

Financial (1895) Department.

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G.O., No. 398

DATED 20th May 1895

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[Despatch Abstract.]

LAWRENCE ASYLUM PRESS

Communicating with remarks, to the Directors of the -- report on
the audit of the accounts of the Press at Ootacamund for the years 1892
and 1893.

BACK PAPERS.

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

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
	2064		95				
	2985		96				

Govt. of {1895} Madras. FINANCIAL.

Issued

Recd.

Encl.

G.O., 20th May 1895, No. 398.

MAY.

Lawrence Asylum Press.

Communicating, with remarks, to the Directors of the —, report on the audit of the accounts of the Press at Ootacamund for the years 1892 and 1893.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—the following paper :—

From T. W. RAWLINS, Esq., Accountant-General, to the Chief Secretary to Government, dated Fort St. George, 10th April 1895, No. 919.

I have the honour to forward Mr. Pritchard's report on his audit of the accounts of the Lawrence Asylum Press at Ootacamund for the years 1892 and 1893 and to state that I concur in his remarks.

ENCLOSURES.

From L. E. PRITCHARD, Esq., Assistant Accountant-General, to the Accountant-General, dated Fort St. George, — April 1895.

I have the honour to submit the following report on the audit of the accounts of the Lawrence Asylum Press at Ootacamund for the calendar years 1892 and 1893. The technical audit procedure followed has been reported separately.

2. *Counterfoil Receipt Books.*—Throughout the whole of 1892 and up to the 17th January 1893, receipts were granted for money paid in respect of all cash purchases from the press, but this practice was partially discontinued from January 1893 as explained in paragraph 4 (i) of the last audit report. No authority or sound reason could be given for this change of system, and unless some good reason does exist for discontinuing the issue of receipts, I would recommend their re-adoption, as the counterfoils of them furnish both the Secretary and the Auditor with an important check over the cash received without the intervention of bills. The value of this check would be increased if the receipts and counterfoils bore *printed* numbers as recommended in paragraph 4 (i) of the last report. The Secretary, the Rev. A. W. Atkinson, concurs in these remarks.

3. *Register of Collections in Cash.*—The entries in the register of collections in cash were in 1892 and 1893 still made in full detail, although the uselessness of this practice and the waste of time it involves were pointed out as long ago as 1888. But, with the exception of the first report in 1886, the yearly audit reports do not appear to have been communicated to the branch press by the head office, and the improvements and alterations suggested in them have consequently never been adopted. This seems to be a waste of labour that might receive attention.

4. *Register of Collections in Drafts.*—There is a letter from the Superintendent of the Carolina Tea Estate, dated the 6th April 1892, in which he intimates that he is forwarding Rs. 4-8-0 to the press in the form of a postal money order; but this receipt has nowhere been recorded in the books. The Assistant Superintendent in charge suggests that the money order was never received, and the fact that the

personal ledger account involved was settled in full in 1893 supports this suggestion; but no papers or correspondence are forthcoming to explain the matter satisfactorily.

5. *Bill Book*.—The bill book contains many unattested alterations, and the audit revealed that Bill No. 674 of 1892 was made out (and realised) for a sum which was 2 annas in excess of the true claim as shown in the ledger. It was further noticed that the bill book was not regularly initialled by the Secretary, on the left hand side, as required by the rules laid down for his guidance, and that the necessary entry "Written off" was not made against bills so treated.

The prompt settlement of bills is an important consideration in the working of the press, but this does not appear to have been satisfactorily secured, for on the 20th March 1895 there were 71 bills belonging to 1892, and 69 belonging to 1893, still unpaid. No register of outstanding bills is maintained, although there is said to be one at the head office in Madras, and it must be very difficult to secure an efficient watch over outstanding claims without some such record. It would be well to open such a register at once for all the bills of 1894 and previous years which are still outstanding, and to arrange that the Secretary should see it regularly and issue reminders. There did not appear either to be any uniformity of procedure in the treatment of claims supposed to be irrecoverable. The branch press wrote off a sum Rs. 592-15-6 as irrecoverable in 1893, but on revision by the head office this was reduced to Rs. 123-9-6. It would be well if the head office could frame some simple rules for the regulation of this matter and also of that last noticed (the prompt settlement of bills and the issue of reminders). The press is, of course, in a different position from a Government office in respect of the realization of claims, e.g., it was represented that reminders were often delayed or not issued at all for fear of losing customers, but nevertheless some systematic procedure is desirable, more especially as the officers of the press appear to be frequently changed. The Secretary, Mr. Atkinson, concurs in these remarks.

6. *The Contingent Book*.—(a) There is in the contingent voucher file a Telegraph Office receipt for one rupee dated the 25th May 1892; but the payment is not traceable in the contingent book.

(b) The classification of expenditure in the contingent book is not uniform. It was noticed that the cost of rollers for maps was sometimes taken to "Current expenditure" and sometimes to "Charges merchandise," and that an item of Annas 2, being insufficient postage chargeable to a customer, was taken to "Charges merchandise". Attention was drawn to this defect in paragraph 5 (iii) (g) of the last report, but, as already stated, that report has not been communicated to the branch press.

(c) The "Petty Voucher Book" is a preliminary document in the audit of the contingent book. It contains entries of all the items of contingent expenditure including those for which vouchers are available. But as the whole of the contingent expenditure is entered in the contingent book itself, it would be sufficient and save time to confine the entries in the "Petty Voucher Book" to those items of expenditure for which no vouchers can be obtained; and seeing that these entries take the place of vouchers for this class of expenditure, they had better all be initialled by the Assistant Superintendent in charge, rather than by the Accountant as is sometimes the case at present.

7. *The Postage and Receipt Stamp Account Books*.—(a) Bill No. 407 of 1892 for Rs. 37-8-0 was realized on the 13th June 1892, but the charge for the receipt stamp affixed to the bill was not made in the receipt stamp account until the 12th July following.

(b) On the 13th July 1892 an anna was charged in the receipt stamp account for a bill without number or amount. The charge apparently relates to Bill No. 522 of 1892 for Rs. 59-15-0 which was realized on that date.

8. *Bank Pass Book and Bank Remittance or Challan Book*.—(a) The bank counterfoil receipt or challan book for the period 1st January to 10th June 1892 was

not forthcoming and no explanation of its disappearance could be given. This is unsatisfactory. The entries which should have been made in it appear, however, also in the bank pass book, and were checked with the cash book from this record.

(b) The cash collections were not regularly remitted to the bank. This is an important matter and should engage attention. The Assistant Superintendent in charge tells me that at present remittances are as a rule made every Saturday, and

* About Rs. 150.

No remittances made between	Amount then remitted.	Rs.	A.	P.
1st and 12th October 1892 ..	326 9 0			
22nd November and 1st December 1892 ..	661 0 8			
17th December 1892 and 5th January 1893 ..	434 10 0			
11th and 22nd February 1893 ..	183 5 6			
12th and 25th April 1893 ..	662 6 10			
1st and 15th May 1893 ..	179 0 8			
16th and 30th May 1893 ..	463 13 11			
5th and 17th October 1893 ..	250 8 0			
15th December 1893 and 16th January 1894 ..	431 3 11			

also during the week if the accumulations are large *, but there do not appear to be any rules for his guidance in the matter. During 1892 and 1893 the collections were often allowed to accumulate, and the remittance of them to the bank was delayed, as shown in the margin. The money is kept in a small safe, the key of which is kept by the Assistant Superintendent in charge. It would be well to arrange that the collections should be remitted to the bank at least once a week whatever their amount, and oftener if the accumulations are large. The Secretary, Mr. Atkinson, concurs in these remarks.

† Now called Assistant Superintendent.

9. *Cash Book*.—(a) The house allowance of the late Manager † of the press, Mr. E. Farrington, was raised from Rs. 12-8-0 to Rs. 15 per mensem in May 1892. No authority for the increase could be furnished.

(b) A charge of Rs. 12 for a desk purchased for office use, and another of Rs. 22-4-0, being Mr. Farrington's travelling expenses to Madras, both belonging to 1892, were not passed by the Secretary.

(c) Mr. T. Edwards, Foreman at the head office on Rs. 100 a month, was appointed Assistant Superintendent of the branch press on Rs. 150 a month, and assumed charge of his duties at Ootacamund on the 9th September 1892, but drew the higher rate of pay from the 8th September. A similar case was noticed in paragraph 5 (ii) (g) of last year's report.

(d) A sum of Rs. 150 was advanced to Mr. Edwards in September 1892 on the occasion of his transfer to Ootacamund as noted above and was recoverable under instructions from the head office in six monthly instalments of Rs. 25 each. The first three instalments were paid on the due dates, but the balance of the advance was not recovered for more than a year. In connection with these cases I would remark that though it is not, of course, possible to apply to the press the rigid rules contained in the Government codes, it would at least be well to declare whose sanction should be required to increases of salary and allowances to members of the press establishment, and for the purchase of such articles as desks. And such matters as the date from which increased allowances should be drawn and the recovery of advances might, I think, be regulated by the simple rules on these points in the Government codes.

10. *The Day Book*.—The "Carried forward" and "Brought forward" totals of the day book for the months of April to July and November and December of 1892 and March to December of 1893 were made only in pencil. There were also some unattested alterations in this book.

11. *The Journal and the Transfer Book*.—The journal was in a satisfactory state, but want of care was noticeable in the posting of the transfer book.

12. *The Ledger*.—The postings under some of the accounts were not made in chronological order. In one account—that with the head office at Madras—the credit entries appear in the following order:—

1892.	1893.
October 8th, 15th.	January 14th.
September 30th.	March 3rd to 10th.
October 10th, 27th, 19th.	January 9th, 16th, 30th.
June 2nd, 10th.	February 4th, 11th, 20th.
July 9th.	May 29th, 27th.
August 22nd.	March 20th, 25th, 29th, 11th.
September 30th.	June 23rd, 17th.
October 30th.	April 20th.
	May 11th, 20th.
	July 27th.
	June 2nd, 9th, 12th, 8th.
	July 19th, 3rd.
	August 8th.
	September 2nd, 18th.
	August 31st.

The personal accounts with customers were, however, more regularly posted.

(b) A sum of As. 4-6 due from a Mr. Weightman was charged to the account of a Mr. Wright. The mistake has now been corrected.

(c) A sum of one anna charged to the wrong account, and consequently found to be irrecoverable, was written off to profit and loss.

13. There is a suspense account in the ledger for 1892 to which have been debited (by credit to the personal accounts concerned) certain items representing, it is said, money belonging to the press embezzled by members of the press establishment. The account also stands credited with a few items representing recoveries from the officers concerned, and the balance has been written off to profit and loss as irrecoverable. The total amount debited to the account is Rs. 153-2-9, the amount recovered is Rs. 20-12-0 and the balance written off is Rs. 132-6-9. Certain recoveries, apparently on the same account, appear also in the register of collections in cash for 1892 and the transfer book for 1892 and 1893. But it was not possible for me to investigate the matter properly. The correspondence on the subject is said not to be available at Ootacamund, and I was not able to obtain satisfactory verbal explanations from the present employes. In the absence of information I must confine myself to (a) calling attention to the fact that there were defalcations in the branch press during the years 1892 and 1893, and that the institution suffered loss thereby, though to what extent I have not been able to ascertain; (b) suggesting that the question whether the defalcations were in any manner due to remediable defects in the system of accounting and of check should now be gone into, if this has not already been done.

14. There is a "Petty balance account" in the ledger which is debited with small irrecoverable balances taken from the personal accounts, and credited with small credit balances from accounts no longer current. This account showed in 1893 a net balance of Rs. 41-2-6 in favour of the press, which sum included the following three items:—

	RS.	A.	P.	
(1)	13	13	9	due to the Adjutant-General.
(2)	8	3	6	" Government Botanist.
(3)	5	6	0	" Ootacamund Club.

All these accounts are still current, and the balances should have been carried forward to the ledger of 1894 instead of being taken to profit and loss through the petty balance account.

15. *Stock Accounts.*—(a) The following irregularities were noticed in the posting of the stock ledger:—

(1) The price of ruling pens, single (500) and double (160), has been posted as Rs. 2-8-0 instead of as Rs. 3-8-0 as per Head Office invoice, No. 7-O.B., dated 14th January 1893.

(2) One marble stone for shaving leather entered in invoice, No. 122-O.B., dated 8th September 1892, has not been brought to account in the stock ledger.

(3) One packet of gold-dust and one drawing-board, shown as issued on the 1st June 1892, have not been entered in the stock ledger. In the former case the ledger showed no balance on the date of issue.

(b) The value of the different articles which are grouped as general stores and stationery is not entered in the stock ledger, although this is done in the case of type and plant.

16. Attention is invited to paragraphs 6 to 10 of last year's report. As therein stated, stock appears to have been taken by Mr. Fisher, Deputy Superintendent of the Government Press at Madras, on the 28th February 1891, and his aggregate valuation of the type and machinery existing on that date appears to have been less than their value as recorded in the ledger by Rs. 5,500 or 23 per cent. In regard to this difference there is a letter from the head office, dated 3rd May 1892, to the following effect:—

"To write off depreciation of several years in one would probably give a wrong impression in respect to the working of that particular year. The account must therefore stand as originally submitted for 1891, and the difference between Mr. Fisher's valuation and actuals be written off gradually in subsequent years."

These instructions do not appear to have been correctly carried out. Each account has been opened with Mr. Fisher's figure, to this figure the difference between it and the ledger figure of 1891 has been added, and the fixed yearly depreciation* has been calculated and written off on the total thus arrived at. No effect at all has thus been given to Mr. Fisher's valuation, or to the instructions of the head office in regard thereto. I would suggest that these instructions be made much fuller and clearer.

17. I was shown some printed rules which require the Assistant Superintendent in charge to roughly verify a portion of the stock at uncertain intervals, but he told me that he does not do so, neither is a thorough examination of stock made twice yearly, although understood to be provided for in the rules. Such stock-taking forms a very important check over the working of the press and should on no account be neglected. For instance, were an article sold from stock for cash, the cash misappropriated, and no receipt granted nor entry made in the accounts, the only way in which the fraud could come to light would be by an examination of the stock. The Secretary, Mr. Atkinson, concurs in these remarks.

18. The usual statements of (1) Receipts and expenditure, (2) Assets and liabilities, (3) Profit and loss, are attached for each year. They show that the press worked at a profit of Rs. 1,058 in 1892 and of Rs. 982 in 1893, but the receipts in each of these years were considerably less than in the three years immediately previous—*vide* statements attached to the last report.

19. *Statements A, B and C.*—(a) In the ledger abstract of the receipts for 1892, the collections on account of 1891 and previous years are entered as Rs. 2,100-11-7 and those of 1892 as Rs. 13,554-0-2. They should be Rs. 2,192-3-7 and Rs. 13,532-8-2, respectively, and have been so shown in the Statement A appended.

(b) In the statement of receipts and expenditure submitted for audit, a sum of Rs. 2-8-0 on the expenditure side was erroneously classified, but has been transferred to its proper head in the Statement A appended.

(c) The minor errors discovered in the stock ledger [paragraph 15 (a), (1), (2) and (3) above] would, if taken into account, slightly affect the value of stock in hand at the close of each year and eventually the profit and loss account, but owing to want of time so small a portion of the ledger was examined, and so few of the errors it probably contains were brought to light, that I have not judged it worth while to alter on this account the figures given in the statements appended. It is further to be observed that if Mr. Fisher's valuation of the stock in 1891 were to be accepted as correct and acted on, the statements of assets and liabilities and of profit and loss herewith submitted would be very seriously affected—*vide* paragraph 16 above.

(d) The sum of Annas 7-6 shown as an asset on the 31st December 1893 is the value of thirty post-cards purchased with a view to their being printed for a customer, who however eventually supplied his own post-cards. The post-cards purchased thus became the property of the press and should have been held as part of the permanent advance for contingent expenditure and utilised for the press correspondence, but this was not done and there is nothing to show what became of them.

20. On the whole, the accounts of the press cannot be said to have been well kept during 1892 and 1893. The fact that they had to be sent to the head office to be written up and closed, and the foregoing report on the audit of them, are a sufficient indication of this. A want of system is noticeable in many important matters, such as the recovery and writing off of dues and the check of stock, but this could easily be rectified by the issue of a few simple rules. What the nature of the defalcations that occurred was, and how they became possible, there is, as I have said, no information at Ootacamund to show; but there can be no doubt that many of the defects noticed in this report will, unless rectified, tend to invite the recurrence of irregularities, and from this point of view it would be well to ensure that they are communicated to, and receive consideration at the hands of, the responsible authorities.

21. The full audit fee for the two years—viz., Rs. 400—may I think justly be claimed, considering the troublesome nature of the audit owing to the accounts not being in proper order.

A.—Receipts and Expenditure of the years 1892 and 1893 as derived from the Cash Books of those years.

	1892.		1893.	
	RS.	A. P.	RS.	A. P.
Balance on the 1st January—				
Cash in hand	68	7 6	417	2 0
In the Bank of Madras, Ootacamund	3,563	0 3	1,251	10 0
Contingent advance	0	1 6	50	0 0
		3,631 9 3		1,718 12 0
Receipts—				
For the previous years	2,102	3 7		
„ current year	13,532	8 2		
		15,634 11 9		15,957 11 6
Expenditure—				
Establishment	8,735	10 3	8,236	13 8
Allowance to Secretary	650	0 0	600	0 0
Extra work	130	2 9	84	0 0
Receipt stamps	7	11 0	8	15 0
Rent of office premises	650	0 0	600	0 0
Tax on trade	50	0 0	75	0 0
Postage on letters, &c.	36	11 6	36	14 3
Law charges	22	8 0	600	0 0
Audit fee	2	8 0	12	0 0
Repairs				
		10,285 3 6		10,263 10 11
Other payments—				
Discount and commission	5	10 0	0	4 0
Payments on parties' account	242	6 5	233	14 6
		248 0 5		234 2 6
Payments on account of Stock—				
Merchandise purchased	63	5 7	12	14 10
Charges, merchandise	425	3 5	264	8 6
Plant, tools and furniture			25	12 0
Lawrence Asylum Press, Madras, No. I Account			3,023	10 5
Lawrence Asylum Press, Madras, No. II Account	6,525	12 1	2,500	0 0
		7,014 5 1		5,826 13 9
Balance on the 31st December—				
Cash in hand	417	2 0	300	4 9
In the Bank of Madras, Ootacamund	1,251	10 0	1,011	7 7
Contingent advance	50	0 0	50	0 0
		1,718 12 0		1,361 12 4
		19,266 5 6		17,676 7 6

B.—Statement of Assets and Liabilities for 1892 and 1893.

	On the 31st December 1892.		On the 31st December 1893.	
	RS.	A. P.	RS.	A. P.
Assets at this date—				
Cash	417	2 0	300	4 9
Bank of Madras, Ootacamund	1,251	10 0	1,011	7 7
		1,668 12 0		1,311 12 4
Contingent advance		50 0 0		50 0 0
Stock—				
Plant, &c., dead stock	19,356	6 6	19,531	7 11
Stationary, printing and depository	9,507	5 1	7,624	8 5
Postage stamps			0	7 6
		28,863 11 7		27,156 7 10
Standing General Orders, &c.		366 4 9		
Personal ledger accounts	4,283	4 11	3,968	9 3
Lawrence Asylum Press, No. II account			176	13 11
		4,283 4 11		4,145 7 2
Extraordinary charges in suspense (incidental to the opening of the branch)		1,738 4 5		1,438 4 5
Total		36,975 5 8		34,101 15 9
Liabilities at this date—				
Lawrence Asylum Press, Madras, No. I account	25,523	10 5	22,500	0 0
Lawrence Asylum Press, Madras, No. II account	522	6 2	4	4 0
Personal ledger account	13	7 0		
		26,059 7 7		22,504 4 0
Profits of the year		1,057 12 5		981 13 8
Accumulated profits of previous years		9,858 1 8		10,615 14 1
Total		36,975 5 8		34,101 15 9

C.—Profit and Loss Account for 1892 and 1893.

	1892.		1893.	
	RS.	A. P.	RS.	A. P.
Expenditure.				
Working Expenses—				
Establishment	8,747	12 9	8,214	13 8
Extra work	130	2 9	84	0 0
Secretary's allowance	650	0 0	600	0 0
Rent of premises	650	0 0	600	0 0
Trade tax	50	0 0	75	0 0
Audit fee			600	0 0
Law charges	22	8 0		
Receipt stamps	7	11 0	9	0 0
Postage on letters, &c.	38	9 6	43	8 3
Repairs	2	8 0	15	0 0
		10,299 4 0		10,241 5 11
Discount and commission	5	10 0	0	4 0
Amount written back	181	14 0	25	0 2
Lawrence Asylum for work done gratis	21	11 0	69	1 4
Bad debts			123	9 6
Suspense account	110	5 11	13	0 10
		328 8 11		220 15 10
Depreciation of stock		1,526 9 9		1,034 9 6
Profits of the year		1,057 12 5		981 13 8
		13,212 3 1		12,478 12 11
Income.				
Press Job work—				
Printing	10,567	7 6	10,135	1 10
Card press	103	6 0	112	8 10
Die press	120	6 0	127	0 0
Miscellaneous	189	11 9	93	12 3
		10,980 15 3		10,468 6 11
Binding		2,231 3 10		1,954 13 3
Petty balance				41 2 6
Amount written off repaid				14 6 3
		13,212 3 1		12,478 12 11

ORDER—dated 20th May 1895, No. 398, Financial.

Communicated to the Directors of the Lawrence Asylum Press with the request that the fee for the audit (Rs. 400) may be paid into the Madras Bank to the credit of Government.

2. The attention of the Directors will be specially drawn to the Auditor's report, which shows that the management of the Press is in a very unsatisfactory condition. Early steps should be taken to rectify the various irregularities which have been brought to notice.

(True Extract.)

J. F. PRICE,
Chief Secretary.

To the Directors of the Lawrence Asylum Press.

- " Director of Public Instruction, for communication to the Lawrence Asylum Committee.
- " Accountant-General.
- " Educational Department.
- " Public Department.

[$\frac{G}{9}$]
2,000—23.1.95.

Current No. 1024

Financial DEPARTMENT.

From

The Accountant General
Madras.

No.

Dated

Received 28th April 1895

Resto 28 May

Enclosures

S. C. one.

SUBJECT.

Transmitting Mr. Pritchard's report on his audit of the accounts of the Lawrence Asylum Press at Cotacamund for the years 1892 & 1893.

877: 23-10-94
614: 3-7-94
1140: 16. 11. 93 S.C.
741: 7-8-93 S.C.
1267: 24. 11. 92 S.C.

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The prompt settlement of bills is an important consideration in the working of the press, but this does not appear to have been satisfactorily secured, for on the 20th March 1895 there were 71 bills belonging to 1892, and 69 belonging to 1893, still unpaid. No register of outstanding bills is maintained, although there is said to be one at the head office in Madras, and it must be very difficult to secure an efficient watch over outstanding claims without some such record. It would be well to open such a register at once for all the bills of 1894 and previous years which are still outstanding, and to arrange that the Secretary should see it regularly and issue reminders. There did not appear either to be any uniformity of procedure in the treatment of claims supposed to be irrecoverable. The branch press wrote off a sum Rs. 592-15-6 as irrecoverable in 1893, but on revision by the head office this was reduced to Rs. 123-9-6. It would be well if the head office could frame some simple rules for the regulation of this matter and also of that last noticed (the prompt settlement of bills and the issue of reminders). The press is, of course, in a different position from a Government office in respect of the realization of claims, *e.g.*, it was represented that reminders were often delayed or not issued at all for fear of losing customers, but nevertheless some systematic procedure is desirable, more especially as the officers of the press appear to be frequently changed. The Secretary, Mr. Atkinson, concurs in these remarks.

6. *The Contingent Book*.—(a) There is in the contingent voucher file a Telegraph Office receipt for one rupee dated the 25th May 1892; but the payment is not traceable in the contingent book.

(b) The classification of expenditure in the contingent book is not uniform. It was noticed that the cost of rollers for maps was sometimes taken to "Current expenditure" and sometimes to "Charges merchandise," and that an item of Annas 2, being insufficient postage chargeable to a customer, was taken to "Charges merchandise". Attention was drawn to this defect in paragraph 5 (iii) (g) of the last report, but, as already stated, that report has not been communicated to the branch press.

(c) The "Petty Voucher Book" is a preliminary document in the audit of the contingent book. It contains entries of all the items of contingent expenditure including those for which vouchers are available. But as the whole of the contingent expenditure is entered in the contingent book itself, it would be sufficient and save time to confine the entries in the "Petty Voucher Book" to those items of expenditure for which no vouchers can be obtained; and seeing that these entries take the place of vouchers for this class of expenditure, they had better all be initialled by the Assistant Superintendent in charge, rather than by the Accountant as is sometimes the case at present.

7. *The Postage and Receipt Stamp Account Books*.—(a) Bill No. 407 of 1892 for Rs. 37-8-0 was realized on the 13th June 1892, but the charge for the receipt stamp affixed to the bill was not made in the receipt stamp account until the 12th July following.

(b) On the 13th July 1892 an anna was charged in the receipt stamp account for a bill without number or amount. The charge apparently relates to Bill No. 522 of 1892 for Rs. 59-15-0 which was realized on that date.

8. *Bank Pass Book and Bank Remittance or Challan Book*.—(a) The bank counterfoil receipt or challan book for the period 1st January to 10th June 1892 was

not forthcoming and no explanation of its disappearance could be given. This is unsatisfactory. The entries which should have been made in it appear, however, also in the bank pass book, and were checked with the cash book from this record.

(b) The cash collections were not regularly remitted to the bank. This is an important matter and should engage attention. The Assistant Superintendent in charge tells me that at present remittances are as a rule made every Saturday, and

* About Rs. 150.		Amount then remitted.		
No remittances made between		Rs.	A.	P.
1st and 12th October 1892	..	326	9	0
22nd November and 1st December 1892	..	661	0	8
17th December 1892 and 5th January 1893	..	434	10	0
11th and 22nd February 1893	..	183	5	6
12th and 25th April 1893	..	662	6	10
1st and 15th May 1893	..	179	0	8
16th and 30th May 1893	..	463	13	11
5th and 17th October 1893	..	250	8	0
15th December 1893 and 16th January 1894	..	431	3	11

also during the week if the accumulations are large*, but there do not appear to be any rules for his guidance in the matter. During 1892 and 1893 the collections were often allowed to accumulate, and the remittance of them to the bank was delayed, as shown in the margin. The money is kept in a small safe, the key of which is kept by the Assistant Superintendent in charge. It would be well to arrange that the collections should be remitted to the bank at least once a week whatever their amount, and oftener if the accumulations are large. The Secretary, Mr. Atkinson, concurs in these remarks.

† Now called Assistant Superintendent.

9. *Cash Book*.—(a) The house allowance of the late Manager † of the press, Mr. E. Farrington, was raised from Rs. 12-8-0 to Rs. 15 per mensem in May 1892. No authority for the increase could be furnished.

(b) A charge of Rs. 12 for a desk purchased for office use, and another of Rs. 22-4-0, being Mr. Farrington's travelling expenses to Madras, both belonging to 1892, were not passed by the Secretary.

(c) Mr. T. Edwards, Foreman at the head office on Rs. 100 a month, was appointed Assistant Superintendent of the branch press on Rs. 150 a month, and assumed charge of his duties at Ootacamund on the 9th September 1892, but drew the higher rate of pay from the 8th September. A similar case was noticed in paragraph 5 (ii) (g) of last year's report.

(d) A sum of Rs. 150 was advanced to Mr. Edwards in September 1892 on the occasion of his transfer to Ootacamund as noted above and was recoverable under instructions from the head office in six monthly instalments of Rs. 25 each. The first three instalments were paid on the due dates, but the balance of the advance was not recovered for more than a year. In connection with these cases I would remark that though it is not, of course, possible to apply to the press the rigid rules contained in the Government codes, it would at least be well to declare whose sanction should be required to increases of salary and allowances to members of the press establishment, and for the purchase of such articles as desks. And such matters as the date from which increased allowances should be drawn and the recovery of advances might, I think, be regulated by the simple rules on these points in the Government codes.

10. *The Day Book*.—The "Carried forward" and "Brought forward" totals of the day book for the months of April to July and November and December of 1892 and March to December of 1893 were made only in pencil. There were also some unattested alterations in this book.

11. *The Journal and the Transfer Book*.—The journal was in a satisfactory state, but want of care was noticeable in the posting of the transfer book.

12. *The Ledger*.—The postings under some of the accounts were not made in chronological order. In one account—that with the head office at Madras—the credit entries appear in the following order:—

1892.
October 8th, 15th.
September 30th.
October 10th, 27th, 19th.
June 2nd, 10th.
July 9th.
August 22nd.
September 30th.
October 30th.

1893.
January 14th.
March 3rd to 10th.
January 9th, 16th, 30th.
February 4th, 11th, 20th.
May 29th, 27th.
March 20th, 25th, 29th, 11th.
June 23rd, 17th.
April 20th.
May 11th, 20th.
July 27th.
June 2nd, 9th, 12th, 8th.
July 19th, 3rd.
August 8th.
September 2nd, 18th.
August 31st.

The personal accounts with customers were, however, more regularly posted.

(b) A sum of As. 4-6 due from a Mr. Weightman was charged to the account of a Mr. Wright. The mistake has now been corrected.

(c) A sum of one anna charged to the wrong account, and consequently found to be irrecoverable, was written off to profit and loss.

13. There is a suspense account in the ledger for 1892 to which have been debited (by credit to the personal accounts concerned) certain items representing, it is said, money belonging to the press embezzled by members of the press establishment. The account also stands credited with a few items representing recoveries from the officers concerned, and the balance has been written off to profit and loss as irrecoverable. The total amount debited to the account is Rs. 153-2-9, the amount recovered is Rs. 20-12-0 and the balance written off is Rs. 132-6-9. Certain recoveries, apparently on the same account, appear also in the register of collections in cash for 1892 and the transfer book for 1892 and 1893. But it was not possible for me to investigate the matter properly. The correspondence on the subject is said not to be available at Ootacamund, and I was not able to obtain satisfactory verbal explanations from the present employes. In the absence of information I must confine myself to (a) calling attention to the fact that there were defalcations in the branch press during the years 1892 and 1893, and that the institution suffered loss thereby, though to what extent I have not been able to ascertain; (b) suggesting that the question whether the defalcations were in any manner due to remediable defects in the system of accounting and of check should now be gone into, if this has not already been done.

14. There is a "Petty balance account" in the ledger which is debited with small irrecoverable balances taken from the personal accounts, and credited with small credit balances from accounts no longer current. This account showed in 1893 a net balance of Rs. 41-2-6 in favour of the press, which sum included the following three items:—

	RS.	A.	P.	
(1)	13	13	9	due to the Adjutant-General.
(2)	8	3	6	" Government Botanist.
(3)	5	6	0	" Ootacamund Club.

All these accounts are still current, and the balances should have been carried forward to the ledger of 1894 instead of being taken to profit and loss through the petty balance account.

15. *Stock Accounts.*—(a) The following irregularities were noticed in the posting of the stock ledger:—

(1) The price of ruling pens, single (500) and double (160), has been posted as Rs. 2-8-0 instead of as Rs. 3-8-0 as per Head Office invoice, No. 7-O.B., dated 14th January 1893.

(2) One marble stone for shaving leather entered in invoice, No. 122-O.B., dated 8th September 1892, has not been brought to account in the stock ledger.

(3) One packet of gold-dust and one drawing-board, shown as issued on the 1st June 1892, have not been entered in the stock ledger. In the former case the ledger showed no balance on the date of issue.

(b) The value of the different articles which are grouped as general stores and stationery is not entered in the stock ledger, although this is done in the case of type and plant.

16. Attention is invited to paragraphs 6 to 10 of last year's report. As therein stated, stock appears to have been taken by Mr. Fisher, Deputy Superintendent of the Government Press at Madras, on the 28th February 1891, and his aggregate valuation of the type and machinery existing on that date appears to have been less than their value as recorded in the ledger by Rs. 5,500 or 23 per cent. In regard to this difference there is a letter from the head office, dated 3rd May 1892, to the following effect:—

"To write off depreciation of several years in one would probably give a wrong impression in respect to the working of that particular year. The account must therefore stand as originally submitted for 1891, and the difference between Mr. Fisher's valuation and actuals be written off gradually in subsequent years."

These instructions do not appear to have been correctly carried out. Each account has been opened with Mr. Fisher's figure, to this figure the difference between it and the ledger figure of 1891 has been added, and the fixed yearly depreciation* has been calculated and written off on the total thus arrived at. No effect at all has thus been given to Mr. Fisher's valuation, or to the instructions of the head office in regard thereto. I would suggest that these instructions be made much fuller and clearer.

17. I was shown some printed rules which require the Assistant Superintendent in charge to roughly verify a portion of the stock at uncertain intervals, but he told me that he does not do so, neither is a thorough examination of stock made twice yearly, although understood to be provided for in the rules. Such stock-taking forms a very important check over the working of the press and should on no account be neglected. For instance, were an article sold from stock for cash, the cash misappropriated, and no receipt granted nor entry made in the accounts, the only way in which the fraud could come to light would be by an examination of the stock. The Secretary, Mr. Atkinson, concurs in these remarks.

18. The usual statements of (1) Receipts and expenditure, (2) Assets and liabilities, (3) Profit and loss, are attached for each year. They show that the press worked at a profit of Rs. 1,058 in 1892 and of Rs. 982 in 1893, but the receipts in each of these years were considerably less than in the three years immediately previous—*vide* statements attached to the last report.

19. *Statements A, B and C.*—(a) In the ledger abstract of the receipts for 1892, the collections on account of 1891 and previous years are entered as Rs. 2,100-11-7 and those of 1892 as Rs. 13,554-0-2. They should be Rs. 2,102-3-7 and Rs. 13,532-8-2, respectively, and have been so shown in the Statement A appended.

(b) In the statement of receipts and expenditure submitted for audit, a sum of Rs. 2-8-0 on the expenditure side was erroneously classified, but has been transferred to its proper head in the Statement A appended.

(c) The minor errors discovered in the stock ledger [paragraph 15 (a), (1), (2) and (3) above] would, if taken into account, slightly affect the value of stock in hand at the close of each year and eventually the profit and loss account, but owing to want of time so small a portion of the ledger was examined, and so few of the errors it probably contains were brought to light, that I have not judged it worth while to alter on this account the figures given in the statements appended. It is further to be observed that if Mr. Fisher's valuation of the stock in 1891 were to be accepted as correct and acted on, the statements of assets and liabilities and of profit and loss herewith submitted would be very seriously affected—*vide* paragraph 16 above.

(d) The sum of Annas 7-6 shown as an asset on the 31st December 1893 is the value of thirty post-cards purchased with a view to their being printed for a customer, who however eventually supplied his own post-cards. The post-cards purchased thus became the property of the press and should have been held as part of the permanent advance for contingent expenditure and utilised for the press correspondence, but this was not done and there is nothing to show what became of them.

20. On the whole, the accounts of the press cannot be said to have been well kept during 1892 and 1893. The fact that they had to be sent to the head office to be written up and closed, and the foregoing report on the audit of them, are a sufficient indication of this. A want of system is noticeable in many important matters, such as the recovery and writing off of dues and the check of stock, but this could easily be rectified by the issue of a few simple rules. What the nature of the delinquencies that occurred was, and how they became possible, there is, as I have said, no information at Ootacamund to show; but there can be no doubt that many of the defects noticed in this report will, unless rectified, tend to invite the recurrence of irregularities, and from this point of view it would be well to ensure that they are communicated to, and receive consideration at the hands of, the responsible authorities.

21. The full audit fee for the two years—viz., Rs. 400—may I think justly be claimed, considering the troublesome nature of the audit owing to the accounts not being in proper order.

A.—Receipts and Expenditure of the years 1892 and 1893 as derived from the Cash Books of those years.

	1892.		1893.	
	RS.	A. P.	RS.	A. P.
Balance on the 1st January—				
Cash in hand	68	7 6	417	2 0
In the Bank of Madras, Ootacamund	3,563	0 3	1,251	10 0
Contingent advance	0	1 6	50	0 0
		3,631 9 3		1,718 12 0
Receipts—				
For the previous years	2,102	3 7		
„ current year	13,532	8 2		
		15,634 11 9		15,957 11 6
		19,266 5 0		17,676 7 6
Expenditure—				
Establishment	8,735	10 3	8,236	13 8
Allowance to Secretary	650	0 0	600	0 0
Extra work	130	2 9	84	0 0
Receipt stamps	7	11 0	8	15 0
Rent of office premises	650	0 0	600	0 0
Tax on trade	50	0 0	75	0 0
Postage on letters, &c.	36	11 6	36	14 3
Law charges	22	8 0		
Audit fee			600	0 0
Repairs	2	8 0	12	0 0
		10,285 3 6		10,253 10 11
Other payments—				
Discount and commission	5	10 0	0	4 0
Payments on parties' account	242	6 5	233	14 6
		248 0 5		234 2 6
Payments on account of Stock—				
Merchandise purchased	63	5 7	12	14 10
Charges, merchandise	425	3 5	264	8 6
Plant, tools and furniture			25	12 0
Lawrence Asylum Press, Madras, No. I Account			3,023	10 5
Lawrence Asylum Press, Madras, No. II Account	6,525	12 1	2,500	0 0
		7,014 5 1		5,826 13 9
Balance on the 31st December—				
Cash in hand	417	2 0	300	4 9
In the Bank of Madras, Ootacamund	1,251	10 0	1,011	7 7
Contingent advance	50	0 0	50	0 0
		1,713 12 0		1,361 12 4
		19,266 5 0		17,676 7 6

B.—Statement of Assets and Liabilities for 1892 and 1893.

	On the 31st December 1892.		On the 31st December 1893.	
	RS.	A. P.	RS.	A. P.
Assets at this date—				
Cash	417	2 0	300	4 9
Bank of Madras, Ootacamund	1,251	10 0	1,011	7 7
		1,668 12 0		1,311 12 4
Contingent advance		50 0 0		50 0 0
Stock—				
Plant, &c., dead stock	19,356	6 6	19,531	7 11
Stationery, printing and depository	9,507	5 1	7,624	8 5
Postage stamps			0	7 6
		28,863 11 7		27,156 7 10
Standing General Orders, &c.		366 4 9		
Personal ledger accounts	4,288	4 11	3,968	9 3
Lawrence Asylum Press, No. II account			176	13 11
		4,288 4 11		4,145 7 2
Extraordinary charges in suspense (incidental to the opening of the branch)		1,738 4 5		1,438 4 5
Total		36,975 5 8		34,101 15 9
Liabilities at this date—				
Lawrence Asylum Press, Madras, No. I account	25,523	10 5	22,500	0 0
Lawrence Asylum Press, Madras, No. II account	522	6 2		
Personal ledger account	13	7 0	4	4 0
		26,059 7 7		22,504 4 0
Profits of the year		1,057 12 5		981 13 8
Accumulated profits of previous years		9,858 1 8		10,615 14 1
Total		36,975 5 8		34,101 15 9

C.—Profit and Loss Account for 1892 and 1893.

	1892.		1893.	
	RS.	A. P.	RS.	A. P.
Expenditure.				
Working Expenses—				
Establishment	8,747	12 9	8,214	13 8
Extra work	130	2 9	84	0 0
Secretary's allowance	650	0 0	600	0 0
Rent of premises	650	0 0	600	0 0
Trade tax	50	0 0	75	0 0
Audit fee			600	0 0
Law charges	22	8 0		
Receipt stamps	7	11 0		
Postage on letters, &c.	38	9 6	43	8 3
Repairs	2	8 0	15	0 0
		10,299 4 0		10,241 5 11
Discount and commission	5	10 0	0	4 0
Amount written back	181	14 0	25	0 2
Lawrence Asylum for work done gratis	21	11 0	59	1 4
Bad debts			123	9 6
Suspense account	119	5 11	13	0 10
		328 8 11		220 15 10
Depreciation of stock		1,526 9 9		1,034 9 6
Profits of the year		1,067 12 5		981 13 8
		13,212 3 1		12,478 12 11
Income.				
Press Job work—				
Printing	10,567	7 6	10,135	1 10
Card press	103	6 0	112	8 10
Die press	120	6 0	127	0 0
Miscellaneous	189	11 9	93	12 3
		10,980 15 3		10,468 6 11
Binding		2,231 3 10		1,954 13 3
Petty balance				41 2 6
Amount written off repaid				14 6 3
		13,212 3 1		12,478 12 11

WITH ORDER