

Government of Madras.

EDUCATIONAL DEPARTMENT.

Recd.

Regd.

} 1908.

Enclosures

Spare copies

G.O., No. 798, 2nd December 1908.

Lawrence Asylum Branch Press, Ootacamund.

Communicating to the Trustees of the Lawrence Asylum Press the report on the audit of the accounts of the -- for the year 1907.

2

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GOVERNMENT OF MADRAS.

EDUCATIONAL DEPARTMENT.

READ—the following papers:—

I

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

To—the Accountant-General, Madras.

Dated—Madras, the 23rd October 1908.

I have the honour to submit my report on the audit of the accounts of the Lawrence Asylum Branch Press at Ootacamund for the calendar year 1907.

2. The usual statements A, B and C are appended.

3. *Statement A*.—The total receipts for the year amounted to Rs. 2,646-3-6 and the disbursements to Rs. 4,670-12-6 against Rs. 5,995-6-8 and Rupees 5,986-11-8, respectively, of the previous year. The apparent falling off in the receipts is not the result of a decrease in the outturn of the Press but is due to delay in collection—the bills outstanding for collection on the 31st December 1907 having amounted to Rs. 4,924 against Rs. 1,729 only on the corresponding date in the previous year. The balance at the end of the year in the Bank of Madras, Ootacamund, agrees with the pass book with a difference of Rs. 322-3-11 which represents the amount of a cheque not cashed till after the close of the year. But as this cheque is dated 6th January 1908, it should not have been charged off in the accounts of December 1907.

4. The accounts of the Branch Press for the year under report excepting those of stock and stores having been written up in the head office at Madras from statements and other documents received from the representative at Ootacamund from time to time, the audit was conducted at Madras instead of at Ootacamund as in previous years.

5. This can hardly be called a transfer of the accounts of the Branch Press to the head office, since the accounts of the former have not been incorporated in those of the latter and its separate pass book for its transactions with the Ootacamund Branch of the Bank of Madras was not dispensed with. As a distinct set of books for record of the transactions of the Branch has been opened and written up from the statements received from the representative, it seems to me to be a duplication rather than a simplification of work involving an unnecessary additional expenditure at the head office, while with a smaller additional cost, by the entertainment of a single clerk on Rs. 10 or Rs. 15 a month at Ootacamund, not only can the congestion of work at the head office, be avoided, but the accounts of the Branch Press can also be more conveniently and satisfactorily maintained under the immediate supervision of the representative, whose monthly emoluments have been increased by the payment of a commission of Rs. 25. Under the present arrangement, all bills for collection and cheques for payment are issued by the head office which must necessarily cause delay. As already stated, the outstandings for 1907 were considerably in excess of those for 1906. The bills cannot issue unless the work dockets are valued by the head office, which cannot be done with the same despatch as the press which actually did the work. From the following audit objections also, it will be seen that the present system can hardly be held to work better than the former one. It is not possible, I think, for the representative to be responsible for receipts and payments without maintaining some sort of accounts, and if this be so, the additional work involved

by the maintenance of a regular set of books and registers as formerly, with the assistance of an additional clerk, can be conveniently and satisfactorily performed, while the labour and trouble caused by sending everything to the head office, can be avoided. It seems to me also that the work can be more efficiently valued by the Press which actually does it, than by another which does not even see it. In the circumstances, I submit the matter for the reconsideration of the Agents and the Trustees and for the orders of Government.

6. *Cash-book*.—(a) The date of remittance to the Bank was entered as the date of receipt in the cash-book. This is incorrect as the cash balance does not include the collections which are not remitted to the Bank at the end of the month. The representative should be instructed to furnish statements of collections with the dates of remittances to the Bank noted in them, in lieu of the memoranda of remittances to the Bank which he now submits, to enable the head office to close the cash-book with the actual cash on hand at the end of each month.

(b) Some of the receipts credited in the cash-book, are not supported by counterfoils of receipts granted by the representative and the cash-book has not been signed by the Superintendent in any month.

(c) The sanction of the Agents should have been obtained for the payment to Mr. H. G. Lissenburg, the representative at Ootacamund, of an allowance of Rs. 25 per month as commission from 1st May 1907. As regards contingent payments, the representative should be instructed to obtain vouchers as far as possible and forward them to the head office with the statements of contingent expenditure.

7. *Dockets*.—The alterations in the amounts charged to parties in some of the dockets have not been attested by the Superintendent, while the dockets for the months of January, February and March 1907 have not been produced for audit. The work-book also has not been produced.

8. *Day books*.—(a) The forward totals in the day books have not been entered in ink.

(b) The customers' accounts were in a few cases debited twice with the amounts paid for cooly-hire—once in the contingent book and a second time in the day book; but the posting of debits from the latter book into the ledger was not made. As charges on account of cooly and cart hire are paid out of the contingent advance and posted into the ledger direct from the contingent book, debits on that account should not be raised in the day books in future.

(c) The usual 10 per cent. commission was not added to the amounts debited in the *day books* from March 1907, for work done by the Press for Government, but to the amount of bills issued to officers concerned after they had been scrutinised and passed by the Superintendent, Government Press. The effect of this change was that the Press lost credit for an equal amount in its outturn for the year in the Profit and Loss account (statement C). As the amounts debited in the day books to Government officers are subject to revision by the Superintendent of the Government Press and as the commission in question should contribute to the outturn of the Press in its Profit and Loss account for the year, the following procedure should be adopted:—The debits for work done and supplies made to each Government officer should be raised in separate sheets in the day books, and at the end of the month, a single bill for all work turned out should be prepared and forwarded to the officer concerned for verification and submission direct to the Superintendent, Government Press, for his scrutiny and sanction. On receipt of the bill from the latter officer, necessary alterations should be made in the Press day sheets with reference to the corrections in the bill (if any) and the 10 per cent. commission added to the amount passed by the Superintendent both in the bill and the Press day sheet before the bill is resubmitted to the officer concerned for payment. To avoid delay in posting these debits in the ledger, the monthly bills should go out punctually within the first week of the following month and the representative should be instructed to despatch to the head office, the dockets for work done in the month, by the 1st or the 2nd of the following month.

(d) As in the case of the head office, the total outturn in the day books of the Branch Press for the year was not classified but approximately distributed to the four heads in statement C with reference to the figures of previous years.

9. *Ledger.*—(a) A sum of Rs. 4-4-0 paid by the President, District Board, Ootacamund, into the head office at Madras on the 15th July 1907 on account of the Branch Press was erroneously credited to the account of the Principal and Secretary of the Lawrence Asylum. The mistake was, however, rectified in audit.

(b) The postage account for the year closes with a debit balance of 2 annas which shows that the representative had utilised his private money for meeting this excess expenditure. As there was a sufficient balance (As. 4-6) of the contingent advance with him at the close of the year, he should not have been allowed to utilise his private money for contingent payments. The Press has not included this debit balance in its balance account and I have therefore made the necessary corrections in the ledger and brought forward the balance on the liability side, in the Balance statement (appendix B).

(c) The remittance of Rs. 1-8-0 referred to in paragraph 13 of the last audit report by a British Postal order from a customer in Edinburg was received on the 21st November 1906, but the amount was not credited in the cash-book till the 26th February 1907. If the party who remitted the money was not known at the time, the amount should have been brought to the cash-book immediately to the credit of a suspense account subject to subsequent adjustment. The Branch Press subsequently intimated to the head office, that the amount should be credited to Mr. McLenon's account and it was accordingly credited in the head office. But the Branch Press erroneously credited the amount under a different date, the 26th March 1907, to a separate account in its ledger sent to the head office where the same mistake was committed in copying the entries of that ledger up to March 1907 into a new ledger opened for the Branch Press and the account was closed to balance at the end of the year. The mistake has been found out and corrected in audit and the balance sheet altered.

(d) The balance of Rs. 14 in the advance account of employees in the ledger was transferred to the Profit and Loss account, instead of to the Balance account. As the amount is recoverable from Mr. Daly and Rajagopaul Mudali, I have correctly included it in the Balance account, statement B. It is, however, reported that one of them has since left service and that the amount due by him is irrecoverable. If so, the amount that is irrecoverable should be written off under proper authority, in the accounts of the current year.

(e) The stock account in the ledger was written up and closed as in the head office ledger and for that reason the Profit and Loss account, statement C, was debited with the value of stock on the 1st January 1907 and the purchases and receipts during the year and credited with the value of stock on the 31st December 1907. This system of writing up the account, does not bring forward the amount of depreciation in stock, which alone should be debited to Profit and Loss account, and does not enable the Press to ascertain whether it gains or loses by the use of its stationery and stores. According to the method adopted by the Press and the result arrived at, there was a loss of Rs. 754-14-10 in stock for the year under report, as shown below (*vide* statement C):—

	RS.	A.	P.
Total value of stock	16,318	15	7
Less—			
Value of stock on 31st December 1907	14,864	13	8
Value realised in outturn	650	15	1
Consumed by the Press	48	4	0
	15,564	0	9
Difference ..	754	14	10

How can this loss be accounted for except by the fact that the classification adopted in the day book is wrong or that the supplies have been undercharged in the dockets.

10. The profit for the year as made up by the Press was Rs. 20-14-7, but for the reasons set forth in the foregoing paragraph it was raised to Rs. 36-4-7. If the commission of 10 per cent. allowed by Government was added to the amount of outturn in the Press day books as suggested in paragraph 8 (c) *supra*, the profit for the year would have been more than the figure shown in statement C.

11. *Stock accounts.*—(a) The articles purchased locally in small quantities by the representative, have not been credited to Stock accounts. They should have been accounted for in the Stock accounts, although they were intended for immediate consumption.

(b) The indents for supply of stores have not been produced for audit.

(c) The stock list submitted for audit was not signed by the representative, nor was it passed by the Agents. The stock of stores did not appear to have been taken at the close of the year and the representative had taken about six months, from March to August 1908, to take stock of the few articles stored in the Branch Press and the list prepared by him, contained the book balance on the 31st December 1907 in the case of some articles, when it differed from the quantity stated to have been found by him at stock-taking. He should be instructed to take stock at the close of the year and to prepare the list in the Form F, appended to the audit report on the Branch Press accounts for 1903.

(d) No stock of types, machines and furniture in the Branch Press was taken for the year, but depreciation was made on their value in the Stock accounts and the net value was taken in the list.

12. The balance outstanding at the end of the year was Rs. 4,924-2-10, of which Rs. 4,220-13-1 has since been collected up to 15th October 1903. The balance remaining to be collected is therefore Rs. 703-5-9. The book of outstandings maintained for the Branch Press, has not been properly written up, to indicate the year or years to which the outstanding balance appertains.

13. The fee of Rs. 200 paid for the audit of the accounts for 1906 was refunded to the Branch Press in accordance with G.O., No. 90, Financial, dated the 11th February 1908. This was credited in the Press cash-book on the 18th March 1908.

APPENDIX.

A

ABSTRACT of Receipts and Disbursements of the Lawrence Asylum Press, Ootacamund Branch, for 1907.

	RS.	A.	P.	RS.	A.	P.
<i>Receipts.</i>						
Opening balance—						
Cash and drafts on hand including contingent advance	27	15	8			
With the Bank of Madras, Ootacamund ..	2,050	1	8			
				2,078	1	4
Cash sales	21	10	0			
Collections	2,624	9	6			
				2,646	3	6
Refund of deposit	25	0	0			
Undisbursed pay credited	47	0	0			
Collection on account of Lawrence Asylum Press, Madras	321	3	11			
Recovery on account of advance and railway fare to employees	20	12	0			
				413	15	11
				5,138	4	9

	RS.	A.	P.	RS.	A.	P.
<i>Disbursements.</i>						
Salary of establishment	3,531	1	3			
Overtime allowance	49	12	2			
Purchase of stock	76	6	9			
Railway charge, cooly, etc.	48	4	6			
Packing charges	0	8	0			
Rent of premises	540	0	0			
Postage and receipt stamps	42	1	0			
Trade charges	166	12	10			
Audit fee	200	0	0			
Profession-tax and scavenging fees ..	8	0	0			
Lighting charges	2	10	0			
Repairs to machines	5	4	0			
				4,670	12	6
Payments on parties' account	23	0	5			
Advances to employees	55	0	0			
Deposit with tender	25	0	0			
				103	0	5
Closing balance—						
With the Bank of Madras, Ootacamund.	344	7	10			
Permanent advance for contingent expenses	20	0	0			
				364	7	10
				5,138	4	9

B

STATEMENT of Assets and Liabilities of the Lawrence Asylum Press, Ootacamund Branch, on the 31st December 1907.

	RS.	A.	P.	RS.	A.	P.
<i>Liabilities.</i>						
Personal ledger accounts	28	12	1			
Lawrence Asylum Press, Madras	1,981	14	7			
Debit balance of postage account	0	2	0			
				2,010	12	8
Capital of the Press including profit ..				18,156	15	8
				20,167	12	4
<i>Assets.</i>						
Personal ledger accounts	4,924	2	10			
Advances to employees	14	0	0			
				4,938	2	10
Stock on hand—						
Machinery, plant, etc.	13,921	15	3			
Stationery, printing and binding stores ..	942	14	5			
				14,864	13	8
Cash balance—						
In the Bank of Madras, Ootacamund ..	344	7	10			
Permanent advance	20	0	0			
				364	7	10
Balance of receipt stamps				0	4	0
				20,167	12	4

C

PROFIT and Loss Account of the Lawrence Asylum Press, Ootacamund Branch, for 1907.

	RS.	A.	P.	RS.	A.	P.
<i>Expenditure.</i>						
Salary of establishment	3,526	14	5			
Overtime allowance	49	12	2			
Postage and receipt stamps	41	1	9			
Rent of premises	540	0	0			
Trade charges	397	10	10			
Audit fee	200	0	0			
Taxes	8	0	0			
Stationery supplied to different departments	48	4	0			
Amount of bills written off	17	6	0			
Lighting charges	2	10	0			
Repairs to machines	35	10	0			
				4,867	5	2
Value of stock purchased	1,112	9	8			
Value of stock on hand on the 31st December 1906	15,206	5	11			
				16,318	15	7
Profit for the year				36	4	7
				21,222	9	4
<i>Income.</i>						
Outturn of the Press for the year—						
Printing	4,390	11	6			
Binding	1,200	9	5			
Stationery	650	15	1			
Miscellaneous	115	7	8			
				6,357	11	8
Value of stock on the 31st December 1907.				14,864	13	8
				21,222	9	4

II

Endorsement No. O.A.-25/80, dated 11th November 1908.

Forwarded to Government in the Educational Department.

A. MONTAGU BRIGSTOCKE,
Accountant-General.

Order—No. 798, Educational, dated 2nd December 1908.

The report will be communicated to the Trustees of the Lawrence Asylum Press; the attention of the Trustees will be drawn to the remarks of the Auditor in paragraph 5 of the report regarding the disadvantages of the system of keeping the accounts of the Ootacamund Branch at Madras and to the defects pointed out in paragraph 9 (e) of the report in the system of keeping stock accounts.

(True Extract.)

H. D. TAYLOR,
Secretary to Government.

To the Committee of the Lawrence Asylum, Ootacamund.
" Director of Public Instruction.
" Accountant-General.

EDUCATIONAL DEPARTMENT.

NOTES CONNECTED WITH G.O., No. 798, EDUCATIONAL,
DATED 2ND DECEMBER 1908.

[SUBJECT.—*Report on the audit of the accounts of the Lawrence Asylum Branch Press, Ootacamund, for the year 1907.*]

From the Accountant-General, dated 11th November 1908, No. O.A. 25/80.

From paragraph 4 of the report, it will be seen that the audit of the accounts of the Lawrence Asylum Branch Press at Ootacamund for the year 1907 was conducted at Madras instead of at Ootacamund as in previous years, the accounts of the Branch Press having been written up in the head office at Madras from statements received from the representative at Ootacamund from time to time.

2. The auditor observes that this mode of keeping accounts is a duplication

rather than a simplification of work involving an unnecessary expenditure at the head office, as a distinct set of books for record of the transactions of the branch has been opened and written up from the statements received from the representative at Ootacamund. The auditor points out that unnecessary delay occurs under this arrangement and that the accounts can be more conveniently and satisfactorily maintained under the immediate supervision of the representative at Ootacamund.

Ibid.

He therefore submits the matter for the re-consideration of the Agents and the Trustees and for the orders of Government.

3. It is submitted that the attention of the Trustees may be drawn to the remarks of the auditor and that they may be asked to state whether there is any objection to maintaining the accounts at Ootacamund.

4. In paragraph 9 (e) of the report, the auditor points out certain defects in the system of keeping stock accounts, which resulted in a loss of Rs. 754-14-0 for the year under report. The Trustees may be asked to take steps to remedy the defects pointed out.

5. A draft order is submitted below for approval.

T.K.—30-11-08.

K. RANGASWAMI AIYANGAR—30-11-08.

C. A. SOUTER—1-12-08.

Issue.

No need to call for a report. The Trustees will doubtless take such action as is necessary.

H. D. TAYLOR—2-12-08.

[G.O., No. 798, Educational, dated 2nd December 1908.]

$$\left[\frac{E.}{12.} \right]$$

Educational DEPARTMENT.

READ AGAIN G.O. , No., dated..... 190.....

[illegible]

READ ALSO:—

C. No. 2418, From the Accountant-General, No O.A. 25, dated 11th Novr. 1908.

" " , " " ; " ; " - 190

” ” 1 ” ” ” ” ” ” 190

ORDER.
P.S.

No. 798, dated 2-12-1908.

The report will be communicated to the Trustees of the Lawrence Asylum Press, ^{The} ~~The~~ attention of the Trustees will be drawn to the remarks of the Auditor in paragraph 5 of the report regarding the disadvantages of the system of keeping the accounts of the Ootacamund Branch at Madras, ~~and they~~ ~~will be requested to report whether~~ ~~there is any objection to maintaining~~ ~~the accounts at Ootacamund.~~

~~2. The Trustees will also be requested~~
and to
~~to remedy~~ the defects pointed out in

para

2.

488

para 9 (e) of report, in the system
of keeping stock accounts.

72.

30-11-08

30-11-08

Cob

1.12.8.

Boz

2-12-08

To, The Committee of the Lawrence
Asylum, Octacamund.
" Director of Public Instruction.
" Accountant-General.

Sd/-

19/12/8



ORDINARY

PREFERENCE

URGENT (a)

EDUCATIONAL
LEGISLATIVE DEPARTMENT.

Current No., dated 190 ..

G.O., No. 798, dated 2-12-1908.

Number of MS. pages sent { Correspondence including order or orders
(b)
Notes (b¹)

Docket: *Laurence, by Press, to account*

the report on the audit of the accounts of the year 1907.

Number of copies required when struck off (not including copies for volumes and editors' table which are retained in the Press).

Complete Correspondence and orders.

Notes

FOR RECORD.*

Madras Records	...	30	15
Ooty Records	...	3	
For filing with original	...	4	
Total	...	37	15

FOR ISSUE.†

	Letter only.	Complete G.O.	Special issue copies (b) of G.O.		Notes.
			No.	Papers.	
Signature copies.....					
India Office.....					
Govt. of India.....Dept.					
Public Department.....					
Judicial Department.....					
Financial Department.....					
Revenue Department.....					
Public Works Department.....					
Local and Municipal Department.....Dept.					
Total					
Spare copies.					
The Director of Public Instruction.....		5			
The Comr. for Govt. Examinations.....					
The Superintendent, Govt. Museum.....					
The Surgeon-General.....					
The Accountant-General.....		10			
The Collector of.....					
The P. D. B.....					
The Committee of P. D. B.....		2			
The.....					
The.....					
The.....					
The.....					
The.....					
The.....					
Total					

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 the rules in G.O., No. 1220, Public, dated 30th November 1900.

(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 Deputy 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 Deputy 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, but only the first time when they appear on the left side, the initials alone being printed later.

* Copies distributed on.....*(Press Clerk.)

† Copies distributed on.....*(Despatcher.)

* To be initialled and dated.

A	B	C
Please send proof in triplicate. The papers have been carefully edited.	Proof returned corrected. Please strike off and send number of copies as indicated.	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 at once.	Type may be released after usual interval at once.	Type may be released after usual interval.
.....Clerk.	Clerk.	Clerk.
.....Supdt.	Supdt.	Supdt.

(b) Three copies of proof of all notes should be sent for approval, except when instructions are given to the contrary.

SPECIAL INSTRUCTIONS.

TO BE FILLED IN BY THE PRESS.

Diary.	Initials of Press official.
Received in Press on.....	4/12/08
First proof furnished on.....	8/12/08
Call for revised proof received on.....	12/12/08
Revised proof furnished on.....	
Corrected proof received for striking on.....	
Final copies supplied on.....	16/12/08

Account of copies.	Complete copies.	Notes.	Issue copies.
Supplied to Secretariat for Record.....	34	15-	
" " " Issue.....	17		
For Volumes.....	16		
For E. T.....			
Total ...	67	15-	