course of audit:—

(a) The totals of bills have not been entered in words as well as figures in many cases nor have the amounts passed by the Superintendent been entered.

(b) Vernacular signatures of payees have not been transliterated.

(c) Stamps affixed to payees' receipts have not been properly defaced, the signatures being obtained in one place and the stamps affixed in another.

(d) In some cases vouchers have not been passed for payment by the Superintendent.

16. Voucher No. 42 for Rs. 62-4-4 paid to Mr. T. Thiruvengada Asari on the 2nd March 1906 by a cheque bears marks of having been tampered with. Both the quantity of teakwood supplied by him and their value have been altered so as to show a larger supply. This is a matter which appears to have already attracted the notice of the Press authorities and due enquiries made of the individual concerned.

(a) Voucher No. 65 for Rs. 25 paid to P. Ethirajulu Nayudu for collecting information for the Almanac of 1906 was paid on the 16th March 1906, but the stamp has been affixed thereto on the 20th idem with the date marked thereon. The signature of the payee has not been taken on the stamp.

(b) Voucher No. 117 for Rs. 45 paid to T. Thiruvengada Asari being the deposit lodged with the Press for 1905-1906. The payment has been made on his requisition letter which is not sufficient. It should have been on a duly receipted voucher in proper form.

(c) Voucher No. 173 for Rs. 74-5-4 paid on 13th July 1906 to Ponnuswami Mudali & Co. has been received in duplicate. But the necessity for a duplicate bill is not understood. It is dangerous to get such bills as it is likely that double payments will be made or that fraud may be committed if they fall into the hands of unscrupulous subordinates.

(d) Voucher No. 200 for Rs. 239-6-0 paid on 9th August 1906 to Mr. F. Rodgers for going to Bombay and back for canvassing advertisements for the Almanac of 1907 has not been supported by details of the expenses incurred.

17. *Establishment.*—There is no fixed scale for the establishment employed in the Press and the register promised to be maintained by the Superintendent (*vide* paragraph 12 of the last audit report) has not been kept. It has been noticed, however, that the account establishment has been revised by the appointment of a Chief Accountant from 1st October 1906 on Rs. 200 rising to Rs. 300 by annual increments and by dispensing with the services of a few lowly-paid accountants who were found useless. It is hoped that this revision would enable the Superintendent to maintain the registers referred to above in the proper way. In this connection I have to bring to notice a change in the right direction, viz., the appointment of a cashier without the combined duties of Manager and Head Accountant which create temptation for fraud as was the case formerly. I believe the present Cashier is in charge of Press collections and the permanent advance of Rs. 500, but that he has not yet furnished the required security which I think should not be short of Rs. 1,000, the amount furnished by the late Manager, Head Accountant and Cashier.

18. *Contingencies.*—In a few cases sums of money exceeding Rs. 20 were paid out of permanent advance, although it is said that only petty expenses up to Rs. 20 are paid out of it. The old practice of meeting establishment charges from contingencies is still continues. The totals of bills have not in many cases been entered in words as well as figures and the marks of illiterate men have not been attested.

(a) Voucher No. 114 for Rs. 11-12-10 paid to Mr. Lionel as commission for canvassing for Directory has not been receipted by the payee.

(b) Bills passed by the Superintendent should bear the date of passing so as to prevent undue delay in payment.

(c) In voucher No. 158, a sum of Rs. 6 was refunded on 20th July 1906 to Messrs. Taraporevala & Co., Bombay, as discount on a copy of the Quarterly Civil List purchased by them and charged to "Parties account." The amount was afterwards adjusted by a journal entry to the credit of the "Parties account" by debit to "write-back." This procedure is not correct. The amount should, in the first instance, have been debited to "Office charges", there being no necessity for passing the transaction through the Personal Ledger account.

(d) The following vouchers apparently contain marks of fraudulent alterations in the amounts drawn. It has been observed that in altering the total amounts, the details of prices and quantities supplied have been also correspondingly altered.

Voucher No.	To whom paid.	Amount as it stood originally.	Amount as altered.	Difference.
		RS. A. P.	RS. A. P.	RS. A. P.
106	Mahomed Ali Jeevjee & Co.	2 4 0	21 14 0	19 10 0
109	Anjuman-i-Mafdi Ali Islam	4 6 0	4 8 0	0 2 0
183	Mahomed Ali Jeevjee & Co.	10 8 0	19 8 4	9 0 4
218	Do.	0 11 3	10 4 3	9 9 0
58	Parry & Co.	6 0 0	16 0 0	10 0 0
96	Graves Cookson & Co.	3 0 0	13 0 0	10 0 0
182	Do.	3 12 0	13 12 0	10 0 0
62	Srinivasulu Nayudu	2 0 0	12 0 0	10 0 0
10	Parry & Co.	1 4 0	11 4 0	10 0 0
88	Do.	1 0 0	11 0 0	10 0 0
110	Do.	1 14 0	11 14 0	10 0 0
128	Do.	4 0 0	14 0 0	10 0 0
160	Do.	9 14 0	19 14 0	10 0 0
198	Do.	2 0 0	12 0 0	10 0 0
63	Mahomed Ali Jeevjee & Co.	3 3 9	13 3 9	10 0 0
222	Do.	8 14 6	18 14 6	10 0 0
260	Do.	1 14 0	19 14 0	18 0 0
Total ..				176 5 4

(e) The following vouchers have not been produced for audit. It is said that they have not been received back from the Court to which they were sent in connection with the criminal case referred to in the following paragraph:—

- (1) Voucher No. 35 for Rs. 12- 8-0 paid to Wrenn-Bennet & Co.
- (2) " " 52 for " 12- 8-0 " Do.
- (3) " " 196 for " 14-10-0 " D. Raju & Co.
- (4) " " 75 for " 12- 8-0 " Parry & Co.
- (5) " " 179 for " 15- 0-0 " Newman & Sons.
- (6) " " 208 for " 15- 0-0 " Do.

19. It would appear that a criminal charge was preferred against the late cashier and accountant C. Annamalai Mudaliyar in February 1907 for criminal misappropriation, but that the case was thrown out in the last April sessions of the High Court. Further prosecution against the man was, it seems, ordered a second time, but it was for some reason or other withdrawn by the Press authorities and a sum of Rs. 1,600 in all has been recovered from him on account of fine and law charges and credited in the cash book of the current year.

20. As a result of the foregoing case precautions have been taken to guard against similar possible frauds by the use of a "Passed for Rupees" stamp. After these words which are stamped on the bill, the amount to be paid is written in words in manuscript with the signature of the Superintendent. I think the stamp should as suggested by me be for "Pay Rs." and not "Passed for Rs." and that each payment order should invariably be dated by the Superintendent. When the amount to be paid does not consist of pies also the word "only" should be added after it. After payment of the amount by the cashier he should write "Paid" or "Paid by Cheque No." as the case may be on each bill with his initials and date. If it be found more convenient to have "Paid" and "Paid by Cheque No." stamps, he may use them.

21. The Press should be requested to pay to the credit of Government the audit fee of Rs. 300.

F. L. CARVALHO,
Chief Superintendent.

ENCLOSURES.

A.—Statement of receipts and expenditure of the Lawrence Asylum Press, Madras, for the year 1906.

	Amount.		Total.	
	RS.	A. P.	RS.	A. P.
<i>Receipts.</i>				
Opening balance—				
Cash and drafts	156	14 6		
In the Bank of Madras	9,936	9 3		
Permanent advance	500	0 0		
			10,593	7 9

A.—Statement of receipts and expenditure of the Lawrence Asylum Press, Madras, for the year 1906—*cont.*

	Amount.			Total.		
	RS.	A.	P.	RS.	A.	P.
<i>Receipts—cont.</i>						
Cash sales	312	4	4			
Collection by bills	1,90,882	8	2			
" without bills	3,119	3	3			
Sale of books on commission	526	5	8			
Recovery on account of supplies to the Branch Press at Ootacamund	9	4	0			
Interest on superannuation fund	1,309	3	6			
Interest on deposit with Madras Railway Company	68	2	10			
Interest on reserve fund	349	2	0			
				1,96,576	1	9
Interest on contractors' securities	25	0	0			
Interest on employees' securities	102	8	0			
Investment of employees' securities	250	0	0			
Deposits received from contractors with tenders	345	0	0			
				722	8	0
				2,07,892	1	6

<i>Expenditure.</i>						
Establishment	58,646	2	9			
Overtime allowances for extra works	1,899	5	11			
Allowances, etc., for compiling almanac	2,910	7	11			
Cost of new buildings	5,809	3	11			
Repairs to buildings	32	2	5			
Repairs to machines	238	11	4			
Coolies and cart-hire	1,385	0	9			
Coal and firewood	1,916	10	8			
Advertising charges	579	5	9			
Postage and receipt stamps	1,472	8	9			
Telephone charges	150	0	0			
Taxes and insurance	3,143	2	0			
Lighting charges	333	14	9			
Plant and furniture	555	4	3			
Trade charges	1,263	15	9			
Packing charges	406	5	0			
Audit fee	300	0	0			
Charges on account of Asylum lads	352	11	9			
Pensions and gratuities	712	1	9			
Payments on account of Branch Press, Ootacamund	*860	14	4			
Contribution to Lawrence Asylum, Ootacamund	22,000	0	0			
Payments on account of books on commission sales	106	9	11			
Payments on personal accounts	3,147	13	8			
Payments on account of stock	84,362	10	10			
Tradesmen's bills on account of strike	516	9	4			
Charges for illuminating the Press premises during the visit of His Royal Highness the Prince of Wales	49	14	0			
Amount invested in fixed deposit	10,000	0	0			
Repayment of deposits with tenders	345	0	0			
Repayment of interest on employees' securities	102	8	0			
				447	8	0
Closing balance—						
Cash and drafts	1,632	1	9			
In the Bank of Madras	2,160	12	3			
Permanent advance	500	0	0			
				4,292	14	0
				2,07,892	1	6

* Includes Rs. 500 paid as contribution to the Lawrence Asylum, Ootacamund, on account of the Branch Press for amount received from the latter in the previous year.

B.—Statement showing the Assets and Liabilities of the Lawrence Asylum Press, Madras, on the 31st December 1906.

Liabilities.	Government Securities.			Cash.			Assets.			Government Securities.			Cash.		
	RS.	RS.	A. P.	RS.	A. P.	RS.	RS.	A. P.	RS.	A. P.	RS.	A. P.	RS.	A. P.	
Employees' securities—															
C. Annamalai Mudaliyar	..	1,000	0 0				Cash balances—		..	1,632	1 9				
C. Lakshminah Nayudu	..	400	0 0				Cash and drafts in hand	..	..	2,160	12 3				
O. Muniswami Chetti	..	400	0 0				In the Bank of Madras	..	..	500	0 0				
C. Singaravelu Mudaliyar	..	250	0 0				Permanent advance	..	..						
B. Krishnaswami Nayudu	..	200	0 0				Balance of postage, receipt stamps and post-cards	..	..						
Contractors' securities—															
S. Rangiah Nayudu	..	25	0 0				Stock balances—		..	1,98,751	10 0				
Messrs. Pennuswami Mudaliyar & Co.	..	45	0 0				Plant and dead-stock	..	..	7,620	10 3				
M. Mungapathiy Nayudu	..	25	0 0				Furniture	..	..	18,230	12 0				
V. Perumal Chetty & Sons	..	500	0 0				Stationery, printing and writing stores	..	..	661	8 4				
C. Periasami Naysacker	..	3	5 5				District Municipal forms	..	..	26,760	8 5				
							Railway forms and books	..	..						
Bills payable—							Investment and interest account—								
Messrs. John Dickinson & Co., London	..						Superannuation fund lodged with Accountant-General	..	..	37,500					
(Separate Account)	..	1,145	12 6				Reserve fund lodged with Accountant-General	..	..	10,000					
Messrs. John Dickinson & Co., Madras (Separate Account)	..	26,165	5 9				Fixed deposits in the Bank of Madras	..	..	10,000	0 0				
Spicer and Brothers, London	..	646	8 6				Employees' securities in fixed deposits with Bank of Madras and Messrs. Arbutnot & Co.	..	..	2,250	0 0				
V. Perumal Chetty & Sons	..	2,275	6 10				Contractors' securities in Fixed deposits with Messrs. Arbutnot & Co.	..	..	500	0 0				
Personal ledger accounts	..	..													
Sundry	..	..					Deposit account—		..						
Interest on Pension Funds after paying pensions and gratuities	..	..					Tender with Madras Railway Company	..	..	2,000					
Interest on contractors' securities	..	..					Bills receivable—		..						
Capital of the press including profits	..	..					From customers	..	..						
							Press premises	..	..						
							Amount due from Mr. Rodgers	..	..						
Total	..	..					Total	..	..	49,500					

C.—Profit and Loss Account of the Lawrence Asylum Press, Madras, for the year 1906.

Expenditure.	Amount.			Total.		
	RS.	A.	P.	RS.	A.	P.
Establishment	58,646	2	9			
Overtime allowance for extra work	1,899	5	11			
Contingencies	10,668	14	7			
Almanack charges	3,090	4	1			
Tradesmen's bills on account of strike	330	11	5			
Cost of stores and stationery	92,718	4	7			
Deterioration of stock	12,960	11	11			
Amount of disputed bills	3,005	2	4			
Stationery supplied to the departments of the Press	6,708	3	6			
				1,90,027	13	1
				33,624	3	7
Gross profit on year's working.. .. .						
				Total ..	2,23,652	0 8
Gross profit	33,624	3	7			
Deduct—						
Contribution to Lawrence Asylum, Ootacamund. 22,000 0 0						
Work done gratis for Lawrence Asylum, Ootacamund	822	8	0			
Upkeep of Asylum lads	352	11	9			
				23,175	3	9
Net profit	10,448	15	10			

Income.

Printing and binding work and miscellaneous	47,963	6	5
Books, periodicals, forms, etc., printed (including stationery).	1,73,128	0	9
Commission realized on sale of books	76	11	1
Interest on Government securities deposited with the Madras Railway Company	68	2	10
Interest on Government securities deposited in the Reserve fund	349	2	0
Sale proceeds of plant and type	2,055	0	6
Petty balances credited	11	9	1
			2,23,652 0 8

No. $\frac{O.A. 114}{64}$, dated 25th September 1907.

Forwarded to the Government of Madras, Educational Department.

2. It is requested that orders may be passed for the payment into the Bank of Madras to the credit of Government of the audit fee of Rs. 300.

W. DOBBIE,
Accountant-General.

Order—No. 689, Educational, dated 10th October 1907.

The report will be forwarded to the Trustees of the Lawrence Asylum Press and their attention drawn to the remarks and suggestions of the Auditor.

2. The Trustees will be requested to arrange for the payment of the audit fee of Rs. 300.

(True Extract.)

H. D. TAYLOR,
Ag. Secretary to Government.To the Trustees of the Lawrence Asylum Press
(through the Director of Public Instruction).
" Accountant-General.

EDUCATIONAL DEPARTMENT.

NOTES CONNECTED WITH G.O., No. 689, EDUCATIONAL,
DATED 10TH OCTOBER 1907.

[SUBJECT.—*Report on the audit of the accounts of the Lawrence Asylum Press,
Madras, for 1906.*]

From the Accountant-General, No. O.A. 114/64, dated 25th September 1907.

The Accountant-General forwards the report on the audit of the accounts of the Lawrence Asylum Press, Madras, for the calendar year 1906, and requests that orders may be passed for the payment of the audit fee into the Bank of Madras to the credit of Government. The report may be forwarded to the Trustees of the Lawrence Asylum Press and their attention drawn to the remarks and suggestions of the auditor. Please see paragraphs 9 to 12, 14, 15 and 16 of the audit report in which some defects are brought to notice.

2. A draft order is placed below for approval.

K. RANGASWAMI AITANGAR—9-10-07.

C. A. SOUTER—9-10-07.

H. D. TAYLOR—10-10-07.

[G.O., No. 689, Educational, dated 10th October 1907.]

CURRENT FILE.

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PAPERS PUT UP WITH CURRENT No.

Papers of the department to which the current belongs.

Number.	Date.	Original (=O) or spare copy (=S. C.).	Remarks. (In this column such of the papers as have been removed for copying, printing, etc., should be marked with a cross.)	Initials of Referencer with date in token of return to Reference department.
607	17-9-07	5c		
456	26-7-04	sc		

Papers of other departments.

Department.	Number.	Date.	Original (=O.) or spare copy (=S. C.).	Despatcher to note the return of the papers to the departments concerned.

EDUCATIONAL DEPARTMENT.



190 , Registered

Subject.

C. No. 2449
3707 1907

ENCLOSURES.

No.

No.

Station, Madras.

Dated the 25th September 1907.

From

F. L. CARVALHO, Esq.,

Chief Superintendent in charge of Outside Audits,

To

W. DOBBIE, Esq.,

ACCOUNTANT-GENERAL,

MADRAS.

SIR,

I have the honour to submit my report on the audit of the accounts of the Lawrence Asylum Press, Madras, for the calendar year 1906.

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3. According to statement A, the total cash receipts of the Press for the year amounted to Rs. 1,96,576-1-9 and the disbursements to Rs. 2,03,151-11-6 against Rs. 2,10,322-6-1 and Rs. 2,24,293-2-2 respectively of the previous year. The cash balance at the end of the year was Rs. 3,792-14-0 made up of Rs. 1,632-1-9 in the hands of the Superintendent and Rs. 2,160-12-3 in the Bank of Madras. The latter was verified with the Bank's Pass book and was found to be less than the amount shown in the pass book by Rs. 12,445-6-10 due to certain cheques issued during the year not having been cashed till after its close. The cash balance in the custody of the cashier on the evening of the 16th September 1907 was examined by me and found to be correct.

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fo 607 Edl - J
17-9-08

7. For the reasons stated in paragraph 13 of the audit report for 1903, a sum of Rs. 1-2-7 which represented the gain on exchange during the year has been expunged from both sides in statement C appended.

8. *Disputed bills.*—There was a large decrease (Rs. 9,718-11-1) under this head as compared with the previous year.

9. *Day book.*—The entries in this are made from docket slips showing the work done daily by each department of the Press. The amounts chargeable on each job are entered by the storekeeper on the obverse of the slips while the details working up to the amounts are given on the reverse thereof. These slips are placed before the Superintendent who either confirms or alters the rates charged. The altered amounts are almost invariably entered in pencil by the Superintendent under his initials. But when an amount is altered, no corresponding alteration is made in the details and the clerk in charge of the book has therefore to allocate the altered rates according to his pleasure. It seems desirable that the Superintendent when passing the slips should make the necessary corrections in the details also, so that there may be no room for fraud. The entries should be made in ink and the amount passed by the Superintendent written in words. It should not be left to the subordinates to do as they please as has been done in many cases. In the course of the test audit applied to these work dockets it was observed that in some cases the amounts passed by the Superintendent have been struck out in pencil and new entries made without attestation.

10. *Journal.*—The entries in this book have not been attested by the Superintendent nor is the register at any time subject to the scrutiny of the Superintendent and signed at the close of each month as required in previous audit reports, although it is said that the entries are made under his orders. Whenever a transfer adjustment is made, the reason for the transfer should be clearly stated and the document or documents supporting them always quoted to facilitate references and the entries attested by some responsible officer.

11. *Bill book.*—The book is not properly kept and does not serve the purpose for which it is intended. The dates of payment have not been entered in some cases while in others the amounts written back or received in excess have not been entered in the remarks column. The register contains numerous corrections which have not been attested and some officer should be held responsible for the correctness of the register and for attesting the entries at the time of payment. No steps are taken to effect an agreement between the monthly totals of the day book with the bills-receivable book. It is true that the day book is monthly agreed with the ledgers but to ensure that bills have been punctually and correctly made and sent out and to watch the outstandings it is desirable that the bill book also should be agreed monthly with the day book. Even in the case of articles sent by V.P.P., it is necessary that bills should be made out and therefore there will remain only a few items in each month which will have to be taken into account in effecting the desired agreement.

12. *Stock books.*—The stock of stationery was taken by the Deputy Superintendent at the end of the year and a list made out of all excesses and deficiencies. But the list has not been submitted to the Agent for his information and approval. There were large differences between the book and actual balances and this is due, as in previous years, to one kind of paper being issued for another. Careful attention to the instructions contained in paragraph 19 of the last year's audit report would have set matters right. These books are not reviewed by the Superintendent or his Assistant. It would be well if a periodical examination is made. Depreciation in the stock of forms and books have been taken at 2½ per cent. as against 5 per cent. in the previous year. No stock of types and plant was taken this year also. A register for railway forms is kept, but the entries in some cases have been made in pencil. To be of any use the book should be properly kept. No register of municipal forms is kept. The stock in both cases was actually counted at the end of the year and a valuation made.

13. *Outstanding bills.*—The total outstandings at the end of the year amounted to Rs. 65,481-2-3 spread over the following years:—

	RS.	A.	P.
1904	1,099	7	3
1905	3,491	3	6
1906	60,890	7	6

Of these, Rs. 56,982-6-5 have been collected up to 12th September 1907, leaving a balance of Rs. 8,498-11-10 still to be collected. The largest outstandings are against the Comptroller of Printing, Calcutta, Rs. 3,340-4-0 and P. Venkatachellam Rs. 551-14-0.

14. *Cash book—Receipts.*—The register is neatly written up but there are corrections which have not been attested. Some of the heads in the book are unnecessary and out of place on the receipt side, such, for instance, as "establishment", "overtime", "almanac charges" and the like. The columns are apparently intended to show the recoveries on account of overpayments already made or the refund of undisbursed pay. So far as the recoveries are concerned, one column will suffice for all, viz., "cash recoveries" and these amounts may be adjusted at the end of each month to the credit of the heads previously over-charged. This is the proper course to follow and if this were done, there could hardly be any difficulty in making up the accounts at the end of the year. With regard to undisbursed pay, it has been repeatedly pointed out in previous audit reports that the amounts should be refunded by short drawal in the next month's bill. If this were done, there would be no necessity for a separate column for this purpose.

15. *Payments.*—The following defects were noticed in the course of audit:—

- (a) The totals of bills have not been entered in words as well as figures in many cases nor have the amounts passed by the Superintendent been entered.
- (b) Vernacular signatures of payees have not been transliterated.
- (c) Stamps affixed to payees' receipts have not been properly defaced, the signatures being obtained in one place and the stamps affixed in another.
- (d) In some cases vouchers have not been passed for payment by the Superintendent.

16. Voucher No. 42 for Rs. 62-4-4 paid to Mr. T. Thiruvengada Asari on the 2nd March 1906 by a cheque bears marks of having been tampered with. Both the quantity of teakwood supplied by him and their value have been altered so as to show a larger supply. This is a matter which appears to have already attracted the notice of the Press authorities and due enquiries made of the individual concerned.

(a) Voucher No. 65 for Rs. 25 paid to P. Ethirajulu Nayudu for collecting information for the Almanac of 1906 was paid on the 16th March 1906, but the stamp has been affixed thereto on the 20th idem with the date marked thereon. The signature of the payee has not been taken on the stamp.

(b) Voucher No. 117 for Rs. 45 paid to T. Thiruvengada Asari being the deposit lodged with the Press for 1905-1906. The payment has been made on his requisition letter which is not sufficient. It should have been on a duly receipted voucher in proper form.

(c) Voucher No. 173 for Rs. 74-5-4 paid on 13th July 1906 to Ponnuswami Mudali & Co. has been received in duplicate. But the necessity for a duplicate bill is not understood. It is dangerous to get such bills as it is likely that double payments will be made or that fraud may be committed if they fall into the hands of unscrupulous subordinates.

(d) Voucher No. 200 for Rs. 239-6-0 paid on 9th August 1906 to Mr. F. Rodgers for going to Bombay and back for canvassing advertisements for the Almanac of 1907 has not been supported by details of the expenses incurred.

17. *Establishment.*—There is no fixed scale for the establishment employed in the Press and the register promised to be maintained by the Superintendent (*vide* paragraph 12 of the last audit report) has not been kept. It has been noticed, however, that the account establishment has been revised by the appointment of a Chief Accountant from 1st October 1906 on Rs. 200 rising to Rs. 300 by annual increments and by dispensing with the services of a few lowly-paid accountants who were found useless. It is hoped that this revision would enable the Superintendent to maintain the registers referred to above in the proper way. In this connection I have to bring to notice a change in the right direction, viz., the appointment of a cashier without the combined duties of Manager and Head Accountant which create temptation for fraud as was the case formerly. I believe the present Cashier is in charge of Press collections

and the permanent advance of Rs. 500, but that he has not yet furnished the required security which I think should not be short of Rs. 1,000, the amount furnished by the late Manager, Head Accountant and Cashier.

18. *Contingencies.*—In a few cases sums of money exceeding Rs. 20 were paid out of permanent advance, although it is said that only petty expenses up to Rs. 20 are paid out of it. The old practice of meeting establishment charges from contingencies still continues. The totals of bills have not in many cases been entered in words as well as figures and the marks of illiterate men have not been attested.

(a) Voucher No. 114 for Rs. 11-12-10 paid to Mr. Lionel as commission for canvassing for Directory has not been receipted by the payee.

(b) Bills passed by the Superintendent should bear the date of passing so as to prevent undue delay in payment.

(c) In voucher No. 158, a sum of As. 6 was refunded on 20th July 1906 to Messrs. Taraporevala & Co., Bombay, as discount on a copy of the Quarterly Civil List purchased by them and charged to "Parties account." The amount was afterwards adjusted by a journal entry to the credit of the "Parties account" by debit to "write-back." This procedure is not correct. The amount should, in the first instance, have been debited to "Office charges", there being no necessity for passing the transaction through the Personal Ledger account.

(d) The following vouchers apparently contain marks of fraudulent alterations in the amounts drawn. It has been observed that in altering the total amounts, the details of prices and quantities supplied have been also correspondingly altered.

Voucher No.	To whom paid.	Amount as it stood originally.	Amount as altered.	Difference.
		RS. A. P.	RS. A. P.	RS. A. P.
106	Mahomed Ali Jeevjee & Co.	2 4 0	21 14 0	19 10 0
109	Anjuman-i-Mafdi Ali Islam	4 6 0	4 8 0	0 2 0
183	Mahomed Ali Jeevjee & Co.	10 8 0	19 8 4	9 0 4
218	Do.	0 11 3	10 4 3	9 9 0
63	Parry & Co.	6 0 0	16 0 0	10 0 0
96	Graves Cookson & Co.	3 0 0	13 0 0	10 0 0
182	Do.	3 12 0	13 12 0	10 0 0
62	Srinivasulu Nayudu	2 0 0	12 0 0	10 0 0
10	Parry & Co.	1 4 0	11 4 0	10 0 0
88	Do.	1 0 0	11 0 0	10 0 0
110	Do.	1 14 0	11 14 0	10 0 0
128	Do.	4 0 0	14 0 0	10 0 0
160	Do.	9 14 0	19 14 0	10 0 0
198	Do.	2 0 0	12 0 0	10 0 0
63	Mahomed Ali Jeevjee & Co.	3 3 9	13 3 9	10 0 0
222	Do.	8 14 6	18 14 6	10 0 0
260	Do.	1 14 0	19 14 0	18 0 0
	Total ..			176 5 4

(e) The following vouchers have not been produced for audit. It is said that they have not been received back from the Court to which they were sent in connection with the criminal case referred to in the following paragraph :—

- (1) Voucher No. 35 for Rs. 12- 8-0 paid to Wrenn-Bennet & Co.
- (2) " " 52 for " 12- 8-0 " Do.
- (3) " " 196 for " 14-10-0 " D. Raju & Co.
- (4) " " 75 for " 12- 8-0 " Parry & Co.
- (5) " " 179 for " 15- 0-0 " Newman & Sons.
- (6) " " 208 for " 15- 0-0 " Do.

19. It would appear that a criminal charge was preferred against the late cashier and accountant C. Annamalai Mudaliyar in February 1907 for criminal misappropriation, but that the case was thrown out in the last April sessions of the High Court. Further prosecution against the man was, it seems, ordered a second time, but it was for some reason or other withdrawn by the Press authorities and a sum of Rs. 1,600 in all has been recovered from him on account of fine and law charges and credited in the cash book of the current year.

20. As a result of the foregoing case precautions have been taken to guard against similar possible frauds by the use of a "Passed for Rupees" stamp. After these words which are stamped on the bill, the amount to be paid is written in words in manuscript with the signature of the Superintendent. I think the stamp should as suggested by me be for "Pay Rs." and not "Passed for Rs." and that each payment order should invariably be dated by the Superintendent. When the amount to be paid does not consist of pies also the word "only" should be added after it. After payment of the amount by the cashier he should write "Paid" or "Paid by Cheque No." as the case may be on each bill with his initials and date. If it be found more convenient to have "Paid" and "Paid by Cheque No." stamps, he may use them.

21. The Press should be requested to pay to the credit of Government the audit fee of Rs. 300.

F. L. CARVALHO,
Chief Superintendent.

ENCLOSURES.

A.—Statement of receipts and expenditure of the Lawrence Asylum Press, Madras, for the year 1906.

	Amount.	Total.
	RS. A. P.	RS. A. P.
<i>Receipts.</i>		
Opening balance—		
Cash and drafts	156 14 6	
In the Bank of Madras	9,936 9 3	
Permanent advance	500 0 0	
		10,593 7 9
Cash sales	312 4 4	
Collection by bills	1,90,882 8 2	
" without bills	3,119 3 3	
Sale of books on commission	526 5 8	
Recovery on account of supplies to the Branch Press at Ootacamund	9 4 0	
Interest on superannuation fund	1,309 3 6	
Interest on deposit with Madras Railway Company	68 2 10	
Interest on reserve fund	349 2 0	
		1,96,576 1 9
Interest on contractors' securities	25 0 0	
Interest on employees' securities	102 8 0	
Investment of employees' securities	250 0 0	
Deposits received from contractors with tenders	345 0 0	
		722 8 0
		2,07,892 1 6

Expenditure.

Establishment	58,646 2 9
Overtime allowances for extra works	1,899 5 11
Allowances, etc., for compiling almanac	2,910 7 11
Cost of new buildings	5,809 3 11
Repairs to buildings	32 2 5
Repairs to machines	238 11 4
Coolies and cart-hire	1,385 0 9
Coal and firewood	1,916 10 8
Advertising charges	579 5 9
Postage and receipt stamps	1,472 8 9

A.—Statement of receipts and expenditure of the Lawrence Asylum Press, Madras, for the year 1906—cont.

Expenditure—cont.	Amount.			Total.		
	RS.	A.	P.	RS.	A.	P.
Telephone charges	150	0	0			
Taxes and insurance	3,143	2	0			
Lighting charges	333	14	9			
Plant and furniture	555	4	3			
Trade charges	1,263	15	9			
Packing charges	406	5	0			
Audit fee	300	0	0			
Charges on account of Asylum lads ..	352	11	9			
Pensions and gratuities	712	1	9			
Payments on account of Branch Press, Ootacamund	860	14	4			
Contribution to Lawrence Asylum, Ootacamund	22,000	0	0			
Payments on account of books on commission sales	106	9	11			
Payments on personal accounts	3,147	13	8			
Payments on account of stock	84,362	10	10			
Tradesmen's bills on account of strike ..	516	9	4			
Charges for illuminating the Press premises during the visit of His Royal Highness the Prince of Wales	49	14	0			
Amount invested in fixed deposit	10,000	0	0			
				2,03,151	11	6
Repayment of deposits with tenders ..	345	0	0			
Repayment of interest on employees' securities	102	8	0			
				447	8	0
Closing balance—						
Cash and drafts	1,632	1	9			
In the Bank of Madras	2,160	12	3			
Permanent advance	500	0	0			
				4,292	14	0
				2,07,892	1	6

* Includes Rs. 500 paid as contribution to the Lawrence Asylum, Ootacamund, on account of the Branch Press for amount received from the latter in the previous year.

B.—Statement showing the Assets and Liabilities of the Lawrence Asylum Press, Madras, on the 31st December 1906.

Liabilities.	Government Securities.			Cash.			Assets.	Government Securities.			Cash.		
	RS.	A.	P.	RS.	A.	P.		RS.	A.	P.	RS.	A.	P.
Employees' securities— C. Annamalai Mudaliyar .. C. Lakshminah Nayudu .. O. Muniswami Chetty .. C. Singaravelu Mudaliyar .. B. Krishnaswami Nayudu ..				1,000 400 400 250 200	0 0 0 0 0	0 0 0 0 0	Cash balance— Cash and drafts in hand .. In the Bank of Madras .. Permanent advance .. Balance of postage, receipt stamps and post-cards .. Stock balances— Plant and dead-stock .. Furniture .. Stationery, printing and writing stores .. District Municipal forms .. Railway forms and books ..	.. 					

C.—Profit and Loss Account of the Lawrence Asylum Press, Madras, for the year 1906.

Expenditure.	Amount.		Total.	
	RS.	A. P.	RS.	A. P.
Establishment	58,646	2 9		
Overtime allowance for extra work	1,899	5 11		
Contingencies	10,668	14 7		
Almanack charges	3,090	4 1		
Tradesmen's bills on account of strike	330	11 5		
Cost of stores and stationery	92,718	4 7		
Deterioration of stock	12,960	11 11		
Amount of disputed bills	3,005	2 4		
Stationery supplied to the departments of the Press	6,708	3 6		
			1,90,027	13 1
Gross profit on year's working			33,624	3 7
Total			2,23,652	0 8

Gross profit Rs. 33,624 3 7

Deduct—

Contribution to Lawrence Asylum, Ootacamund. 22,000 0 0	
Work done gratis for Lawrence Asylum, Ootacamund	Rs. 22 8 0
Upkeep of Asylum lads	352 11 9
	23,175 3 9

Net profit 10,448 15 10

Income.

Printing and binding work and miscellaneous	47,963	6 5
Books, periodicals, forms, etc., printed (including stationery)	1,73,128	0 9
Commission realized on sale of books	76	11 1
Interest on Government securities deposited with the Madras Railway Company	68	2 10
Interest on Government securities deposited in the Reserve fund	349	2 0
Sale-proceeds of plant and type	2,055	0 6
Petty balances credited	11	9 1
	2,23,652	0 8

No. O.A. 114/64, dated 25th September 1907.

Forwarded to the Government of Madras, Educational Department.

2. It is requested that orders may be passed for the payment into the Bank of Madras to the credit of Government of the audit fee of Rs. 300.

H. Dobbie.
Accountant-General.

C. No. 2449, From the Accountant General, No. O.A. 114/64, Dated 25.9.1907.
SUBJECT.

Report on the audit of the accounts of the Lawrence Asylum Press, Madras for 1906.

The Accountant General forwards the report on the audit of the accounts of the Lawrence Asylum Press, Madras, for the calendar year 1906. and requests that orders may be passed for the payment of the audit fee into the Bank of Madras to the credit of Govt.

The report may be forwarded to the Trustees of the Lawrence Asylum Press and their attention drawn to the remarks and suggestions of the auditor. Please see paragraphs 9 to 12, 14, 15 and 16 of the audit report in which some defects are brought to notice.

2. A draft order is placed below for approval.

10
9.10.07

See
C.A. 114/64
10.10.07

Page 8 of 11

READ ALSO:—

C. No. 2449, From the A. S. No. 0A. 114 dated 25-9-1907
64

No. 689, dated 10. 10. 1907

P. S.

The report will be forwarded to the Trustees of the L. A. Press and their attention drawn to ^{the} ~~paragraphs~~ remarks and suggestions of ~~the various defects pointed out by the~~ Auditor. ~~Steps should immediately be taken to remedy the defects.~~

2. The Trustees will be requested to arrange for the payment of the Audit fee of Rs 300.

7.K.
8-10-07

25
9.10.07

Cal 1/2
2107 2107

To The Trustees of the L. A. Press
- A. F. ✓ that the D.P.I.

First copy sent to Press.

Returned for signature.

Despatched in print.

HEAD AGAIN G.O. No. 190

CURRENT No.

ENCLOSURE TO G. No.

ORDER OF GOVERNMENT.

LETTER OF GOVERNMENT.

STATEMENT WITH, DITTO.

PAPERS NOT FILED UP, BEING MEANT FOR DELETED IN ORIGINAL.

N.B.—

- A = Print in full.
- B = Not to be printed.
- P = Print abstract only.
- Q = Print heading only.

NUMBER OF COPIES REQUIRED.

Order complete. 40
Letter only.
Order complete with Letter.

V. H.
Press
Press stamp
1200

6P
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Press

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2049

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Notes A

Handwritten notes on the left page, including "The report will be forwarded to the Director of the S.A. Press and this attention drawn to the various steps which are being taken to remedy the defect. The Director will be required to arrange for the payment of the debt for 2 1901."