Government of Madras.

EDUCATIONAL DEPARTMENT

Recd. / *Regd.* } 1909. — *Enclosures* / *Spare copies*

13

G.O., No. 640, 6th December 1909.

Lawrence Asylum Press.

Communicating to the Trustees of the — the report on the audit of the — for the year 1908 and requesting the Trustees to explain the circumstances under which the Chartered Accountants (Messrs. Fraser & Ross) were engaged by them to audit the accounts of the Press.

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GOVERNMENT OF MADRAS.

EDUCATIONAL DEPARTMENT.

Read—the following paper :—

Letter—from F. L. Carvalho, Esq., Chief Superintendent in charge of Outside Audits, Madras.
To—the Accountant-General, Madras.
Dated—the 25th October 1909.

I have the honour to submit my report on the audit of the accounts of the Lawrence Asylum Press at Madras and of its Branch at Ootacamund for the calendar year 1908.

2. As in 1907, the accounts of the Branch Press have been separately booked at the head office in 1908 also, and the ledger shows, as will be seen from the balance sheet submitted by the Press authorities, a sum of Rs. 1,199-9-11 as owing by the branch to the head office on the 31st December 1908. In the year under report the booking of the transactions relating to the Press at Ootacamund has not, however, been as uniform and complete as in the previous year, since some of the items relating to it have been incorporated in the books of the Press at Madras and remittances from the latter to meet working expenses have been mixed up with recoveries effected at Ootacamund on account of work turned out by the Madras Press. In accordance with my remarks in paragraph 5 of my report for last year printed in G.O., No. 798, Educational, dated the 2nd December 1908, the accounts of the Ootacamund Press have been wholly incorporated in those of the Madras Press in the current year, and a separate balance sheet and a profit and loss account will not therefore be necessary hereafter. For the reasons assigned in that paragraph, I am still of opinion that the transfer of the accounts of the Ootacamund Press to the head office is not desirable. All the earnings of that Press are now remitted away to Madras through the local branch of the Bank of Madras leaving nothing to meet its working expenses which are met by cheques drawn on the Bank of Madras, Madras, in favour of the representative of the Press at Ootacamund where they are cashed on payment of a commission of $\frac{1}{2}$ per cent. This is not only a duplication of work but also entails unnecessary expenditure which may be avoided by retaining at Ootacamund the amount required for immediate disbursement if it is still considered necessary to maintain the accounts of that Press at Madras. In this connection, I may add that if the threatened termination of the contract with the Railway Company takes place, and I believe there is every likelihood of its taking place, it will be necessary, as pointed out in G.O., Mis. No. 424, dated 17th July 1909, to bring more custom to the Branch Press at Ootacamund. If this is effected it will be all the more necessary to maintain its accounts as formerly at Ootacamund, and the saving caused by reduction of cost in the Madras Press then will more than cover the small additional cost at the Ootacamund Press.

3. Before proceeding with the irregularities which the examination of the accounts relating to the Presses at Madras and Ootacamund disclosed, I beg to bring the following to your notice for such action as you may deem necessary.

During the examination of the ledgers, tick marks made with a *green* pencil or chalk such as is used by the audit clerks of the Outside Audit department of the Accountant-General's office, were noticed in certain pages and on questioning the Press employés how they came to be there before the book was audited by the Outside Audit department of the Accountant-General's office, it was found out that they were

made by the Chartered Accountants (Messrs. Fraser and Ross) who were specially engaged by the Press authorities on payment of a sum of Rs. 1,200 to examine the accounts and to prescribe a better system of accounts than was in vogue. The account system, which existed prior to 1907, was introduced several years ago and, being based on commercial principles, was found to work satisfactorily and the auditors who audited those accounts have been severally able to exercise the necessary check over them and to bring to notice any irregularity or mistake that crept into them. This system was in certain details modified in 1907 without obtaining the advice of the Accountant-General, and the irregularities and errors that resulted from this gratuitous modification have been brought to notice in the audit report for that year. The modifications suggested by the chartered accountants have been introduced in the current year. I do not, therefore, propose to offer any remarks regarding them in this report. Under the orders of Government, the Accountant-General is responsible for the audit of these accounts and I do not see how the Press authorities could have called in private accountants without the orders of Government. Moreover, I doubt whether that audit can be performed efficiently when the employés of the Press are under the orders of private accountants in certain matters and of the Government Auditor in others. It seems to me, I beg to submit, that the audit should be conducted and the system of accounts prescribed by either of them and not both. I do not think it is either equitable or possible for both to do the same work and issue instructions which do not conflict with one another for the maintenance of the books and registers required for the purpose.

4. The usual statements A, B and C for Madras and D, E and F for Ootacamund are appended.

Madras.

5. *Statement A.*—The total cash receipts of the Press at Madras for the year under report amounted to Rs. 2,77,165-3-3 and the disbursements to Rupees 2,79,732-14-5 against Rs. 2,53,691 and Rs. 2,41,397-14-8, respectively, of the previous year. I have checked the cash balance with the Bank of Madras entered in the Press Cash Book for the 31st December 1908 and found it to agree with the Bank Pass Book with a difference of Rs. 6,624-7-0, which is made up of the difference between Rs. 6,674-7-0, amount of cheques not cashed till after the close of the year, and Rs. 50, remittance not credited by the Bank till the 4th January 1909.

6. The expenditure of the year includes the sum of Rs. 20,000 invested in fixed deposit in the Bank of Madras. If this be excluded, the expenditure would amount to Rs. 2,59,732-14-5 or Rs. 18,334-15-9 in excess of that in the previous year. This excess was caused chiefly by the purchase of types and machines. The increase in the receipts over those of the previous year reflects the increase in the outturn. The security deposit of Rs. 250 received from the cashier and omitted from the cash book has been included in statement A.

7. *Statement B.*—The amount invested in Government securities and lodged with the Accountant-General remained unchanged during the year under report. As, however, Rs. 37,500 invested on account of the Superannuation Fund was, under the orders of Government, conveyed in G.O., No. 156, Educational, dated the 16th March 1909, withdrawn in the current year to be utilized for expenditure in connection with the electric installation of the Press, acknowledgment from the Accountant-General has been produced for Rs. 10,000 only. The Fixed Deposit receipts for Rs. 30,000 and Rs. 1,300 lodged with the Bank of Madras have been examined and found to agree. The receipt for the sum of Rs. 2,000 deposited in Government paper with the Madras Railway has also been seen by me. As the Madras Railway Company has been disbanded, it will be well if a fresh acknowledgment is obtained from the Madras and Southern Mahratta Railway Company to whom the line has been made over.

8. *Statement C.*—The profit of the Press for the year without taking into account the cost of work done gratis for and the amount of contribution paid to the Lawrence Asylum and the charges incurred for the maintenance of the Asylum lads, which amount in all to Rs. 31,480-5-0, was Rs. 46,497-7-11. After deduction of these items, the profit is reduced to Rs. 15,017-2-11.

9. As pointed out in the reports of previous years, no allowance has been made by the Press for depreciation on the value of the Press buildings for this year also. It is represented that no such allowance need be made at present as the tendency is for the value of all lands and buildings in Madras to increase rather than decrease and additions and alterations are still going on. It may be advantageous to take the advice of the Public Works authorities on the point for the future guidance of the Auditor.

10. *Cash book.*—This book begins with a mistake. The date is entered as 1st January when it ought to have been 2nd January. The first remittance to the Bank was sent on the 2nd idem and not on the 1st. As the entries in the cash book give no reference to the receipts granted, some difficulty is felt in tracing them. It will be well if a column is opened to give the number of the receipt referred to above as suggested in last year's report

The status of the officer who is authorised to grant receipts should be printed in the counterfoil also. It will be well if the words "cashier" and "accountant" are also printed at foot of the counterfoil so that their initials may appear in the document. In cases where the bills themselves were stamped and forwarded, receipts have been issued a second time, generally without being stamped. This seems to be unnecessary. For office purposes the counterfoil should in such cases be filled up with the remark "for office record." If desired the receipt of the money may be acknowledged by a special letter. In the case of receipts Nos. 583, 688 and 690 duplicates were issued. This should not be done. If necessary a separate book serially numbered may be maintained and receipts issued therefrom with the word 'duplicate' marked in red ink, care being taken to see that a note is made in the original book under the initials of the Superintendent that a duplicate has been issued from the separate book.

11. In Messrs. John Dickinson & Sons' bill for Rs. 742 paid on 7th February 1908 against one case containing skins it is marked "damaged". It should be found out if any rebate has been obtained for the damaged case as the full value of the bill has been paid.

12. (*a*) Rupees 390 directly and Rs. 300 through the Bank of Madras was advanced to Mr. F. Rodgers, the late Chief Accountant, on 3rd March 1908 to enable him to proceed to Calcutta and Burma in connection with the preparation of the Almanack for 1909. No vouchers were obtained from him at the time of the advance. In respect of these advances he submitted a detailed bill duly stamped on 23rd May 1908 for Rs. 518 and refunded the balance of Rs. 172. Irrespective of this detailed bill, duly stamped receipts should have been obtained from Mr. Rodgers at the time the advances were made.

(*b*) This officer, whose maximum pay is reported to be Rs. 300, has been allowed first-class railway fare and daily allowance at Rs. 5 per day in Calcutta and at Rs. 8 in Rangoon, whilst a Government officer of the same status is entitled to a maximum daily allowance of Rs. 3 only per day in Calcutta and to Rs. 4-8-0 in Rangoon. The detailed bill was not signed by any of the agents to the trustees.

(*c*) Mr. Mumford, the Superintendent of the Press, received an advance of Rs. 150 on 27th April 1908 to enable him to proceed to Ootacamund on duty. No voucher of any kind was obtained at the time. On his return he submitted a detailed bill duly stamped on 27th May 1908 for Rs. 217-11-0 and drew the difference of Rs. 67-11-0. The bill was not even initialled by any of the agents. I am not aware on what duty the Superintendent proceeded to Ootacamund and stayed there for about a month. The accounts of the Branch do not appear to have been examined by him during his stay there as they are, with the exception of the stock book, maintained at the Head office. The stock book was not examined by him as will be seen hereafter.

13. (*a*) Mr. Rodgers, the late Chief Accountant, drew on 15th September 1908 Rs. 225, pay for the whole month of September 1908, though his successor Mr. G. T. Taylor joined office on 16th September 1908 and relieved him forthwith. The bill (No. 288, dated 15th September 1908) was not passed by any one. There is nothing to show that the extra cost was sanctioned by the Committee. Moreover an acknowledgment was obtained from the payee only on 20th January 1909. The payment was therefore made without a voucher in the first instance.

(*b*) Mrs. A. Gutterson was paid on 26th October 1908 on account of her late husband's pension Rs. 10 for the whole month of October 1908, whilst the pensioner died in the middle of the month. The Committee does not appear to have sanctioned the extra charge. The payment was made through petty cash book.

(*c*) Deputy Superintendent Mr. Kilbourn was allowed to draw Rs. 275 (200—25—300) from 1st November 1907 as traced from the establishment pay bills for 1907; but he was allowed to draw Rs. 300 from 1st September 1908, *i.e.*, two months before the completion of one year from the date of his earning the previous increment. This does not appear to have been sanctioned by the Committee as there is no entry of the same in their meeting book. Mr. Kilbourn explains that this irregularity is due to the Committee having delayed its sanction to his increment in 1907, which fell due on 1st September 1907, but actually paid only from 1st November 1907. But the Superintendent informed me that the last increment was drawn two months in advance of the time by a mistake. But in any case the Committee's sanction should have been obtained to the payment of the increment from 1st September 1908. This should now be obtained. If not, the amount overdrawn should be retrenched and if it is as represented by Mr. Kilbourn the amount due to him may be paid.

(*d*) On the 11th August 1908 Mr. J. F. Jones, Joint Manager, Madras Electric Tramways, was paid Rs. 500 being half the consulting fee for the proposed electric plant. The voucher was not passed for payment by any one. From the papers shown, one of the agents to the trustees seems to have authorised the Superintendent verbally to enter into negotiations with Mr. Jones. It will be well for all and in the interests of the trust if all such unusual transactions find an entry in the Committee's book. In this connection I have to state that, as sanctioned in G.O., No. 156, Educational, dated the 16th March 1909, the sale-proceeds of the Government securities for Rs. 37,500 on account of the late superannuation fund which amounted to Rs. 35,574-8-11 were credited to the general funds of the Lawrence Asylum Press on the 20th April 1909 and Rs. 7,500 being the contribution for the first quarter of the current year and Rs. 7,500 on account of a special grant were remitted to the Secretary and Principal of the Lawrence Asylum at Lovedale. The special grant of Rs. 7,500 is presumably in connection with the construction of a kindergarten school at the Lawrence Asylum. If so, the payment was irregular as it was not sanctioned. In the Government Order quoted above Government deferred their sanction to the payment until Government were furnished by the Committee of the Lawrence Asylum with information as to the total cost of the proposed building and the source from which any excess on this account over Rs. 7,500 is to be provided. As regards the Electric Plant a sum of Rs. 27,000 appears to have been expended in the current year and I believe about Rs. 11,000 remains to be paid.

14. A donation of Rs. 50 to the Hyderabad Relief fund and of Rs. 30 to the Madras Volunteer Guards as contribution to Rifle meeting for 1908-1909 was paid on 3rd November and 27th November 1908 respectively. These payments also do not appear to have been sanctioned by the Committee. The initials of one of the agents to the trustees against the entries in the book wherein the cheques issued are recorded, were shown by the office as the authority for the above two payments. As already stated it seems right and fair that all these special or unusual payments should be authorized and recorded in the Committee's book whether they be sanctioned by the single agent or by the full Committee, so that every transaction may come to the notice of the full Committee. On 1st May 1908 a sum of Rupees 2-12-0 was paid to the Bank of Madras as commission for remitting Rs. 550 to Ootacamund on account of the salary of the Superintendent of the Press who had gone there on duty. As he was paid his travelling allowance for the journey and daily allowance for the halt, it does not seem to be right that the Press should also bear the cost of remitting his salary.

15. In the case of payments made to persons in England a separate register may be advantageously maintained to watch the receipt of duly stamped acknowledgments. Direct receipts should be dispensed with only if their agents in India hold powers of attorney from them and enter into contract with the Press to hold themselves responsible for all cash transactions.

16. The following vouchers have not been passed for payment by the Superintendent :—

Number and date of voucher.	Amount. Rs.	A.	P.
97, 17th March 1908	1,575	12	2
151, 18th May ,,	954	3	0
153, 22nd ,, ,,	7,500	0	0
155, ,, ,, ,,	30	0	0
156, ,, ,, ,,	25	0	0
165, 29th ,, ,,	40	12	0
185, 10th June ,,	51	4	0
249, 21st August ,,	7,500	0	0
87, 11th June ,,	4	10	0
187, 7th October ,,	0	8	0
188, ,, ,, ,,	8	4	0
189, 8th ,, ,,	8	12	0
190, ,, ,, ,,	10	0	0

As it may lead to erroneous payments, no amount should be paid before the voucher has been passed for payment by the Superintendent. The order for payment should invariably be dated by the Superintendent. It will be well, as suggested already, if the cashier is supplied with a rubber stamp with date so that he may impress the stamp 'paid' with date on each voucher as he makes payments.

17. Most of the irregularities pointed out in the previous reports continued to exist in 1908 also. In the latter part of 1908 the suggestion made in paragraph 12 of my report, dated 23rd October 1908, embodied in G.O., No. 794, Educational, dated 30th November 1908, was adopted. As an effect of this not a single petty cash payment was made before it was sanctioned by the Superintendent. The cashier has furnished the requisite security and the permanent advance has been reduced from Rs. 500 to Rs. 250. The chief accountant has not furnished any security. The Superinteudent states that as the chief accountant does not handle money in any form, it is not necessary for him to do so. But the key of the cash-chest is in his custody.

18. Several of the suggestions made as the result of audit seem to have received attention in 1909, and a price list has been newly got up. Indents on stores are now passed by the Superintendent but unfortunately with a rubber stamp.

19. *Receipt stamp book.*—A column may be opened to show the amount of the bill to which the stamp has been affixed. Without this it is difficult to trace the transactions as in some instances more than one bill bearing the same number is made out for the recovery of the amount appertaining to one piece of work. It seems to be the practice to affix a stamp to the bill when submitting it for payment and another to the receipt when receiving payment. This practice of stamping twice over should be discontinued.

20. The postage account maintained by the store clerk does not appear to have been examined by the Account section.

21. *Bill book.*—In bill No. 848 issued to the Secretary, Madras Club, Madras, the bill book shows a claim for only Rs. 130-1-0 whilst the amount due was Rupees 130-2-0 which has been recovered.

22. *Store stock book.*—Twenty-two reams of cream laid writing paper supplied by Messrs. John Dickinson & Sons in their invoice No. 17, dated 8th February 1908, does not appear to have been brought to account in the stock book. An entry was made on page 561, part 2 of the stock book, and struck out without attestation. Nine tins of kerosine oil noted in the bill to have been supplied on 4th, 5th, 11th, 20th and 23rd December 1907, and paid for on 28th January 1908, have not been brought to account in the store stock book. The bills have been passed for payment by the Superintendent. But there is nothing to show that they were received in the press. One dozen Ditmar lamps purchased at a cost of Rs. 78, and paid for on 6th January 1908 (voucher No. 15), does not appear in the stock book. Moreover, this does not appear to have found a place in the list of furniture on 31st December 1908 as the number on that date and that on 31st December 1907 are one and the same, viz., 132. On an average about 24 tons of casuarina wood were purchased monthly for engine fuel. This was not brought to account in the stock book.

The issue of the "miscellaneous articles" brought to account in the stock book at the time of purchase is generally not noted. It seems necessary to note the issue so that the stock taker at the end of the year may compare notes with the book figures. In this connection I think it will be in the interest of the press if the Superintendent or the Deputy Superintendent also will watch the receipt of stores and attest the invoices in token of his having done so.

23. *The Journal.*—Rs. 1-12-0 was adjusted twice over to the credit of the Lord Bishop of Madras and to the debit of the press. As an effect of this Rupees 1-12-0 was less recovered. Steps should be taken to recover the amount.

A sum of As. 10 had to be transferred from the receipt stamp account of the press to that of Messrs. Mitchel & Sheppard. Necessary entries were made. But in noting them in the ledger the constituents were debited and the receipt stamp account of the press credited; and instead of crediting the debit side of the stamp account it was entered on the credit side. As an effect of this when posting the figures of the receipt stamp account for December 1908 in the ledger, instead of noting the actual figure in that account that figure was reduced by As. 10 with reference to the entries above referred to and the net figure noted so that the balance on the ledger may agree with the stamp balance on hand. If the debit had been reduced by a *minus* entry as suggested above there would not have been the necessity for manipulating the figures in the receipt stamp account to arrive at the balance. In connection with the sale of books on commission two sums, Rs. 72-12-0 and Rs. 16-14-0, were spent on "advertisement". In transferring this from the constituents' account to the press account two entries were made J 40 and J 44; Rs. 72-12-0 was debited to the commission account and Rs. 16-14-0 to trade charges; but both being similar in kind should have been debited to one and the same head.

24. *Ledger.*—The bill book shows that bill No. 1171, dated 15th August 1908, is for Rs. 6-1-6 whereas in the ledger, page 264, Rs. 6-1-0 only has been debited. Bill No. 1461 has been prepared for Rs 5,508-1-0 only whilst the amount due according to the entries in the ledger from the Traffic Manager, South Indian Railway, on account of the bill is Rs. 5,508-5-6. Bill No. 1584 has been prepared for Rs. 133-15-0 and so much also collected, but in the ledger, page 371, only Rs. 133-13-0 is debited. Bill No. 2005 has been prepared for Rs. 34-10-5 only whilst according to the ledger, pages 862 and 874, the amount due was Rs. 36-0-5. Bills Nos. 1165 and 1185 are prepared in the name of the Adjutant, Madras Volunteer Guards, Madras, and the Grand Secretary "The Templar, Bangalore," respectively, whereas in the ledger they are shown against page 201, Officer Commanding, Madras Volunteer Guards, Madras, and page 285 "Secretary, Grand Lodge," by G. D. Oakley, Esq., Coonoor, respectively. For the sake of uniformity and accurate reference the same name or designation of a constituent should appear in all the books.

25. *The contingent register.*—Several of the alterations in the contingent register have not been attested.

The contingent expenditure in October 1908 amounted to Rs. 333-5-2, but the amount charged off in the cash book is Rs. 83-5-2 only which is the difference between Rs. 333-5-2 and Rs. 250-0-0 permanent advance refunded. Thus while the contingent register shows an expenditure of Rs. 333-5-2, the cash book shows only Rs. 83-5-2. This is wrong. The actual expenditure should have been recorded in the cash book and the amount of permanent advance refunded as a credit. By charging off only the difference in the cash book as stated above the sum of Rs. 250 included in the total contingent expenditure of Rs. 333-5-2 of the month has been treated as if it were directly met from the general funds of the press and not from its permanent advance.

26. *Outturn.*—This has not been classified as was done in the years prior to 1907. That classification should be resorted to in the current and future years.

27. Several mistakes have crept into the ledger postings which might have been discovered and corrected if they had been examined.

28. *Account written off.*—A sum of Rs. 3,939-11-8 has been written off on account of irrecoverable items. In certain cases the parties were overcharged and the overcharge had to be written off.

29. *Job work register.*—Job 710 for the Madras and Southern Mahratta Railway, dated 21st February 1908, for rent returns, does not appear to have been completed as nothing appears written against it. Monthwar totals in the job order book are not made of the amounts debited, to effect comparison between the day book and the ledger.

Job 1183, dated 24th March 1908, from the Traffic Manager, Madras and Southern Mahratta Railway, does not appear to have been completed as no entry is made against it also. The alterations and cancellations in this book have not been attested by any one.

30. *Outstandings.*—Out of the sum of Rs. 58,360–10–9 that remained uncollected at the head office at the end of the year (*vide* Statement B) Rs. 55,052–0–7 was collected up to the 15th October 1909 and the balance still to be realised on that date was Rs. 3,308–10–2. Legal steps seem to have been taken for the recovery of debts which remained long outstanding.

31. The cash balance in the custody of the cashier on the afternoon of the 15th October 1909 consisting of the unremitted collections of the Press and the unspent permanent advance was examined by me and found to be correct.

Unlike previous years the permanent advance was not replenished at the close of December 1908, hence the balance appertaining to it is shown in Statement A as Rs. 55–13–0 which, together with Rs. 194–3–0, the amount spent out of the imprest in that month, makes up Rs. 250, the present reduced permanent advance—*vide* paragraph 17 *supra.*

32. *Ootacamund.*—The receipts of the Press at Ootacamund for the year amounted to Rs. 4,212–8–5 and the disbursements to Rs. 4,190–4–1 against Rupees 2,646–3–6 and Rs. 4,670–12–6, respectively, of the previous year. I have checked the cash balance with the Bank of Madras entered in the Press cash book for the 31st December 1908 and found it to agree with the Pass book.

33. In the pay sheets there is the following certificate, "certified that the members of the establishment were paid in my presence and a receipt for the rent of the premises is on record in the office." The representative should be instructed to sign this invariably as he does not appear to do so at present.

On 10th June 1908, pay and overtime fees of pressman, P. Muniswami Chetty, were paid out of the contingent money. This bill was not passed by the Superintendent for payment like so many others.

None of the alterations in the day book have been attested.

34. In the postage account the following items are noted as chargeable to the constituents; but they are not traceable in the ledger against the parties :—

Date.	Name.	Amount.
		As. P.
18th January 1908	Miss E. R. Dawson	1 6
4th February ,,	,, ...	1 0
3rd ,, ,,	Principal and Secretary, Lawrence Asylum	1 0
8th July ,,	Mr. R. L. Proudlock	3 9
16th June ,,	Miss E. R. Dawson	1 0

As regards the last item it is difficult to say whether this is included or not in the sum of Rs. 2–1–0 debited against the individual in the ledger. The point should be made clear by separately entering such items. Amounts spent on account of an individual and appearing in the cash book or the postal account or any such original register should be distinctly traceable in the ledger.

35. *Stock book.*—

6 reams printing double demy 24 lbs. 40 country sheep skins F. C. 20 Do. demy. 20 Do. royal 2 reams brown cartridge royal 25 lbs. 2 Do. 40 lbs. 2,000 quoins.	Sent with Madras office letter No. O.B/19, dated 25th February 1908.
1 ream of paper purchased on 19th May 1908, paid in June 1908 (Contingent voucher 70.)	

2 reams cream woven medium 18 lbs. 2 Do. medium bank 13 lbs. 1 ream writing demy. 1 Do. royal. 1,000 dance programme cards, etc.	Forwarded with Madras office letter No. O.B./31, dated 3rd April 1908.

are not traceable in the stock book which cannot be said to have been maintained satisfactorily. It has no index. The Superintendent might have examined the stock book when he was at Ootacamund in April 1908 for about a month. It will be well if the Superintendent is asked to check these books whenever he goes there on duty.

36. For the sum of Rs. 190 a stamped receipt was given by Mr. H. G. Lissenburg, Press representative, on 11th May 1908. Out of this sum Rs. 95 is shown in the cash book as paid to him on 13th May 1908 and the balance of Rs. 95, on 5th June 1908 to "Carpenter." Out of the sum of Rs. 190 drawn as noted above the following payments appear to have been made as seen from the sub-vouchers filed :—

Date.	Name.	Amount. Rs.	
19th May 1908	Mr. S. Maduramuthu Asari ...	30	For certain furniture.
10th June ,,	,, ...	65	
25th ,, ,,	,, ...	75	
19th September ,,	,, ...	7	For 5 rafters.
12th October ,,	Mr. Wilson	5	For fitting up a shelf with pigeon-holes.
		182	

The balance (190—182) or Rs. 8 was brought to account on 9th December 1908. From the above entries, it will be noted that, between the 13th and 18th May 1908, the representative had in *his* own hands Rs. 95, from 19th May 1908 to 4th June 1908, Rs. 65, from 5th June 1908 to 9th June 1908, Rs. 160, from 10th to 24th June 1908, Rs. 95, from 25th June 1908 to 18th September 1908, Rs. 20, from 19th September 1908 to 11th October 1908, Rs. 13, from 12th October 1908 to 8th December 1908, Rs 8. This seems to be irregular. He should draw from the Bank only so much as is necessary for *immediate* disbursement. This shows clearly the necessity for the maintenance of at least a cash book at the Ootacamund Press. According to the system of accounts maintained at the Head office here it would not have been able to discover that a balance of Rs. 8 was left unpaid.

37. Amount paid to Messrs. Maduramuthu Asari and Wilson, as noted in paragraph 36 and Rs. 140–8 paid on 23rd July 1908 to Mr. Wilson, and Rs. 60 on 19th October 1908, to Messrs. Haji Fakeer Muhammad Sait & Sons have not been passed for payment by the Superintendent; nor are bills forthcoming in satisfaction of which they have been paid.

38. In the case of "Repairs to buildings and machines," as it is likely that more than one payment will be made against one estimate, it will be well if a register is maintained giving the following particulars for such works whether for the Madras or the Ootacamund Press :—

(*a*) Name or number of the work.
(*b*) Amount estimated and sanctioned.
(*c*) Date of commencement of work.
(*d*) Date and amount of the part payment.
(*e*) Date of the completion of the work with the Superintendent's initials.

39. *Outstandings.*—Out of the sum of Rs. 2,770–11–1 outstanding, Rupees 2,258–13–4 was collected up to the 15th October 1909; the balance still due on that date therefore was Rs. 511–13–9.

No. O.A. 11–213, *dated* 25*th October* 1909. / 15*th November* 1909.

Copy forwarded to Government in the Educational Department. With reference to the matter brought to notice in paragraph 3, it seems desirable that accounts which are under the audit of this office should not also be audited by a firm of Chartered Accountants.

A. Montagu Brigstocke,
Accountant-General.

640 Edl.—3

Enclosures.

A.—Statement of Receipts and Expenditure of the Lawrence Asylum Press, Madras, for the year 1908.

	Amount.			Total.		
Receipts.						
	Rs.	A.	P.	Rs.	A.	P.
Opening balance—						
Cash and drafts	12,382	0	11			
In the Bank of Madras	3,748	14	5			
Permanent advance	500	0	0			
				16,630	15	4
Cash sales	507	15	6			
Recoveries by bills for work executed ..	2,62,052	11	10			
Sale of types and machines	874	0	0			
Recoveries on account of the Branch Press at Ootacamund	5,301	14	2			
Sale of books on commission	5,599	14	10			
Interest on superannuation fund ..	1,309	3	6			
Interest on deposit with Madras Railway	34	2	8			
Interest on Government promissory notes	349	2	0			
Interest on fixed deposit ..	350	0	0			
Audit fees refunded	300	0	0			
Return of security deposit in Government promissory-note with South Indian Railway	486	2	9			
				2,77,165	3	3
Interest on employee's securities ..	38	0	0			
Recovery of deposits of tenderers from the Official Assignee	78	12	0			
Deposits recovered from contractors .	260	0	0			
Amount received from Cashier on account of security	250	0	0			
				626	12	0
				2,94,422	14	7
Expenditure.						
Establishment	64,517	12	11			
Overtime allowance	5,751	7	5			
Pensions and gratuities	489	9	4			
Payments on account of stock	1,37,014	8	0			
Postage and receipt stamps	1,502	5	0			
Advertising charges	185	4	0			
Almanac and directory charges.. ..	3,352	0	6			
Coal and firewood	2,331	12	4			
Lighting charges	844	5	9			
Coolies and cart-hire	1,718	15	0			
Trade charges	1,492	4	4			
Donations	80	0	0			
Repairs to buildings and machines .	448	2	0			
Taxes and fire insurance	3,060	15	4			
Telephone charges	150	0	0			
Books on commission sale	617	2	4			
Commission on Indian Contract Act ..	452	12	4			
Payment on personal accounts	752	6	9			
Payment on account of Branch Press, Ootacamund	1,892	3	3			
Construction of new building	2,038	6	5			
Charges on account of Asylum lads ..	551	5	6			
Security deposited in promissory-note with South Indian Railway	487	5	5			
Refunds	1	14	6			
Contribution to the Lawrence Asylum, Ootacamund	30,000	0	0			
				2,59,732	14	5
Cash placed in fixed deposit with Bank.				20,000	0	0

A.—Statement of Receipts and Expenditure of the Lawrence Asylum Press, Madras, for the year 1908—*cont.*

	Amount.			Total.		
Expenditure—cont.						
	Rs.	A.	P.	Rs.	A.	P.
Interest on employee's securities ..	38	0	0			
Repayment of deposits with tenderers ..	78	12	0			
Investment of employee's security ..	250	0	0			
				366	12	0
Closing balance—						
Cash and drafts	7,768	8	6			
In the Bank of Madras	6,498	14	8			
Permanent advance	55	13	0			
				14,323	4	2
				2,94,422	14	7

B.—Statement showing the Assets and Liabilities of the Lawrence Asylum Press on the 31st December 1908.

Liabilities.	Government securities.	Cash.	Assets.	Government securities.	Cash.
	Rs.	Rs. A. P.		Rs.	Rs. A. P.
Employees' securities—			Cash balance—		
C. Latchmiah Nayudu	..	400 0 0	Cash and drafts on hand	..	7,768 8 6
O. Munuswamy Chetty	..	400 0 0	In the Bank of Madras	..	6,498 14 8
C. Singaravelu Mudaliyar	..	250 0 0	Permanent advance	..	55 13 0
M. C. Chinnathambi Pillai	..	250 0 0		..	14,323 4 2
	..	1,300 0 0	Balance of postage and receipt stamps ..	..	175 6 0
Contractors' securities—			Balance of stock—		
V. Perumal Chetty & Sons	..	285 0 0	Plant and dead-stock	..	2,05,801 11 3
P. Ponnuswami Mudaliyar	..	90 0 0	Furniture	..	7,661 14 0
S. Rangiah Nayudu	..	25 0 0	Stationery, printing and writing stores	..	37,674 0 11
Muugapathi Nayudu	..	25 0 0	District Municipal forms and books ..	..	212 2 10
	..	425 0 0	Railway forms and books and post cards	..	18,214 2 1
				..	2,69,463 15 1
			Investment and interest account—		
			Superannuation fund lodged with Accountant-General	37,500	....
			Reserve fixed .. .. Do.	10,000	....
			Fixed deposit in the Bank of Madras ..	..	30,000 0 0
Bills payable—			Employees' securities in fixed deposits in the Bank of Madras	..	1,300 0 0
Messrs. John Dickinson & Sons, London ..	..	2,421 5 5		..	31,300 0 0
Do. Madras Paper Contract	..	23,754 3 6	Deposit account—		
V. Perumal Chetty & Sons	..	1,469 9 10	Tender with Madras Railway Company ..	2,000	....
Sundry accounts	..	1,548 12 10		..	....
	..	29,193 15 7	Bills recoverable—		
			Personal ledger accounts	..	....
Personal ledger accounts	..	....		..	58,360 10 9
Books on commission sale account	..	....			
Interest on Superannuation fund after paying pension and gratuities	..	....	Value of Press premises	..	....
	..	1,648 14 10		..	2,01,896 11 1
Capital of the Press including profit ..	49,500	....			
Total ..	49,500	....	Total ..	49,500	....
	..	5,75,519 15 1		..	5,75,519 15 1

C.—Profit and Loss Account of the Lawrence Asylum Press, Madras, for the year 1908.

	Amount. Rs. A. P.	Total Rs. A. P.
Expenditure.		
Establishment	64,517 12 11	
Overtime allowance	5,751 7 5	
Almanac and Directory charges	2,406 15 1	
Contingencies	11,534 1 1	
Cost of books printed for Press use	971 13 10	
Amount of bills written off	3,939 11 8	
		89,121 14 0
Value of balance of stock and stores used up in the year ..	2,60,509 0 4	
„ of stock and stores purchased in the year	1,36,340 7 11	
		3,96,849 8 3
Gross profit		46,497 7 11
		5,32,468 14 2
Gross profit		46,497 7 11
Deduct—		
Contribution to the Lawrence Asylum, Ootacamund.	30,000 0 0	
Cost of work done gratis to the Lawrence Asylum, Ootacamund.	928 15 6	
Upkeep of Asylum lads	551 5 6	
		31,480 5 0
Net profit		15,017 2 11
Income.		
By job work and miscellaneous	1,03,565 12 1	
Sale of Almanac and Directory	8,244 5 1	
„ Pocket almanac	104 3 4	
„ Sheet almanac	84 9 4	
„ Civil Lists	6,822 6 4	
„ History of Services of Gazetted Officers	1,367 7 2	
Cost of contract work done to Madras Railway	1,29,510 6 11	
„ „ District Municipalities ..	11,617 6 9	
		2,61,316 9 0
Interest on security deposit investments	733 4 8	
Audit fee refunded	300 0 0	
Commission realised on sale of books	651 3 9	
Earnest money by contractor and petty balances of 1907 remaining unclaimed.	3 13 8	
		1,688 6 1
Value of stock on hand on the 31st December 1908 ..		2,69,463 15 1
		5,32,468 14 2

D.—Statement of Receipts and Expenditure of the Lawrence Asylum Press, Ootacamund, for 1908.

	Amount. Rs. A. P.	Total. Rs. A. P.
Receipts.		
Opening balance—		
In the Bank of Madras	344 7 10	
Permanent advance	20 0 0	
		364 7 10
Cash sales	185 1 11	
Recoveries by bills for work executed	2,246 7 3	
Recoveries of Lawrence Asylum Press head office and also remittances from do.	1,580 15 3	
Audit fee refunded	200 0 0	
		4,212 8 5
Earnest-money refunded		25 0 0
		4,602 0 3

D.—Statement of Receipts and Expenditure of the Lawrence Asylum Press, Ootacamund, for 1908—*cont.*

Details.	Amount. Rs. A. P.	Total. Rs. A. P.
Expenditure.		
Establishment	2,738 2 5	
Overtime allowance	74 1 3	
Payment on account of stock	340 10 10	
Rent of premises	495 0 0	
Postage and receipt stamps	63 4 6	
Firewood	2 0 0	
Lighting charges	3 3 0	
Coolies, railway freight, etc.	65 13 9	
Trade charges	42 5 10	
Repairs to machines and buildings	353 6 6	
Taxes	12 4 0	
		4,190 4 1
Earnest-money deposited	25 0 0	
Advances to employees	27 4 0	
		52 4 0
Closing balance—		
Cash	2 5 0	
In the Bank of Madras	343 11 8	
Permanent advance	13 7 6	
		359 8 2
		4,602 0 3

E.—Statement showing the Assets and Liabilities of the Lawrence Asylum Press, Ootacumund, on the 31st December 1908.

Liabilities.	Cash.		Assets.	Cash.	
	Rs. A. P.	Rs. A. P.		Rs. A. P.	Rs. A. P.
Bills payable—			Cash balance—		
Lawrence Asylum Press, Madras.	1,199 9 11		Cash	2 5 0	
			In the Bank of Madras, Ootacamund.	343 11 8	
Sundry accounts	37 9 6		Permanent advance	13 7 6	
		1,237 3 5			359 8 2
			Balance of postage and receipt stamps.		1 13 3
Capital of the Press including profit.		18,646 13 11	Balance of stock—		
			Plant and dead stock	14,535 14 11	
			Furniture	708 0 0	
			Stationery, printing and shop.	1,486 14 9	
					16,730 13 8
			Bills recoverable—		
			Personal ledger accounts		2,770 11 1
			Advance of pay to employees.		21 3 2
		19,884 1 4			19,884 1 4

F.—Profit and Loss Account of the Lawrence Asylum Press, Ootacamund, for the year 1908.

	Amount. Rs. A. P.	Total. Rs. A. P.
Expenditure.		
Establishment	2,738 2 5	
Overtime allowance	74 1 3	
Contingencies	1,763 0 7	
Cost of books printed for press use	9 11 0	
Amount of bills written off	124 5 9	
		4,709 5 0
Value of balance of stock and stores used up in the year	14,864 13 8	
Do. purchased in the year	2,978 7 0	
		17,843 4 8
Gross profit		588 0 3
Total		23,140 9 11

F.—Profit and Loss Account of the Lawrence Asylum Press, Ootacamund, for the year 1908—*cont.*

Details.	Amount. Rs. A. P.	Total. Rs. A. P.
Gross profit	588 0 3	
Deduct cost of work done gratis for the Lawrence Asylum, Ootacamund	98 2 0	
Net profit		489 14 3
Income.		
By job work—		
Public	1,856 3 2	
Government	3,989 8 2	
Do. of 1907	364 0 11	
Audit fee refunded	200 0 0	
		6,409 12 3
Value of stock on hand on the 31st December 1908		16,730 13 8
		23,140 9 11

Order—No. 640, Educational, dated 6th December 1909.

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

2. With reference to the remarks of the auditor in paragraph 3 of his report, the Trustees will be requested to explain the circumstances under which the Chartered Accountants (Messrs. Fraser & Ross) were engaged by them, on payment of a remuneration of Rs. 1,200, to audit the accounts of the Press, when the Government have directed that they should be audited annually by the Accountant-General free of charge—*vide* G.O., No. 90, Financial, dated 11th February 1908, communicated with endorsement No. 527–1, dated 9th March 1908.

(True Extract.)

R. F. Austin,
Deputy Secretary to Government.

To the Trustees of the Lawrence Asylum Press
(through the Director of Public Instruction).
,, Director of Public Instruction.
,, Accountant-General.

EDUCATIONAL DEPARTMENT.

NOTES CONNECTED WITH G.O., No. 640, EDUCATIONAL, DATED 6TH DECEMBER 1909.

[SUBJECT.—*Report on the audit of accounts of the Lawrence Asylum Press, Madras, and of its Branch at Ootacamund.*]

Previous paper.

G.O., No. 432, *Public, dated* 1*st May* 1873.
„ „ 90, *Finl.*, „ 11*th February* 1908.

From the Accountant-General, dated 15*th November* 1909, *No. O.A.* 11-213.

The Accountant-General submits the report on the audit of the accounts of the Lawrence Asylum Press at Madras and of its Branch at Ootacamund for the year 1908. The report may be communicated as usual to the Trustees of the Press and their attention may be drawn to the remarks and suggestions of the auditor.

2. In paragraph 3 of his report the auditor points out that the accounts of the Press for the year 1908 had been previously audited by the Chartered Accountants, Messrs. Fraser and Ross, who were paid a fee of Rs. 1,200. He remarks that as the Accountant-General is responsible, under the orders of Government, for the audit of the accounts, he does not see how the Press authorities could have called in private accountants without the orders of Government. In drawing the attention of Government to this matter, the Accountant-General notes that it is desirable that accounts which are under the audit of his office should not also be audited by a firm of chartered accountants.

3. Under paragraph 3 of G.O., No. 432, Public, dated 1st May 1873, the accounts of the Lawrence Asylum Press are audited by the Accountant-General; and under G.O., No. 90, Financial, dated 11th February 1908, the Press is relieved of the payment of any fee for the audit of its accounts. In these circumstances, the Trustees of the Lawrence Asylum Press may, it is submitted, be requested to explain why they engaged a firm of chartered accountants and paid them Rs. 1,200 to audit the accounts of the Press when they are audited annually by the Accountant-General free of charge.

4. The draft order placed below is submitted for approval.

T.K.—1-12-09.

K. RANGASWAMI AIYANGAR—2-12-09.

C. A. SOUTER—2-12-09.

Approved.

R. F. AUSTIN—5-12-09.

[G.O., No. 610, Educational, dated 6th December 1909.]

[E. & L.]

PRESS SLIP.

Educational Department.

C.No. 2110, From the Accountant General, No. C.A. 11-213, datei 15-11-1909.

ORDER. 640 dated 6-12-09.
P.S.

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

3. With reference to the remarks of the auditor in paragraph 3 of his report, the Trustees will be requested to explain the circumstances under which the Chartered Accountants (Messrs Fraser and Ross) were engaged on payment of a remuneration of Rs. 1,200 by them, to audit the accounts of the Press, when the Govt have directed that they shall be audited annually by the Accountant General free of charge. Vide G.O. No. 90 Financial dated 11th February 1908, Communicated with Endt. No. 527-1, dated 9th March 1908.

T.K.
1-12-09.

2-12-09

5/12/09

To

The Trustees of the Lawrence Asylum Press, through the D.P.I.
" D.P.I.
" Acct. Genl.

8/12/9

[E. & L. 89]

500—15-3-09

PRESS SLIP.

ORDINARY. **PREFERENCE.** **URGENT** (*a*).

EDUCATIONAL ~~LEGISLATIVE~~ DEPARTMENT.

GOVERNMENT PRESS RECEIVED 10 DEC 1909 MADRAS SECRETARIAT.

12

Current No. 2110, dated 16—11—1909.

G.O., No. 640, dated 6—12—1909.

(*b*)

Number of MS. pages sent { Correspondence including order or orders (*b*¹) / Notes.....

Docket. Lawrence Asylum Press.

Communicating to the Trustees of the the Report on the audit of the ..... for the year 1908 and requesting the Trustees to explain why the Chartered Accountants Messrs. Fraser & Ross were engaged by them to audit the accounts of the Press

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	3
For filing with original	1	1
Total ...	34	19

FOR ISSUE.†	Letter only.	Complete G.O.	Special issue copies of G.O. (*b*) No.	Special issue copies of G.O. (*b*) Papers.	Notes.
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					
The Comr. for Govt. Examinations					
The Superintendent, Govt. Museum					
The Surgeon-General					
The Accountant-General					
The Collector of					
The P. D. B.					
The					
The					
The					
The					
The					
The					
The					
The					
Total ...					

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

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

* *To be initialled and dated.*

INSTRUCTIONS FOR THE MADRAS 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.

(*b*¹) 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.

[P.T.O.