Educational (1895) Department.

ORDINARY MS.

G.O., No. 831

Dated 19th Oct. 1895.

INDEXED.

[Despatch Abstract.]

SCHOOL OF ARTS

Passing orders on Mr. J. L. Pinto's report showing the result of his examination of the accounts of the -- .

BACK PAPERS.

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Outside Audit Department

Fort Saint George,
Accountant General's Office,
22nd July 1895.

From

J. L. Pinto Esquire,
Chief Superintendent,
in charge of Outside Audits.

To

The Accountant General,
Fort Saint George.

Sir,

With reference to the Proceedings of Government No. 124, Educational Department, dated the 13th February last, I have the honour to submit the following report on my examination of the Accounts of the School of Arts.

2 I have had the Cash Account and the books subsidiary thereto examined from April 1891 to January 1895 with reference to the Cash realizations of the School and their remittance to the Bank of Madras to the credit of Government, and found them to tally with the amounts a recorded in the Accountant General's books for that period.

3 Likewise the sums drawn during the same

eriod from the Bank of Madras through the Accountant General on acount of expenditure on the school and for manufacture of articles found properly recorded in what is lled the "list of payments" which would represent the disbursement side of the Cash book, and in the Acquittance Roll.

4 As remarked at page 40 of the memorandum of the Director's Office clerk appended to Mr Lewis' report the agreement between the entries in the School Fee Register and those in the counterfoil receipts is not perfect. At the same time there is nothing to suggest that there has been any misappropriation of funds, for in three cases at least out of those brought to notice in that memorandum as items unsupported or insufficiently supported by counterfoil receipts, it was found that either the pupil was actually admitted in school a month later than as set down in the School Fee Register, how? or that the allusion to a counter foil receipt in that register was erroneously made under one name instead of another as per Enclosure No I,

5. The other irregularities in account complained of are almost entirely in the Store

Accounts

Accounts with which I shall now, They consist of two parts one rel materials and the other to Manufactur Articles. Both these accounts were gener in the keeping of three clerks. I shall review the account of Raw materials on which the undermentioned clerks were employed

Pottery Assistant. Pay Rs40. $\frac{a}{1}$ Soobroyalu Naidoo who was dismissed from the service in November 1892.

$\frac{a}{2}$ Coopooswami Naidu who was in charge till May/93 in addition to his own duties.

$\frac{a}{3}$ Parthasarathy Iyengar appointed in May/93.

Pottery Clerk Pay Rs 28. $\frac{B}{1}$ Coopooswami Naidu was transferred to another appointment on Rs 25 on 1st June 1893.

$\frac{B}{2}$ Srinivassa Sastry was appointed on 1st June 1893.

Third Clerk Pay Rs 17. C. Chinnaswami Pillai appointed August 1892.

6. The errors pointed out in the monthly accounts rendered to the Director of Public Instruction

that

eriod from t. se from the neglect of $\frac{a}{1}$ to make
the Accountant the ledger since February 1892, he
on the ly in debt at the time which led to
glect of the work of the office and ultimate
issal. His place was not permanently filled
ll May 1893 when $\frac{a}{3}$ was appointed, $\frac{a}{2}$ having
had his own duties to conduct as $\frac{B}{1}$ would appear to have been unable to cope with the ledger posting when placed in charge in November 1892.

7. The result of this neglect of the ledger posting has been that the return of raw materials sent to the Director of Public Instruction which used to be prepared from the entries in the ledger, or at least checked with them, had for the period subsequent to February 1892 been dependent entirely on the figures taken down on slips of paper from the day book in which the items stood scattered, the slips being destroyed afterwards or not cared for. In August 1892 C was appointed to take charge of the raw materials and to maintain the account, but he did so in respect of some materials only, because $\frac{a}{1}$ continued to keep the account of the more important articles.

8. What led to this course, can be best

gathered

gathered from the following facts that although the different kinds of raw materials varied from 250 to 300 it was the practice for years past to take into account only some 37 to 40 items of a somewhat important nature either in point of value or in number, and to disregard the rest as articles unlikely to remain unused for any considerable time, or too bulky like firewood to be brought into the store rooms. The monthly account submitted to the Director was thus confined to the value of the abovementioned important items.

9. When, therefore, C had taken charge of the raw materials in August 1892, $\frac{a}{1}$ apparently in view to the submission by him of the foregoing monthly return as of old, required C to furnish him from time to time with particulars of all receipts and issues in respect of stores for which he had been maintaining account but had transferred the stores themselves to C. The effect of this as must be expected was the maintenance of a double set of accounts for the same material up to April/93 – th above. to say $\frac{a}{1}$ and $\frac{a}{2}$ continued to maintain
13. day book from the information furnished

by C, who of course kept on his own day book too in common for all articles in his charge.

10. C's day book was more or less in a ledger form, for it classified under the respective Store heads the daily receipts and issues, but on the other hand it did not admit of the preparation from it of the monthly return to the Director, so that on the discontinuance in April 1893 of the day book kept by $\frac{a}{2}$ an attempt was made to get up a proper ledger but somehow it signally failed, and the return to the Director thus continued to be rendered in an unsatisfactory manner. Inaccurate

11. It must be obvious from the foregoing remarks that the Balance sheet of Raw Materials as made up to 31st March 1894 represented the value of only the few 37 to 40 items *Rs 476. 3. 10. as of old, and not of the whole stock as reckoned by the Director's Office clerk and valued at Rs 746. 10. „ or Rs 270. 6. 2 more. Rs 240. 1. 10 out of this difference represents value of Paints of about a dozen description. These were formerly treated as of the class of manufactured articles and duly brought on the ledger. In September 1893 however th

therefrom and the items not be an be best gathered

of articles which found a place in the balance sheet of raw materials were omitted to be incorporated in the recent balance sheets. Rs 29. 11. „ is another similar omission of Brass wire gauze received into store in May 1893.

12. From the remarks in page 48 of the Director's Office Clerk's memorandum one might be left under the impression that the balances of stock therein mentioned have yet to be accounted for by those responsible for them, and the matter would seem to be the more serious when the value of the articles in question is found to be no less a sum than Rs 657. 5. 9 as worked out in Enclosure No II hereto. This however is not really the case for as set down in the enclosure in question several items aggregating Rs 523. 11. 9. were found to be either wrong balances on the old ledgers of ($\frac{a}{1}$ & $\frac{a}{2}$) or they happened to be brought simultaneously both into their day books as well as in that of the new (c) Storekeeper, under the system of a double set of books which obtained for a time as explained already in paragraph 9 above.

13. The remainder of the difference Rs 133. 10

bis, composed of the following articles:-

Clay	Rs 76. 9. 3
Wood	" 40. 9. 1
Trays	" 16. 7. 8

From the nature of the first two articles they are such as could not be easily removed from the premises, while as regards the third the old storekeeper would appear to have had in January 1891

4	1st Size Trays		Rs 3. 15. 5
2	2d "	do	" 1. 10. "
14	3d "	do	" 10. 14. 3

It is difficult to say whether these have or have not passed on to the new storekeeper as the article is differently classified in his accounts, the balance of Stock on the 31st March 1894 being

6.	Octagonal Trays	Rs 6. " "
4.	Hexagonal "	" 7. 8. "
11	Round "	" 13. 12. "
3	Oblong 1st Size "	" 4. 8. "
5	do 2d " "	" 8. 12. "
9	do 3d " "	" 2. 10. "

After the stock taking of April 1894 the account of Raw materials may be be best have been kept in a fairly sa e gathered

Couldnt pieces of wood?
J

the errors found in them being few and unimportant as per Enclosure No III. It may perhaps be well to remark here that my examination of these store accounts in their full detail was confined to one month's account of each of the last four years as a test upon their general accuracy, and that I selected the month of November for the purpose.

15. On the whole the discrepancies brought to notice appear to be due more to a want of method in keeping the accounts and to the ~~and to the~~ consequent difficulty of applying an effective check to ascertain the accuracy of the postings from the day book into the ledger, than to carelessness on the part of the subordinates employed on the work save $\frac{A}{4}$ whose services have had to be dispensed with in November 1892 and $\frac{A}{2}$ who was latterly found wanting in his work. Much less is there room to suspect the prevalence of any malpractices leading to the loss of Government property. If the balance sheet of raw materials did not contain all it should have embraced it was above. the defective form in which it was

13. The rem years past, while as regards

the delay in its submission to the Director of ublic Instruction, it is to be noted that even immediately before Mr. Holders assumption of ffice there was a like delay, for, the returns for 5 months from April 1891 were all sent on one day 27th January 1892.

16. I append a list marked No IV showing the dates on which the various monthly returns were submitted to the Director of Public Instruction since April 1891 the entries in red ink made in some cases representing the dates of submission of revised returns on the discovery of errors in the original ones. At the same time it cannot be denied that there was a great want of punctuality in their submission which as remarked by Mr Lewis was due to the incomplete state of the books.

17. It may be as well to remark here that the attention of the present Superintendent to the unsatisfactory system of dealing with Raw Materials would seem to have been attracted a little after his assumption of office, that is to say in August 1892 when he appointed the 3rd Clerk (c) to take charge of them and to maintain the account. That clerk unfortunately was unable to cope with the account work connected therewith having to deal with so many classes of Articles as 250 to 300 at a time. In short it is this which ultimately disclosed the former irregular practice of the balance sheet of Raw Materials treating of a comparatively few items only instead of the whole.

18. I shall next proceed to review the accounts of Manufactured Articles. Here too the ledger posting was grossly neglected by B. from February 1892 and was apparently not brought up until the early part of 1893, thereby necessitating the submission of revised returns for six months together up to July 1892 on the 10th July 1893, on which date the returns for the eight subsequent months also were submitted for the first time.

19. As in the other case the accounts I have had examined are those for the month of November of the four years from 1891 to 1894. All the entries in the day book were traced into the ledger and the former was further checked in respect of issues with the Cash Book, the Bill Book and pm. Bill outstanding book, and found to be generally correct. In the case of Articles

brought into store on manufacture the Day Book admitted of no check of any kind. It seems to me however that in some cases no account whatever was taken of such articles until they were actually required for sale. Then when they were brought on the credit side of the Ledger a simultaneous debit entry was raised per contra, the entries connected therewith appearing in the Day book for the period between February 1892 and April 1893 only in pencil either at the foot or the top of the folio.

20. The marginal items are those of the above nature discovered in the accounts for November 1892. My view is further supported by the fact that no less sums than Rs 1604. 13 3. and Rs 493. 9. 10 respectively were brought to account in the Day Book, and consequently in the Ledger also, in October 1893 and March 1894 as value of articles found in excess.

36 Jars 6 lb glazed	27	.	.
3 do 8 lb glazed	30	.	.
1 Vase No. 43 Ornamental glazed	.	12	.
2 Teakwood boxes lacquered and painted	6	.	.
1 Rosewood Carved Corner bracket	30	.	.
1 Brass tray	3	.	.
2 Copper repoussé panels	12	.	.
1 Coffee set glazed	1	8	.
2 Long flower vases with two handles	4	.	.
8 Lacquered tables small	80	.	.
2 Lacquered Books stand 2d Size	10	.	.
1 do 3d Size	6	.	.

21. In the case of model articles which are apparently not intended for sale, it appears to have been rather the rule to postpone their entry in the Day Book and the Ledger till the time of sale. Likewise in the case of articles

sent

sent to the Chicago, Poona and other exhibitions there appear to be formal entries in the Day Book for information merely, for the items were not carried to the Ledger. It was only on the receipt of the proceeds that an actual credit was given in the Day book and in the ledger, the unsold articles being merely received into store. The system is apt to lead to an irregularity or at all events to an unnecessary confusion in the accounts as in the case of some vases sent to Messrs. Spencer & Co. for sale in October 1891 on a commission of 10 per cent. Most of the vases were returned in July 1893, and it is not easily ascertainable what became of the rest which are detailed in Enclosure No. V. In cases of this kind the items should properly pass through a suspense account.

22. I have also noticed that in some cases one heading only is used to serve the same description of Article, carrying two different rates. In such cases it will be well to describe one set of entries in black ink and the other in

23. It is observed that in respe

written off the accounts [illegible]

it inclu

	R.	A.	P.
22 Filters red baked	22	.	.
1 Carpet	21	10	8
	43	10	8

t margin which had been twice brought to account, so that the real deficit in Stock was Rs 154. 7. - only, composed of the following items

Rs 18. 15. 6.	Cost of 151¾ inches of English boxwood.	
" 3. 14. "	do	15½ lb Plaster of Paris
" 131. 9. 6	do	Pottery of a fragile nature.

There are no orders, on the records in support of the debit of the balance Rs 154. 7. - to Profit and Loss, not Rs 198. 1. 8 as mentioned in Mr Lewis' report.

24. It will be observed from the foregoing remarks that the state of these manufactured articles Account is not quite so unsatisfactory as the account of Raw Materials previously referred to, although according to paragraph 6 of Mr Lewis' report there would appear to be a considerable difference unaccounted for. He makes it out that while the real stock of Manufactured Articles stood at Rs 16962. 10. 3 on the 31st March 1894, the balances according to ledger aggregated Rs 10237. 13. 5. This indeed [illegible]se for in the abstract figures given [illegible]ement of that page paragraph Mr Lewis [illegible]ce, or in other words the amount of the Balance Sheet at Rs 13404. 3. 4. subdivided into VIII classes, but strictly speaking the amount is a little less or Rs 13338. 3. 4.

25. Deducting the last mentioned sum from Mr Lewis' figure Rs 16962. 10. 3. the difference is Rs 3624. 6. 11. only composed of the following items:

(a)	Value of unfinished articles as arrived at by Mr Lewis		Rs 2462. 12. 5
(b)	Damaged Articles sold in auction		" 15. 14. -
(c)	Damaged Articles in Stock		" 115. 12. 6
(d)	Articles kept as sample and for show in the Art Museum.		" 74. 11. -
(e)	Drawing models		" 31. 5. -
(f)	Articles sent to the Chicago Exhibition		" 179. - -
(g)	Plaster Moulds		
	Serviceable	434. 12. -	
	Unserviceable	244. 4. -	679. - -
	Difference between the aggregate ledger balance as deduced by the School and that arrived at by Mr Lewis.		66. - -
	Total		Rs 3624. 6. 11

(a) From the fact of these articles remaining in an unfinished state it is improbable that there has been any real irregularity in their value not being brought to account in the Daybook and the Ledger, it being the practice to bring them to the store account only when completed.

(b) and (c) These are of the same category the first representing merely the amount unrealized upto the 31st March 1894 out of damaged articles sold, while the others have had yet to be sent for sale. No doubt it would have been more systematic to have entered them first in the store account and then to have sent them for sale.

(d) This is an apparent omission since there are other articles to the value of Rs 348. 8. in the art museum which it is now proposed by Mr Lewis to remove from the Store Accounts as per Statement VII appended to his Report. It is necessary to remark here that in order not to lose sight of these Articles a complete register of them should be kept in the art museum under the signature of the Superintendent, who should periodically obtain the sanction of the Director for any loss or damage.

(e) The reasons which led [illegible] omission of these items from the stock ledg[illegible] have been already stated in paragraph 21 above.

(f) These seem to be additional to some other Manufactured Articles brought on the Stock Ledger and then sent to the Chicago Exhibition and inasmuch as that portion of the articles so brought on the store ledger was not charged off and taken to a suspense Account as stated in the lastmentioned paragraph 21, an adjustment of these additional articles did not suggest itself to the office when it was discovered that they also had been sent on together with the other articles.

(g) So much of the moulds as were serviceable should have certainly been brought to account, and some proper measures adopted for securing the unserviceable ones from loss. They would seem to have been scattered about and no sufficient notice taken of them until Mr Lewis took stock in April 1894.

This is noticed by the D.P.I. in para 5 of his ~~Pro.~~ letter no 12612 d 24th Dec 94 - under cover of 80 124 Ed 13-2-95

26. There is one other point raised in Mr Lewis' report which requires consideration. In paragraph 16 he points out that while the cost of purchase of materials during 1893-94 was Rs 16233. 13. 1, the sales of [illegible]ufactures amounted only to Rs 12417. 11. 2. It must be here remarked tha

that the former sum represents not merely the cost of materials purchased, but includes also

Rs 3723. 6. 8 expended on stipends

" 4901. 7. 11. paid as wages to Coolies and

" 1530. 8. 4 spent on office contingencies.

In coming to the conclusion that the receipts from the sales of manufactures have not been commensurate with the outlay on the purchase of raw materials Mr Lewis has obviously lost sight of the fact that the payment of stipends to students, cannot all be set down as a part of outlay on manufacture for even without a return for such outlay the school would pay stipends though perhaps to fewer pupils seeking instruction in the Industrial Branch. Then again the expenditure of Rs 1530. 8. 4 on Office contingencies cannot certainly be fairly charged against the Manufacturing Account. In respect of the sales of Manufacture which Mr Lewis sets down at Rs 12417. 11. 2 it has to be remarked that that amount is not the outturn of the expenditure of Rs 16233. 13. 1 according to Mr Lewis' figure, for he has not excluded there-om as he should have done se recoveries g the year out of previous years manufactures, nor added on the other hand the sales effected on credit out of the current years manufacture remaining unrealized and the value of the unsold articles of such current manufacture.

27. It would seem needless for me to go into all the various small items noticed by the Director's Office Clerk, some of which can be readily accounted for, as for instance the difference of Rs 1. 1. 7. noticed in the first page of his memorandum which is due to the date of recovery of the value of some eight items having been incorrectly entered as 15. 4. 93 for 15. 5. 93. Then again at page 8 although Rs 74. 3. 11. was drawn from the Accountant General in June 1893 Rs 76. 3. 11 was actually paid Rs 2 having remained undisbursed from April 1893.

28. It only now remains for me to make one or two suggestions with regard to the mode of keeping the accounts in future.

1st I would reintroduce the granting of receipts for School fees which was discontinued about April 1894, such receipts and the counterfoils thereof bearing printed numbers in consecutive series which should be invariably quoted in the cash account of receipts for ready reference.

2d The list of payments might advantageously embody salaries and other fixed charges also instead of only those for temporary establishments, manufacture and contingencies as heretofore.

3d In the office copy of the Indents for Raw Materials apart from noting the date of receipt of each article the fact of payment for the same when made should also be recorded to preclude the possibility of a second payment on the same account.

4th The work of the office might be so re-arranged as to place the custody of both the Raw materials and the manufactured Articles with one special clerk who in respect of the receipt of Raw materials would initial the indent and return it to the office, whilst for issues he would make out a daily slip of the quantities issued and submit it to the office under the Superintendents initials. A printed list of the nomenclature of all articles might be maintained with a serial number to avoid any mistake in the description of the articles is ir of fact

of

there

5th The Office will then maintain the Daybook of Receipts and Issues in two separate volumes, but the transactions instead of being recorded in the daily order of occurence will be noted against the respective date of the month to which they relate as explained below.

Day Book of Receipts (or Issues)
for the month of 1895

Date	Charcoal bags		Chalk		and so on		
	No	Price	Nos	Price			
1.							
2							
3							
x x							
29							
30							
Total							

In the issue book the price should be calculated only on the total issues of the month as regards quantity, and not upon the daily issues.

6th The monthly totals of these two day books should form the postings into the ledger for raw materials

7th As regards manufactured articles each department of the Industrial Branch should

thereof bearing

ister giving the follow

par

particulars:—

Column 1 Description of Articles required.
2. Number and date of the Superintendent's order.
3 Number of the indent for Raw materials.
4 Quantity supplied thereon.
5 Quantity used in the manufacture.
6 Price fixed with reference to outlay.
7. Selling Price.
8 Date of receipt of Article into store.
9 Initial of the Storekeeper.
10 Initial of the Day book writer.

The order book referred to here should be written up by the head clerk who will send to the foreman the slip when signed by the Superintendent. The former will then make the Indent on the Storekeeper for the raw materials which also will be in counterfoil.

8th. If the foregoing suggestions are adopted the work would devolve on two men chiefly — one the storekeeper and the other the writer of the Day Book and Ledger. The arrangement however contemplates the existence of a foreman in each of the industrial sections. In point in the daily

of lp

there are none at present, a third clerk should therefore be employed in lieu of the foreman.

I have the honour to be,
Sir,
Your most obedt. Servant,

Chief Superintendent.

Dr
13/7.

DIRECTOR OF [illegible] INSTRUCTION
RECEIVED
- 9 JUN. 96
R. R. No............
MADRAS.

8 D.P.I.'s 13867/95

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Enclosure I

The three cases referred to in paragraph 4 of the report with explanatory remarks.

1 T. Periaswami
2 W. Manikkam
3 Thamodara Mudali

1. (a) No. 1 and 2 are two cases of those noted in page 41 of the memorandum of the clerk from the Director's office in which the receipts granted were for sums less than those noted in the School Fee Register.

(b) It is to be observed that, while these students were shown in the School fee Register to have paid their fees for June and July 1893, they were shown in the Admission book to have been admitted on the 5th July/93 and in the counterfoil receipts to have paid their fees for July 1893. The entries in the School fee Register are apparently wrong.

[illegible]
time

2 No 3 is one of those cited in page 39 of the memorandum referred to above in which the counterfoil receipts are stated to be not forthcoming in support of entries in the School Fee Register.

In the School Fee Register of Lower Secondary Class the four names

J. Stephen — $\left(\frac{A}{53}\right)$
Hamodara Mudali $\left(\frac{A}{146}\right)$
J. Ethirajulu Nayudu $\left(\frac{A}{100}\right)$
A Govindarajulu Naidu $\left(\frac{A}{27}\right)$

appear in consecutive order and dates of payments appear marked against the first three names while, from the Counterfoil receipt Book, it will be seen that receipts No. 264 dated 17 April 1893, No 258 dated 15th April 1893 and No 257 dated 15th April 1893 were granted to the first and the last two. Further the name Hamodara Mudali does not appear in the Attendance Register of the School for the month in question. The entry in the School Fee Register in this case also is apparently wrong.

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nclosure II

Statement of balances in the old material ledger with remarks- referred to in paragraph. 12.

Reference to the material Tabular List	Articles	Quantity or Number	Amounts of items		Remarks.
			Not traced	traced	
2	Rough white wool.	162 lb	—	39. 1. 3	The 148 lb noted in Column 5 in Item 37 in the material Tabular List of the Director's clerk appertain to this. The deficit of 14 lb might be due to the less credit to this head and an overcredit to "Rough Wool of Colors" (item 3) in which there was an excess of 42 lb.
4	Brass	29 lb	—	12. 12. 10	The stock purchased during January 1893 as per old Day Book of $\frac{a}{1}$ and $\frac{a}{2}$ was 49 lb while that according to the day book of C was 49 lb. 12¼ oz. The entries in both these books are apparently for the same transaction. The 29 lb in question formed part of 49 lb. 12¼ oz whose issues are accounted for in the latter Day book.
8	Copper	53 lb	—	22. 7. 4.	The stock purchased during March and April 1893 as per Old Day Book of $\frac{a}{1}$ and $\frac{a}{2}$ was 103 lb, while that according to C's day book was 103 lb.- 12 lb. The entries in both these ~~cases~~ books are apparently for the same transaction. The 53 lb in question formed part of 103 lb.- 12 lb whose issues are accounted for in the latter book.
9	Cuddapah Kaolin	10275 lb	56. 11. 9	—	Not traced.
			56. 11. 9	74. 5. 5	

Reference to the material Tabular List	Articles	Quantity or number	Amounts of items		Remarks.
			Not traced	Traced	
			56·11·9	74·5·5	
10	Chinglepat Quartz	4480 ℔	———	16·4··	The quantity purchased in February 1893 according to the Old Day Book of $\frac{a}{1}$ and $\frac{a}{2}$ was 4480 ℔ being the quantity in question. C's Day book shows 5 carts as the purchase for that month and it is noted in pencil that 896 ℔ make 1 cart. Apparently the entries in both the books are for the same transaction. C's Day book accounts for the issues.
13	Gudupakam Clay	969½	1·13·6	———	Not traced.
14	Gypsum	1766½	———	31·10·11	According to the old ledger of $\frac{a}{1}$ and $\frac{a}{2}$, this is composed of 766½ ℔ being the closing balance on the 31st August 1892 and 1000 ℔ being the quantity shown to have been purchased during January/93. According to C's Day book 1000 ℔ only were shown as purchases for January and March 1893. The issues in the latter book amounted to 333 ℔ during November and December 1892 which were apparently met from 766½ ℔ the balance on the 31st August 1892.
15	Gold	12¼ Sovereigns	———	171·2·2	The balance on the 31st Decr/91 as per old ledger of $\frac{a}{1}$ and $\frac{a}{2}$ was 20 sovereigns which included the 12¼ Sovereigns in question or in pagoda weight 27 $\frac{9}{16}$. But the correct balance that should have been
			58·9·3	293·6·6	

Reference to the material Tabular list	Articles	Quantity or number	Amounts of items		Remarks
			Not traced	Traced	
			58·9·3.	293·6·6	been shown was 30 $\frac{11}{16}$ Pagoda Weight as detailed below. Balance shown ——— 12¼ Sov Add the issues for the 29th April, 8th July 1892, and 10th January 1893 which were wrongly shown as ——— 2½ Sov: 14 ¾ Sov Or in Pagoda weight at 2¼ P.W for 1 sovereign ——— 33 $\frac{3}{16}$ P.W Deduct the right quantity issued on the three dates mentioned above ——— 2½ P.W 30 $\frac{11}{16}$ P.W A gold necklet weighing 30 $\frac{11}{16}$ P.W having been received into the manufactured store, corresponding credit should have been given in old ledger as in the Old Day book vide page 343 and balance should have been shown as nil in February 1893.
17	Mount Felspar	1540 ℔	———	3·6··	In C's day book there appears an entry of 24 parahs which apparently is the same as 1540 ℔ shown in the Old Day book of $\frac{a}{1}$ and $\frac{a}{2}$
18	Mangowood	77 feet	9·10··	———	Not traced.
19	Oxide of Zinc	65 ℔	———	36·4·8	There is a cask containing white powder which, it is stated, was not weighed during last stock-taking. This was asked to be weighed and the actual weight is almost 69 ℔ This may be Zinc oxide
			68·3·3	333·1·2	

Reference to the Material Tabular List	Articles	Quantity or Number	Amounts of [illegible] not traced	traced	Remarks
			68. 3. 3	333. 1. 2	
20	Rosewood Brackets	46		104. 5. 8	In October 1893, 44 wall oblong brackets priced at Rs 176. were brought to account as excess in the ledger for the manufactured articles. It would appear that the material ledger brings to account brackets as they are bought for being painted. After the painting, they are shown as issues in the material ledger and as receipts in manufactured ledger which however was not done in this instance.
31	Silver	53 Rs weight	———	61. 10. –	A balance of Rs 32-12-6 of this quantity was shown by the maistry in his account for March 1893 to have been on hand which has been brought forward in the current Ledger. Due credit for Rs 19 in March 1892 and for Rs 2 instead of Rs 1 in July 1892 should have been given which was an omission in the ledger. This accounts for silver of a weight equal to Rs 52. 12. 6.
33	Teakwood Trays	20 No	16. 7. 8	———	Not traced
34	Teakwood	42 61/144	30. 15. 1	———	
35	Yellow clay	12096 lb	18. –	———	
36	Blackwool	86 1/8 lb	———	24. 10. 11	It has not been found possible to trace this item as in the case of other items
			133. 10. –	573. 11. 9	

Consequently the receipts of wool, white and black, fine, for the whole period from 1889 to February 1894 and the carpet woven during that period were taken and comparison made.

Receipts of fine wool white and black for the period specified above ——— 2450 lb nearly
Deduct balance on the 31st March 1894 as per stock taking ——— 35
Quantity issued during the above period ——— 2415 lb
Dimensions of carpets woven from May 1889 to last stock taking — sq ft 3095 nearly
Deduct the dimensions of one carpet of 18 sq ft which was twice debited ——— 18
3077 sq ft

Taking 7 lb on an average to be the quantity of wool required for 1 square yard of carpet inclusive of wastage which was ascertained from the Superintendent
The quantity required for carpet of 3077 sft ——— lb 2394 nearly
The difference to be accounted for ——— 21
2415

This difference of 21 lb, the Superintendent says, must have been the wool utilized in testing candidates every year in carpet weaving

C.S.

1896
801 Dept
5
Enclos. No
3

encl 2 to desp. no 852/95

Enclosu re III

Errors referred to in paragraph 14.

	Names of Articles	Quan tity as ed poi	Correct Quantity	
1	Sand Paper rough	1 doz en 10 No.	1 dozen	9 No.
2	do nice	1 do 8 No.	1 "	9 No.
3	Brass Compass	"		1 Number
4	Read lead	2 lb 9¼ oz	3 lb.	8¼ oz
5	Chalk	1 lb 10¼ oz	1 lb.	10½ oz
6	Light yellow ochre in powder	1 lb 13½ oz	2 lb	12½ oz
7	Brass Nails ¾"	"	"	6 oz
8	Boxwood	77 sq. in		119 sq. in.

C.S.

Enclosure V

List showing the dates on which the several monthly returns from April 1891 to December 1894 were submitted to the Director of Public Instruction referred in paragraph 16.

	Return of Fees	Accounts of receipts and charges	Stock Account	Bills recoverable Account	Bills payable account	Material Account
1891-92						
April /91	—	28.8.91	16.9.91	23.9.91	28.8.91	27.1.92
May	—	28.8.91	16.9.91	23.9.91	28.8.91	27.1.92
June	25.8.91	do	16.12.91	do	do	do
July	25.8.91	do	do	13.10.91	1.10.91	do
August	23.9.91	2.9.91	27.1.92	11.10.91	7.12.91	do
September	23.10.91	14.10.91	15.2.92	3.12.91	26.11.91	23.7.92
October	3.12.91	3.12.91	24.2.92	do	do	do
November	15.2.92	18.2.92	23.7.92	24.2.92	24.2.92	do
December	18.2.92	18.2.92	.7.92	do	do	do
January 92	25.4.92	21.4.92	.7.92	21.4.92	.2.92	do
February	—	do	1.8.92 10.7.93	-92	21.4.92	do
March	25.4.92	do	14.12.92 10.7.93	27.4.92	23.5.92	Nil
1892-93						
April 1892	30.5.92	20.7.92	14.12.92 10.7.93	20.7.92	20.7.92	20.3.93
May	9.6.92	do	14.12.92 10.7.93	do	do	do
June	1.7.92	31.7.92	14.12.92 10.7.93	31.10.92	31.10.92	do
July	31.8.92	31.10.92	14.12.92 10.7.93	do	do	do
August	—	do	10.7.93	do	do	do
September	8.12.92	do	10.7.93	do	do	do
October	do	13.12.92	do	1.2.93	13.12.92	do
November	14.12.92	17.12.92	do	do	1.2.93	29.5.93
December	11.1.93	} 27.2.93	do	16.3.93	16.3.93	do
January '93	—		do	do	do	do
February	22.3.93	22.3.93	do	19.4.93	19.4.93	do
March	26.4.93	12.5.93	do	12.5.93	12.5.93	29.5.93 3.4.94
1893-94						
April 1893	22.7.93	22.7.93	15.9.93	15.9.93 3.4.94	16.9.93	3.4.94
May	do	do	do	15.9.93 3.4.94	15.9.93	do
June	.9.93	do	do	15.9.93 3.4.94	do	do
July	15.9.93	15.9.93	do	15.9.93 18.1.94 & 3.4.94	3.4.94	do
August	16.9.93	do	21.10.93	15.9.93 18.1.94 & 3.4.94	do	do
September	21.10.93	21.10.93 3.4.94	18.1.94	21.10.93 18.1.94 & 3.4.94	do	do
October	18.1.94	18.1.94	do	18.1.94 3.4.94	do	do
November	do	18.1.94	22.2.94	22.2.94 3.4.94	do	do
December	22.2.94	22.2.94	do	22.2.94 3.4.94	do	do
January '94	do	do	20.3.94	.3.94 3.4.94	do	do
February	21.3.94	21.3.94	do	3.4.94	.6.94	Nil
March	—	19.6.94	20.6.94	3.4.94	.6.94	Nil
1894-95						
April 1894	—	16.6.94	22.8.94	22.8.94	22.9.94	3.9.94
May	.9.94	22.8.94	—	do	22.9.94	9.10.94
June	.9.94	30.7.94	5.9.94	do	22.9.94	do
July	24.9.94	24.9.94	25.9.94	24.9.94	9.10.94	do
August	25.9.94	do	9.10.94	do	do	5.12.94
September	25.10.94	25.10.94	21.11.94	21.11.94	21.11.94	21.12.94
October	5.12.94	5.12.94	5.12.94	5.12.94	21.12.94	do
November	21.12.94	21.12.94	21.12.94	21.12.94	do	25.2.95
December	13.2.95	13.2.95	13.2.95	13.2.95	25.2.95	25.2.95

N. B. 1 Dates noted in red ink are those of revised returns
2 Lines without dates are meant to show that the office copies of returns in those cases bear no dates
3 'Nil' is meant to represent that copies of returns are not found in the file

C.S.

1896
Ed Dept
Enclosure No. 4
3

incl 3 to Ed. C No. 852/95

1896
Sol Dept
6 3 Enclos. No.
4
3

Encl 4 Ind. Cn°. 852/95

Enclosure V

List of unreturned Articles of those sent to Messrs Spencer & Co in October 1891, referred to in paragraph 21.

Articles	Number	Value at reduced rate
Glazed Vases — No. 35	1	" 6 "
" — " 15	1	" 6 "
" — " 3	1	1 " "
" — " 6	1	1 " "
" — " 40	2	2 " "
Baked Vases — No. 6	1	" 12 "
" — " 33	1	" 12 "
" — " 47	1	" 12 "
" — " 21	1	" 8 "
" — " 29	1	" 8 "
" — " 34	1	" 8 "
" — " 38	1	" 8 "
" — " 15	1	" 4 "
" — " 70	1	" 8 "
" — " 26	1	" 8 "
" — " 3	2	1 . 8 "
" — " 31	3	1 . 8 "
		£2

c.s.

139 6
Edl. Dept.
No. 2
3

Encl 5 to Curt. No. 852/95

Current No. 852

Outside Audit DEPARTMENT.

FORT ST. GEORGE,
Accountant-General's Office,
22nd July 1895.

No. 1897

From

F. C. Harrison Esquire,
Offg. ACCOUNTANT-GENERAL TO THE
GOVERNMENT OF MADRAS,

To

THE Chief Secretary to Government,
Educational Department.

SIR,

With reference to Government Order Educational No. 124 dated the 13th February 1895, I have the honour to state that I appointed Mr. J. L. Pinto, Chief Superintendent in charge of Outside Audits, to examine the accounts of the "School of Arts" and I herewith enclose his report showing the result of his examination of those accounts.

I have the honour to be,
Sir,
Your most obedt. Servant,
F. C. Harrison
Offg. Accountant General.

Dr. 18/7.

471 + 2: 7-6-95 sc
124: 13-2-95. + back papers

Written to [illegible] 24/7 [illegible] put up [illegible] 31/7

Educl (1895) DEPARTMENT.
Current No. 852

From
THE ACCOUNTANT-GENERAL,
MADRAS,

To
THE Chief Secy to Govt
Educational Dept

No. 1897

Dated 22nd July 95
Received 22nd

Enclos: #6 + 9 encls to C.Gr. C no 1466/94 No.

SUBJECT.

Stating that Mr J. L. Pinto was appointed to examine the accounts of the School of arts and enclosing his report

Cor. 8,000—6-6-95.

[G/2]
600—23-7-95.

Ed. DEPARTMENT.

C. No. 852 of 95

FOR ORDERS.

Please see note at Ed. p. post segg.

Mr Pinto's report confirms our conclusion that the accounts have been most irregularly kept and that the account-keepers have not been properly supervised. As Mr Lewis reported, the books and accounts kept in the School up to the 31st Mar' 94 were perfectly unreliable. The returns of the Stock in hand have been untrue, expenditure has been incurred & sums written off without check or sanction, & the rules & orders of Govt & the Director have been disregarded in a wholesale manner. The School has long been "out of hand". This must not be allowed to occur again. It

In march 1894 the D.P.I. appointed Mr J.P Lewis, Dy Supt. of the Reformatory School, to take stock and to audit the accounts of the School of arts. He made the audit, assisted by an experienced clerk from the D.P.I.'s office, and submitted a report in Sept, '94. This report was reviewed by the D.P.I. in his Pro & 1st Dec '94 no C/56 and was submitted to Govt. with his letter dated 24th Dec 94 no 12612.

On perusing the report Govt considered that the state of the accounts of the School of arts was such as to necessitate careful examination by a trained accountant and requested the A.G to depute a skilled hand for the purpose. vide G.O. & 13th Feb. 1895 no 124 Ed., remarking at the same time that Mr Holder was

Evidently unfit to be Supdt. of the School of Arts.

2. Thereupon Mr. Holder submitted copies of his letters to the D.P.I. admitting some of the irregularities pointed out by Mr. Lewis and explaining ~~them~~ others and requested a reconsideration of the decision arrived at by Govt. as regards his fitness for the post of Supt of the School of arts and in G.O. Q 3rd June 95 no 463 Ed, Govt declined to modify the terms of G.O. Q 13th Feb 95 no 124 Ed.

3. The A.G. appointed Mr. Pinto to examine the accounts of the School of arts and his report which forms Cro 852 has now to be considered and final orders on the subject have to be passed.

4. Mr. Pinto examined the cash account of the School from April 1891 to January 1895 and found the receipts and charges to tally with the amounts recorded in the A.G's books for that period. Mr. Pinto found that, as stated by the Director's office clerk, the entries in the School Fee Register did not agree in many cases with those in the counterfoil receipts but this according to

FOR ORDERS.

is clear that though the way in which the accounts &c were kept was such as to facilitate and not prevent defalcations, & some may have occurred, none can be proved now. Mr. Pinto's examination was ordered chiefly to dissipate doubts on this point. He has shown that no further inquiry wd be of any use. His "extenuations" are relevant in establishing this important point, & they are not newly brought to notice. We were well acquainted with them before.

The D.P.I. shd be instructed to take explanations from Kamalinga Aiyar and Rangasami Aiyangar, to arrange for an annual stock-taking & to see that the monthly returns are properly checked.

Mr. Pinto's suggestions about the accounts shd apparently be accepted, and the new clerk he proposes seems to be necessary, but we had better wait for the report of the reorganization committee before issuing orders on this subject.

The question about reengaging Mr. Havell shd also await that report. The Director recommends that he shd be reengaged on R700 rising to R1000, but we do not know if he wd accept these terms. As I have said, he knows the work of the School well & can do it. His qualifications as an Artist are good & he is a gentleman — though shy as Sir M. Grant Duff remarked. All that has been shown against him by this inquiry is that he has been so careless in supervising old accounts (or in continuing valueless methods of accounting) that before Mr Holder's time the said accounts had drifted into a very bad condition. This will be remedied now, & if the Director properly supervises the School the errors cannot occur again. If we can get a man with Mr. Havell's ~~ability~~ ability and experience, who wd be less troublesome to Govt. & better at accounts we shd get him,

But I doubt if we can. Experience seems to me to show that by re-engaging Mr. H. whose merits & faults we know we are likely to get a better man than

to Mr. Pinto does not suggest any misappropriation of funds. He explains this by saying that the entries in the School fee registers are generally wrong. Mr Pinto appears to have examined only a few of the irregularities in the fee account pointed out by the Director's office clerk. If collections of fees were first noted in the Fee Register and receipts to pupils were granted thereafter then all the entries in the Fee Register must be accepted as genuine. If receipts were given first and the Fee Register prepared afterwards then Mr Pinto's contention may be true. Still "one" ~~cannot conceive~~ remarkable how so many discrepancies as noted in pp 38 to 45 of the memo by the Director's office clerk came to pass. The absence of counterfoils of receipts for fees collected and noted in the fee register, Mr Holder admits, is "due to fees being collected in the evening class on certain occasions by the pupil-teachers in charge when the clerk has been absent on leave or owing to sickness. The fees were collected in the night and paid to the Headclerk next morning or perhaps if

vide at the end of the statement attached to Mr. Holder's explanation no $\frac{687}{8\text{-}11\text{-}94}$ under cover of G.O. Q 3rd June 95 no 463 Ed.

if the school happened to be closed for certain holidays not till two or three days after, when perhaps the student who paid the fees would have left or forgotten to apply for the receipt." In these cases according to Mr Pinto the entries in the fee register were erroneously made!! To secure accuracy in the accounts as regards the amount of fees remitted weekly to the Bank Mr Holder says he always examined the counterfoils of receipts in which to prevent any fraud in the office he had all the serial numbers printed. According to Mr. Pinto the amounts in the counterfoil receipts tally with the amounts actually remitted to the Bank and therefore there was no misappropriation of funds. But neither Mr. Holder nor Mr. Pinto says what became of the fees which were collected by the pupil teachers in the absence of the clerk and for which the clerk afterwards granted no receipts.

In para 2 of enclosure (1) to his report Mr Pinto notes that counterfoil receipts exist in the case of J. Stephen, T. Etirajulu Nayudu,

a stranger selected by the Sec. of State; but I should like to consider the matter further after consulting gentlemen who know Mr H better than I do. In the meantime Mr Holder may remain in charge. He works well, & his defects as regards accounts can be kept in check

J.G. 7/10/95

Mr. Pinto only professes to explain three out of the numerous discrepancies in this account, & apparently assumes that the others admitted of similar explanation.

D

I agree generally with the Hon Mr. Grose — but I am very doubtful about Mr. Howell

BS 7/10/95

vide d 3 in the statement above referred to

(only if he considers these a "subsidiary account"; he does specifically mention them. D

This shews conclusively ~~either~~ that Mr. Holder's examination was imperfect & that defalcations may frequently have occurred which at this date could not be proved. D

Mr Pinto apparently only means that the entries appear to shew that Damodara Mudali's name was entered in the fee register by mistake ~~for~~ the payment of Govindarajulu, which was erroneously noted against his name

D

vide para 15 of the report

and A Govindarajulu Nayudu. It is not understood why he notes these as they do not appear in the list given by the Director Office clerk at page 39 of his memo as instances of fee collections for which no counterfoil receipts are forthcoming.

4. Mr. Pinto's detailed examination of the store accounts was confined to one month's account (that of November) of each of the last four years and from this he comes to the conclusion that "the discrepancies brought to notice appear to be due more to a want of method in keeping the accounts and to the consequent difficulty of applying an effective check to ascertain the accuracy of the postings from the day book into the ledger than to carelessness on the part of the subordinates employed on the work save Subbarayalu Nayudu & Kuppusami Nayudu... Much less is there room to suspect the prevalence of any malpractices leading to the loss of Govt property." This conclusion seems to be ~~the~~ ~~more~~ somewhat surprising when we find Mr. Pinto admitting

that the ledger was not correctly posted, that though 250 to 300 kinds of articles were purchased, accounts were maintained for only 37 to 40 items of articles and that the monthly accounts submitted to the Director were incomplete and inaccurate. Mr Pinto further admits that he could not say whether certain trays which were in charge of the old Store-keeper were actually passed on to the new Store keeper when the latter took charge.

5. As regards the omission to maintain accounts for more than 240 articles Mr Pinto says that they were omitted as articles unlikely to remain unused for any considerable time or too bulky like firewood to be brought into the Store rooms. Further he is of opinion that clay and wood from their nature are such as could not be easily removed from the School premises. This is a remarkable statement and it is from similar opinions he seems to conclude that there was no loss of Govt property.

vide para 8 of the report

vide para 13

Wood pilfering is easy enough! Fuel wood can be taken away piece by piece

JG

6. As regards the accounts of manufactured articles Mr Pinto states that there too the ledger posting was grossly neglected by Kuppusami Nayudu, that model articles, articles sent to Chicago, Poona and other exhibitions, articles sent to Messrs Spencer & Co for sale, & articles kept for sample in the Art museum were not brought into account until they were actually sold or returned and that articles valued at Rs 1604-13-3 & Rs 493-9-10 were brought to account in October 93 and March 94 only.

Most of the articles sent to Messrs Spencer & co were returned in July 93 but Mr Pinto could not say what became of the articles that were not returned. He gives a list of them in enclosure no V.

7. Mr. Pinto states that the value of the articles written off the accounts on the 22nd Dec 93 is Rs 154-7-0 and not Rs 198-1-8 as stated by Mr. Lewis and that there was no authority for the articles being written off the accounts.

8 Mr. Pinto thus admits almost

all irregularities in the accounts pointed out by Mr. Lewis and the Director's Office clerks but tries to explain away most of them. In this Mr. Pinto seems to have gone a little beyond his province. He was appointed to examine and report upon the accounts of the Schools and not to find extenuating circumstances for the irregularities committed.

?
D

Mr. Pinto's statement in para 15 of his report that delay in the submission of the monthly accounts to the D.P.I. occurred even before ~~the~~ Mr Holder's assumption of the office is ~~one to the point~~ an instance of this.

9. According to Mr. Pinto, Subbarayulu Nayudu and Kuppusami Nayudu are responsible for the disorderly state of the accounts. vide paras 6 & 18 of the report.

According to Mr. Lewis also the same two clerks are responsible But he considers that Mr Holder, & the Headclerks (Ramalinga Aiyar & his successor in that post) must share in the blame. vide para 8 of his report.

Subbarayulu Nayudu was dismissed the service as an insolvent in

Nov. 92 and Kuppusami Nayudu resigned his appointment in Oct. 93. Ramalinga Aiyar and × Rangaswami Aiyangar who succeeded Ramalinga Aiyar as Headclerk are apparently still employed as Sub Asst Inspectors of Schools and some notice if necessary may be taken of their culpability.

For orders.

10 Mr. Pinto's suggestions in para 28 of his report with regard to the mode of keeping the accounts in future may be approved? They involve the apptmt. of an extra Clerk

For orders

11. It was thought that the A.G. might be asked to audit the accounts of the School annually but this it seems cannot be done for the following reasons. The A.G.'s audit of the School accounts was discontinued in 1879 under the orders of the Controller-General who thought that there was no reason why the fees realized in the School of arts should be checked differently from the receipts of other Revenue Offices and that annual stock taking was no part of an Auditor's duty. × vide G.O. d 19th May 1879 no 968 Fin.

× vide para 3 iii of the D.P.I's Pro. d 1st Dec 94 no C/56. under cover of G.O. d 13th Feb-95 no 124 Ed.

× vide also G.O. d 26th June 88 no 369 Ed.

968 Fin. It is therefore submitted that the D.P.I. should be told to arrange for taking the School of arts Stock annually and to carefully check the monthly returns of fees, manufactured articles and raw materials. If these returns were checked properly the irregularities under notice would probably not have occurred.

12. In this connection the D.P.I. it is submitted may be asked to state whether he regularly checks the fee returns of all Govt institutions.

13 In para 19 of G.O. d. 7th June '95 no 471 Ed. it was said that the question of reentertaining Mr. Havell could not be settled until the result of the enquiry into the state of the accounts of the School; the result is now known and the question may perhaps be considered.

14. This current had to be detained for want of the original of G.O. $\frac{471}{7-6-95}$ which was not for a long time available & which contains the D.P.I's letter recommending the reentertainment of Mr. Havell.

The accounts of the School of Arts.

HM & the Hon'ble Mr Bliss C.I.E.

(For orders)

I presume he does. What reason have we for supposing that he does not?

JG

I can see no harm in asking the question - If he neglected this duty in one case, why not in others?

BS

It can't be settled till we get the report of the Committee

JG

G/25
600-23-7-95.

DEPARTMENT.

C. No.

FOR ORDERS.

15. Mr. Pinto's examination does not seem to have been a very exhaustive one, &, as the office remarks, he appears to have gone somewhat out of his way to find extenuating circumstances. Substantially, however, his report corroborates that of Mr Lewis as to the gross irregularities in the accounts, & the entire absence of adequate supervision on the part of Mr Havell, Mr Holder & the Head Clerks. Mr Pinto's conclusion that no misappropriation took place is pure conjecture. It is probable that none could be proved, & that a criminal prosecution against either Subbarayalu Nayudu or Kuppusami Nayudu would therefore fail but there is abundant evidence to shew that defalcations to a considerable extent may have been committed, & that they were rendered not only possible but perfectly easy by the disgraceful

manner in which the accounts were kept. Even Mr Pinto admits that many items ~~have~~ can not be accounted for from the books, &, having regard to the character of two of the clerks* I submit, that it is highly probable that defalcations have taken place.–

Mr Holder seems merely to have continued Mr Havell's laxity of supervision & has already been censured sufficiently in G.O.s of 13-2-95 No 124 & of 3-6-95 No. 483, in the former of which Govt. has expressed its dissatisfaction with the Director's failure to scrutinize the accounts of the School. – Orders are now solicited as to whether the D.P.I. should not be instructed to inflict punishment on the two Head Clerks Ramalinga Aiyar & Rangasami Aiyar for their culpable failure to bring matters to Mr Holder's notice. They ~~must~~ should have been fully aware of the irregular manner in which the accounts were kept; they were men of the rank of Sub Assistant Inspector, & the former who is most responsible had several years experience in the office of an Inspector of Schools.

~~The only other~~ Another matter which calls for orders is Mr Pinto's suggestions

FOR ORDERS.

*Mr Lewis writes referring to Sattanarayanulu Naidu & Kuppusami Nayadu:– "Both
"of these men were utterly unfit for their
"work; the former was heavily involved in
"debts & was frequently mixed up with
"Court cases & the latter was too fond of
"women to attend to his work properly but
"he was clever enough to ward off sus-
"-picion by producing regularly some
"sort of accounts for the monthly
"returns"

Yes, I don't think anything more need be said about him.

JG

The Director shd be left to act with regard to them on his own discretion

JG

[G/25]
600—23-7-95.

DEPARTMENT.

C. No.

FOR ORDERS.

Mr Pinto's report confirms our conclusion that the accounts have been most irregularly kept and that the account keepers have not been properly supervised. As Mr Lewis reported, the books and accounts kept in the School up to the 31st Mar 1894 were perfectly unreliable. The Returns of the stock in hand have been untrue, expenditure has been incurred & sums & articles written off without check or sanction & the rules & orders of Govt. & the Director have been disregarded in a wholesale manner. The School has long been "out of hand". This must not be allowed to occur again. ~~It~~ It is clear that though the

as to the manner in which the books should be revised. These suggestions involve the appointment of an extra clerk & a redistribution of work among the present staff. – If they meet with approval, the Director may perhaps be instructed to introduce them at once, as the changes recommended do not appear to be of such a nature as would require further revision in consequence of the report of the committee which is dealing with reorganization of the School of Arts, and inasmuch as it seems imperatively necessary at once to replace the accounts at present in use by a systematic set of new books.

The only other things necessary apparently are to impress upon the D.P.I. the duty of regularly scrutinizing the accounts, reporting the results of his scrutiny in his annual review, or to decide whether Mr. Havell should be invited to become Supdt. again. The Director recommended his re-entertainment ~~on~~ Rs 700/- (the pay he was drawing when he resigned) with annual increments of Rs 50 - up to Rs 1000. The breach in service would presumably not be condoned. - If Mr. Havell is not reappointed, perhaps Mr. Holder may be left in charge until the Committee's report is received.× - There is nothing in Mr. Pinto's report which goes to modify the view that Mr. Havell was about as careless as Mr. Holder in supervising the work of his clerks.

30/8/95

D
28.5.95

× It has just come in.

Mr. Pinto's report appears to be apologetic - more so than need be. It is however clear from it that the accts have been kept on no system at all and that there has been no supervision.

30/8/95.

The School of Arts &c.

FOR ORDERS.

H.M. & Hon'ble Mr. Bliss. C.I.E.

Concurring note

J.G.

[G. / 24.]
500—23-7-95.

Educational DEPARTMENT.

Papers to be read in proceedings :—

Again G.O., dated 13th February 1895, No. 124
Again G.O., dated 3rd June 1895, No. 463
" G.O., " 7th June 1895, " 471
Current No. 852 of 1895, dated 22.7.95, from Acct.-Genl.
" " " 189 , " , "
" " " 189 , " , "

ORDER. No. 831 d/ 19-10-95

Mr. Pinto's report confirms the conclusions at which Govt. had previously arrived. It is perfectly clear that the accounts of the School of Arts have been most irregularly kept and that the clerks entrusted with the duty of writing them up have not been properly supervised. As Mr. Lewis reported, the books and accounts ~~were~~ are perfectly unreliable. The returns of the stock in hand have been untrue, expenditure has been incurred and sums have been written off without check or sanction and the rules and orders of the Govt. and the D. P. I. have been systematically disregarded. The deputation of a skilled accountant to investigate these irregularities

C. 1/10

irregularities was directed chiefly in order to ascertain whether any actual defalcations had occurred. His examination shows that the accounts were kept in such a manner as to facilitate rather than to prevent frauds defalcations, but though it is possible that misappropriations may have taken place, it is evident that proof of this cannot now be obtained.

2. Two of the clerks who are responsible for a portion of the~~se~~ irregularities discovered are apparently still in the service of Govt. These are Ramalinga Aiyar and Rangasami Aiyangar. They occupied the responsible position of Head Clerk and ~~are now~~ were ~~in~~ of the rank of Sub. Asst. Inspector of Schools. They should have been fully aware of the irregular manner in which the accounts were kept and must have known that it was their duty to take steps to remedy the~~se~~ irregularities which occurred. The D.P.I. should call upon them for any explanation which they may have to offer and in the event of its being unsatisfactory ~~to~~ should punish them in a suitable manner.

3. Mr. Pinto's suggestions as to the manner in which the accounts should be revised and the work distributed among the clerical establishment will be held over for consideration ~~together~~ with the report of the Committee which was appointed to discuss the reorganization of the School. The question of the ~~recommendation~~ entertainment of Mr. Havell as Supt. must similarly lie over.

4. The Govt. takes this opportunity of asking the Director whether the fee returns of all Govt. institutions are regularly checked in his office.

4 a
Draft follows the lines of Mr Bliss' note
JG 14/10/95

(for orders)

M.S.
13/10/95.

D
11-10-95

The D.P.I. with ~~A of A~~ report & [illegible]
in original - [illegible]

desp'd
23/10/95

The School of Arts

C.S. H.M.

(From Orders)

The Hon Mr. Grose with reference to para 4 of the draft

E.D. 13/10

Seen J.G. 14/10

C. 14/10
R 15/10

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