Educational (1898) Department.

ORDINARY PRINTED.

G.O., No. 658

DATED 17-10-98

INDEXED.

Q 1-8

[Despatch Abstract.]

Lawrence Asylum Press

Communicating with remarks to the Agents to the Municipalities of the — the report on the audit of the accounts of the Branch Press at Cotacamund for the year 1897.

BACK PAPERS.

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

FURTHER PAPERS.

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

Government {1898} of Madras.

EDUCATIONAL.

Recd. } 1898. *Enclosures*

Regd. } *Spare copies*

G.O., No. 658, 17th October 1898.

OCTOBER.

Lawrence Asylum Press.

Communicating, with remarks to the Agents to the Trustees of the —, the report on the audit of the accounts of the Branch Press at Ootacamund for the year 1897.

GOVERNMENT OF MADRAS.

EDUCATIONAL DEPARTMENT.

Read—the following paper:—

From T. HESKETH BIGGS, Esq., Accountant-General, to the Secretary to Government, Educational Department, dated Fort St. George, 22nd August 1898, No. 4040.

I have the honour to forward the report of Mr. J. O. B. Power, Chief Superintendent of my office, on the audit of the accounts of the Branch Lawrence Asylum Press at Ootacamund for the year 1897.

The report shows that serious irregularities occurred owing to the misconduct of the Assistant Superintendent. Changes in the management have now been made, and it may be hoped that, with a full-time Secretary to supervise the Press, nothing of the sort will occur again and that the accounts will be properly looked after in future.

I request that Government will be pleased to order the payment of the prescribed audit fee of Rs. 200 to the credit of Government.

Enclosure.

From J. O. B. POWER, Esq., Chief Superintendent in charge of Outside Audits, to the Accountant-General, Madras, dated 18th August 1898.

I have the honour to submit the following report on the audit of the accounts of the Lawrence Asylum Press, Ootacamund, for the calendar year 1897.

2. *Register of collections in cash.*—No remarks.

3. *Register of collections in drafts.*—No remarks.

4. *Bill-book.*—(*a*) The amount of bill No. 1018 of 1897 as per Bill-book is Rs. 2–3–2, while the corresponding ledger account shows Rs. 2–12–0. This amount, which is due by the District Forest Officer of Nilgiris for November 1897, has not yet been recovered.

(*b*) The account of D. Stephens was closed on the 31st December 1897 with a balance of Rs. 14–5–0, which is made up of—

Rs.	A.	P.		
9	11	0	...	... Balance for the year 1894 presumably irrecoverable (*vide* paragraph 5 (*c*) of the last report).
1	0	0	...	... Balance of bill No. 596 of 1896.
3	10	0	...	... Bill No. 999 of 1896.
Total ... 14	5	0		

It is not clear why the old balance of Rs. 9–11–0 was not written off along with others aggregating Rs. 1,909–10–3 * in the accounts of 1897, as there does not appear to be any chance of its recovery.

* *Vide* paragraph 15 below and the Profit and Loss account attached.

(*c*) The amount of bill No. 730 of 1895, Rs. 12–9–0 referred to in paragraph 5 (*c*) of the last audit report, has been written off in the accounts for 1897.

(*d*) As regards the sum of Rs. 4–2–0 referred to in paragraph 5 (*d*) of the last report as outstanding against B. J. Petre since May 1894, as attempts made for its recovery have failed, the amount should have been written off in the Profit and Loss account of the Press for 1897.

(*e*) The number of bills issued during the year was 1,048, of which 65 aggregating Rs. 285–15–3 were still outstanding on the 12th of July 1898. As regards the outstandings of the previous years, viz., Rs. 6,384–13–10, Rupees 3,758–8–3 (or nearly 60 per cent.) were collected during 1897.

(*f*) The outstanding register suggested in the last report has now been opened and will, it is hoped, be regularly maintained in future. With reference to the question raised in this connection of the Secretary being empowered to prosecute parties for default, I understand that the Head office has decided not to grant him a general power of attorney and have directed him for the present to act in the same way as the Head office Secretary does when obtaining decrees, viz., to sue as Secretary and leave the other side to object.

5. *Defalcations.*—It was stated in the last report that the late Assistant Superintendent, Mr. Cardis, had endeavoured in conjunction with the present Secretary to collect a good deal of the old outstandings in 1897. But, towards the end of that year, he too like many of his predecessors fell a victim to the temptations to which the position of the Assistant Superintendent at the Ootacamund office was open. The Assistant Superintendent's misconduct was, however, promptly discovered by the Secretary, who suspended him and, under instructions from the Head office, placed the matter in the hands of the Police; but Mr. Cardis, in the meanwhile, disappeared and has since evaded the service of the warrant taken out for his arrest. The irregularities, of which Mr. Cardis was guilty, appear to have been of three kinds—

(1) Charges entered in the accounts which had not actually been incurred.
(2) Amounts of bills realised but not accounted for.
(3) Work done for parties but not debited to their accounts.

The totals under (1) and (2) which aggregated Rs. 9–13–0 and Rs. 101–3–6, respectively, were adjusted against the pay due to Mr. Cardis at the time of his discharge. Irregularities of the third kind have come to light by money being voluntarily received towards accounts not opened or not debited with work done. These seem to leave room for the suspicion that there were possibly other cases of work done and value realised, but not brought to account.

These frequent defalcations have led the Head office to abolish the appointment of Assistant Superintendent at Ootacamund and to place the office under the direct and full time supervision of the Secretary.

6. *Contingent account.*—(*a*) The rough contingent book from which the fair is chiefly made up has not been regularly initialled by the Secretary, but I am satisfied from his verbal explanation that the items therein were scrutinised and passed by him, his initials being recorded in the fair contingent book. The following irregularities on the part of the late Assistant Superintendent, in connection with contingencies, may be noticed with reference to paragraph 5 (1) *ante*:—

(1) On the 10th October 1897, Rs. 10 was charged for a piece of long cloth, while on the 3rd December following when the Assistant Superintendent had left, 1½ pieces of the same cloth were purchased for Rs. 9–12–0;

(2) Carrying charges aggregating Rs. 7–3–0 were shown in the contingent book on the 26th November 1897, as paid to Messrs. Richtor & Co., but the payment was not really made;

(3) A debit of Rs. 1–4–0 on the 8th October, on account of 80 post cards stated to have been purchased for the Honorary Secretary, Civil Engineers' Association, was apparently of a fictitious nature as in the ledger account on that date, there is no debit on account of printing work done in connection with the post cards; and

(4) A sum of Rs. 1–12–0 was charged as cooly paid to one of the Press ballers for taking certain printed forms out of office hours to Coonoor and Wellington, while the baller admits having received only As. 6.

There were no vouchers obtained in support of these payments on the dates concerned, and they might, therefore, have been descovered if the contingent account was scrutinised at the time.

(*b*) No numbers were given to the vouchers and none therefore was quoted in the column "voucher number" in the contingent register. Nearly half the vouchers were missing for about ten days after the audit had been taken up, when they were discovered hidden in a drawer and the majority of them were filed in an irregular order, the sub-vouchers being in some cases separated from the main vouchers.

(*c*) A number of alterations of figures were attested by the Assistant Superintendent instead of by the Secretary.

7. *Postage Account.*—No remarks.

8. *Receipt Stamp Account.*—No remarks.

9. *Bank Remittance or Chellan Book.*—No remarks.

10. *Cash-book.*—(*a*) The vouchers relating to the payments recorded in the cash-book were not preserved in any particular file; but were mixed up in the correspondence files or filed along with contingent vouchers. This greatly retarded the process of audit as it necessitated the examination of all the miscellaneous files of the office to see if they contained any voucher with which some item of the cash-book could be checked.

(*b*) No vouchers were forthcoming in support of the following payments:—

(1) Rs. 7–7–0 paid in February to Messrs. Richtor & Co.

(2) Rs. 5 stated to be for blankets for peons included in Rs. 29 charged in April for peons' warm clothing.

(3) Rs. 38–8–6 paid in August to Messrs. Nagalingam Brothers for sundries purchased.

(*c*) The heads of account to which the several payments were debitable were not, in some cases, given in the cash book, though they were generally observed in the posting of the entries concerned in the ledger.

(*d*) Messrs. Richtor & Co.'s bills have all been correctly taken to the head "Charges, Merchandise," as they represented carrying charges of stationery, &c. In one case, however, Rs. 9 (included in their bill for April 1897 amounting to Rs. 11–4–9) being for a cart supplied for a compositor sent up from Madras were erroneously charged to "Charges, Merchandise," a head of account which is closed at the end of the year to the stock account. As pointed out in paragraph 6 (*e*) of the report for 1894, there is no connection between stock account and such charges as the above which should be taken either to "Current expenditure" or "Miscellaneous."

(*e*) The Bank balance shown at the end of each month in the cash-book, as derived from the deposits into and withdrawals from the Bank during the month, was not proved, with reference to the credits and debits in the pass book. This is now being done.

11. *Day Book.*—No remarks, except that no explanation has as yet been given regarding the arbitrary increase of the total outturn under binding for May 1896 referred to in paragraph 12 of Mr. Williamson's report. A portion of this difference, viz., Rs. 62–8–0, being a second debit under one and the same account accidentally discovered in the course of closing the accounts for 1897, has been adjusted; and it is desirable that the balance should also be adjusted.

12. *Journal.*—No remarks.

13. *Ledger.*—This book appears on the whole to have been written up with care, except that the column "No. of bill" has, in no instance, been filled up. The omission is not in itself a very important one, but if it was supplied it would facilitate references to the several items in the accounts.

14. *Stock accounts.*—(*a*) Certain articles of one and the same kind, but of different sizes and values are taken together and posted under the same account—both on the receipt and issue sides. The effect of such an arrangement is that it is difficult, except by reference to actual stock in hand, to value the book balance which, in all such cases, is only one figure representing the combined stock of the different sizes or varieties of each article. To remedy this, I would suggest that in cases like the above, separate columns should be opened on both sides of the account, for the different sizes of the same article, so that in striking a balance at the end of the year, the balance of each kind would be separately shown.

1. 36 memorandum blocks—

	Rs.	A.	P.
18 small size	5	10	0
18 large size	7	14	0

both credited to one account.

2. 156 Red ink bottles—
144 bottles at Rs. $3\frac{1}{2}$ a dozen.
12 ,, ,, ,, 1–5–0 each
credited to one account.

(*b*) It seems important in this connection to refer to the suggestion made in paragraph 16 (*a*) of Mr. Williamson's report that the value of articles concerned should in future be given in the Stationery Stock Ledger. At present, there is no ready means for the auditor to check the accuracy of the values given in the stock balance list prepared at the end of each year.

(*c*) The Press indent sheets, on the authority of which the storekeeper issues stores, were prepared by the storekeeper himself, but they were scrutinised and passed by the Assistant Superintendent till the 20th November 1897. The indents, thereafter complied with, do not bear any evidence of having been scrutinised or even formally passed by any responsible officer of the Press. The storekeeper, who has also been recently made the manager of the press, is supposed to prepare the indents in his latter capacity and to comply with them in his former capacity. This arrangement appears to be objectionable, for, when the issuing officer is also the indenting officer, it is possible for indents to be framed in support of fictitious issues. The Secretary has arranged to exercise a personal check over such issues during the current year.

(*d*) The following alterations in the indent sheets, among others, which were attested by the storekeeper himself, may, perhaps, be noticed in this connection. In one case (Indent No. 3) every entry was initialled by the Assistant Superintendent, except strangely the two which underwent alteration:—

Indent Number.	Quantity. Original.	Quantity. Altered.
3 ...	¼ country skin.	2 country skins.
3 ...	¼ yard calico.	½ yard calico.
25 ...	12 sheets Printing Double Royal, 40 lb.	16 sheets Printing Double Royal, 40 lb.
56 ...	8 sheets marble paper.	12 sheets marble paper.

(*e*) In July, August, September and October 1897 the indents recorded were perceptibly fewer than in other months, while especially in October large quantities of the same article were shown as issued within short intervals of each other. The explanation given was that the issues were taking place regularly enough, but that there was no simultaneous record of them, and that the quantities shown as issued in those indents did not represent the actual issues on the dates entered in the indents, but the aggregate of issues during intervals of some days brought to account on those particular days. Possibly, therefore, some of these entries were merely made with the object of bringing the book balance into agreement with the actual balance of stock in hand.

(*f*) A loan of nine quires of "Printing Double Royal, 40 lb.," which was taken from the Royal Artillery office for some urgent work on the 30th September and 22nd October 1897, was correctly shown as a receipt under the proper head of account in the store ledger, but when the loan was returned on the 5th November following, it was shown as an issue under "Printing Double Royal, 50 lb." It is significant in this connection to note that the former account showed a debit balance or an excess of issues over the receipts of 1 ream, 9 quires and 5 sheets, at the end of the year.

(*g*) In March 1898, Mr. Fisher, who was deputed for the purpose, took stock of the Press stores and the result was that the estimated value of stores in stock on the 31st December 1897 was Rs. 2,751–12–1 * less than that shown on the books of the press. Under instructions from the Head office, however, the book value alone was taken for the purpose of the annual statements for 1897. In recent letters to the Branch Secretary on the subject, the Head office says that "the opening and closing balances "of stock will remain as on the books before stock taking." "Mr. Fisher's figures "will, of course, be adopted in the opening balances for 1898, and an adjustment "of the difference in value will be made in the accounts for 1898."

	Rs.	A.	P.
* Book value	16,500	9	9
As per stock-taking	13,748	13	8
Difference	2,751	12	1

It is not clear why Mr. Fisher's figures were not adopted for the accounts of 1897, unless it was for the reason that the Head office considered it inadvisable to adjust the sum of Rs. 2,751-12–1 in the same year in which nearly Rs. 2,000 were written off from the profit and loss account on account of bad debts.

(*h*) The figures given in column "as per books" in Mr. Fisher's comparative statement were checked with stock ledger balances, and a number of small mistakes were found both as to quantity and value, the net result of which is that the book value as given in the statement should be diminished by Rs. 2–12–7.

I find also that one commode pan with chamber pot purchased for Rs. 8 in July 1897 and debited to the "Tools and Plant" account was not shown either in the store account or in Mr. Fisher's stock list.

15. The usual statements of receipts and expenditure, assets and liabilities and profit and loss marked A, B and C, respectively, are attached for the year under review. They show that the gross profits of the Press amounted to Rupees 4,695–7–5 for the year. If, however, the contribution of Rs. 343–3–0 representing the value of work done gratis for the Lawrence Asylum, and Rs. 1,909–10–3, the total of bad debts written off, be deducted therefrom, the net profits of the year amount to Rs. 2,442–10–2.

16. The value of work done for Government during 1897 amounted to Rupees 10,573–5–8 against Rs. 10,155–13–0 during 1896.

17. *Remarks.*—The main results of the audit cannot be considered to be satisfactory on the whole from an account point of view, most of the irregularities noticed in this report being similar to those referred to in the last report. As a matter of fact the accounts of 1897 were entirely in the hands of a clerk who was put in there to learn his work, and an Assistant Superintendent who having probably to attend to other matters did not either from want of time or inclination properly supervise the work of the Accountant.

The accounts have now been put in order and closed by the Accountant of the Madras office, who was specially deputed for the purpose, and I venture to hope that, under the revised arrangement for the general supervision of the work of the Press referred to in paragraph 5 of this report, the accounts will show a marked improvement when they are next audited.

18. The Press should be asked to pay the usual audit fee of Rs. 200 into the Bank of Madras to the credit of Government.

STATEMENT A.

Receipts and Expenditure of the year 1897, as derived from the cash-book for that year.

No. of items.	Items.	Rs.	A.	P.	Rs.	A.	P.
1.	*Balance on the 1st January.*						
	Cash in hand	63	2	8			
	In the Bank of Madras, Ootacamund	1,246	9	10			
	Contingent advance	48	10	9			
					1,358	7	3
2.	*Receipts.*						
	For the previous years	3,758	8	3			
	For the current year	13,779	11	7			
					17,538	3	10
					18,896	11	1
3.	*Expenditure.*						
	Working expenses—						
	Establishment	7,336	3	5			
	Allowance to the Secretary	600	0	0			
	Extra work	205	10	3			
	Receipt stamps	9	12	0			
	Rent of office premises	600	0	0			
	Tax on trade	37	8	0			
	Postage on letters	45	2	0			
	Repairs	13	9	0			
	Audit fee	200	0	0			
	Current expenses	103	14	0			
					9,151	10	8
	Other payments—						
	Payments on parties' account	235	0	11			
					235	0	11
	Payments on account of stock—						
	Lawrence Asylum Press, Madras, No. I account	3,000	0	0			
	Lawrence Asylum Press, Madras, No. II account	3,481	8	6			
	Charges, merchandise	112	7	3			
	Merchandise purchased	464	12	11			
	Plant, tools and furniture	15	0	0			
					7,073	12	8
					16,460	8	3
	Balance on the 31st December 1897.						
	Cash in hand	24	2	5			
	In the Bank of Madras, Ootacamund	2,373	3	2			
	Contingent advance	38	13	3			
					2,436	2	10

STATEMENT B.

Statement of assets and liabilities for 1897.

On the 31st December 1897.

	Rs.	A.	P.	Rs.	A.	P.
Assets at this date—						
Cash			24	2	5	
Bank of Madras, Ootacamund			2,373	3	2	
Contingent advance			38	13	3	
						2,436 2 10
Stock—						
Plant, &c., dead-stock			16,500	9	9	
Stationery, printing and depository			4,208	1	10	
Postage and receipt stamps			0	15	9	
						20,709 11 4
Personal ledger account			3,806	8	0	
						3,806 8 0
Extraordinary charges in suspense incidental to the opening of the Branch Press at Ootacamund			238	4	5	
						238 4 5
Lawrence Asylum Press, Madras, No. II account			277	10	5	
						277 10 5
			Total	...		27,468 5 0
Liabilities at this date—						
Lawrence Asylum Press, Madras, No. I account			5,700	0	0	
Personal ledger account			34	8	1	
						5,734 8 1
Profits of the year			2,442	10	2	
						2,442 10 2
Accumulated profits of previous years			19,291	2	9	
						19,291 2 9
			Total	...		27,468 5 0

STATEMENT C.

Profit and Loss account for 1897.

Items.	Amount. Rs.	A.	P.	Rs.	A.	P.
Expenditure.						
Working expenses—						
Establishment			7,390	8	9	
Extra work			205	10	3	
Receipt stamps			9	10	0	
Postage on letters			34	9	3	
Secretary's allowance			600	0	0	
Rent of press premises			600	0	0	
Trade tax			37	8	0	
Repairs			13	9	0	
Discount and commission			1	3	9	
Current expenses			108	2	0	
Audit fee			200	0	0	
						9,200 13 0
Amount written back			62	12	0	
Principal and Secretary, Lawrence Asylum, for work done gratis			343	3	0	
Bad debts			1,909	10	3	
						2,315 9 3
Loss under stock account						97 11 4
Profits of the year						2,442 10 2
			Total	...		14,056 11 9
Income.						
Press Job work—						
Printing			11,434	15	9	
Die press			158	4	0	
Card press			86	2	0	
Miscellaneous			13	10	0	
						11,692 15 9
Binding						2,360 15 6
Suspense account						2 9 6
Petty balance						0 3 0
			Total	...		14,056 11 9

Order—No. 658, Educational, dated 17th October 1898.

The report on the audit of the accounts of the Lawrence Asylum Press at Ootacamund, for the year 1897, will be communicated to the Agents to the Trustees of the Press with the following remarks :—

(1) The Government agrees with the opinion expressed by the Auditor in paragraph 17 of the report as regards the result of the audit. It is hoped that, under the arrangements made recently for the supervision of the Press, the accounts will be properly looked after in future. The improvements suggested by the Auditor in the method of keeping accounts should be adopted.

(2) The matters referred to in paragraphs 4 (*a*) and (*b*), 11 and 14 (*g*) should be explained.

(3) Arrangements should be made for the payment of the audit fee of Rs. 200.

(True Extract.)

H. TREMENHEERE,
Secretary to Government.

To the Agents to the Trustees of the Lawrence Asylum Press.
„ Committee of the Lawrence Asylum, Ootacamund.
through the Director of Public Instruction.
„ Accountant-General.

Ed. W. D'Moss.

Educational (189) Department.

CIS 12/1095

CURRENT No. 1135

350/98 Sc.
506/97 misc 176/98 rept & further
174/98
505/97
661/97 Sc 667/97
177/98 Sc
859/96
752/96 Sc
597/97

From The Accountant General Madras

H.M.

Order P.S. No 658 dy 17-10-98 12.10.98

No. 4048

The report on the audit of the accounts of the L. A. Press at Ootacamund for the year 1897 will be communicated to the Agents to the Trustees of the Press with the following remarks:—

(1) The Govt agrees with the opinion expressed by the Auditor in para 17 of the report as regards the result of the audit. It is hoped that, under the arrangements made recently for the supervision of the Press, the accounts will be properly looked after in future. The improvements suggested by the Auditor in the method of keeping accounts should be adopted.

(2) The matters referred to in paras 4 (a) & (b), 11 & 14 (g) should be explained.

(3) Arrangement should be made for the payment of the audit fee of Rs 200.

Dated 22d. august 1898
Received
Registered 31.8.98
Enclosures
Spare copies

SUBJECT.

Forwarding the report of the Chief Supdt on the audit of the accounts of the Branch Lawrence Asylum Press at Ooty for 1897 & requesting the fee of Rs 200 may be ordered to be paid to the credit of Govt.

719 6-10-98

8/10/98

11/10/98

To The Agents to the Trustees of the L.A Press.
.. Committee of the L.A. Ooty. thro' the D.P.I.
.. A.G.

Desp 13.10.98.

BACK PAPERS.

G.O.	No.	Department.	Date.
	350		11-6-98 copy
	177		15-3-98 copy
	176		15-3-98 "
	174		14-3-98 "
	667		22-11-97 Minutes
	661		20-11-97 "

FURTHER PAPERS.

G.O.	No.	Department.	Date.
	506		6-9-97 Minutes
	505		6-9-97 " "
Encl.	782		26-12-96 Copy
	859		10-12-96 Min
	597		18-9-96 Min Extract

First copy sent to Press 17/10/98

Returned for signature. 28/10/1898

Despatched in print.

Number of copies required. Order complete. 45 / Letter only. / Order complete with Letter.

Read again G.O. No. 189 Dated

Current No. A

Enclosures to G. No.

Order of Government

Letter of Government

Statement with ditto

Papers not filed up, being meant for despatch in original

N.B.—

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