

criminating object, at the bottom of the stream; there could be no doubting its identity, as it had the banker's name printed on its side in legible letters.

Atkins was now convinced that the highwayman must have been calling at the bank at Maidenhead when the check was cashed (since he knew the amount), and must have hurried up the river surreptitiously in his canoe, creeping close under the trees, before Mrs. Wybrook's party. This gave the detective two good clues; first, the revolver was by a Birmingham maker; secondly, the point that the robber must have been seen at Maidenhead that evening. Atkins himself, most unfortunately, had spent the whole afternoon around the Cockham lock, discussing probabilities and possible clues with the lock-keeper and his assistant.

I will not weary you with the accounts of the two or three subsequent outrages (detailed in the daily papers of the moment), each taking place at the most unexpected time, and each unfortunately so well planned to take place in Atkins' absence that that astute officer began to suspect either his policeman or the lock-keeper of being in league with the villain, and giving him notice when the detective was away on some other part of the river. It seemed now to be clear that we must take more active measures, and must patrol the whole district of the Thames between Bray and Marlow with a perfect cordon of policemen.

While I and my brother high constable in the adjoining county were discussing the details of this scheme so as to adjust the expenses between our respective ratepayers (for the opposite banks are here occupied by Buck and Berks), an unexpected development occurred. I think I had best narrate it in the way it seemed to me at the moment.

Being anxious to watch for myself the possibilities of such episodes occurring in the evening, I had strolled out one night through the riverside path (private) that threads the grounds of Taplow court and Cliveden. I had almost reached the first island near the marble steps when I saw in the dusk a skiff rowed by two girls coming slowly toward me. As it reached the reed bed I was aware of some commotion. Gazing through the gloom I saw the very episode I was anxious to see—a Canadian canoe glide suddenly and noiselessly across the bows of the row boat. I rushed down to the bank to note what would happen. I could make out the pirate raising his hand with the revolver; I could hear him cry, "Halt there, your money!" Next instant the most unexpected incident took place. The girls, instead of screaming or turning away, rose resolutely up in the boat and seized the man with great pluck. One of them pointed a revolver in return; the other wrenched the weapon from the wretch's hand. Then I saw the canoe was upset, and the assailant was struggling for his life in the water.

I pulled off my coat and boots and swam across to help them to secure him. As I approached one of the girls called out to me in a very mannish voice, "Who are you?"

"Col. Venables-Hughes," I answered, "high constable of the county."

"Oh, it's you, colonel, is it?" the voice answered; and I recognized it as a man's. Next moment I knew them—the two young Wybrooks, brothers of the niece who had been caught before; they were dressed up as girls to deceive the pirate.

It was a capital ruse. But they had counted without their host; the rogue was too much for them. Taking advantage of the momentary diversion created by my arrival on the scene, he suddenly shook himself free, ducked under their arms with extraordinary address, and swam boldly landward. He tried to reach the Berkshire shore opposite.

"Head him, colonel! Head him!" Charlie Wybrook called out, seizing a scull and getting forward. I swam out again and headed him. But the fellow dived under the boat like a dab-chick, and came up near the bank. The two Wybrooks sculled on as fast as they could get their oars in. I struck after him for dear life. But that cunning rascal was again beforehand with us. He knew the bank well, and made down stream for a hard spot. I tried to land nearer and higher, and found myself entangled in mud and weeds. It took me half a minute to drag myself ashore, with the assistance of the Wybrooks. By that time the pirate had made good his landing and was striking across the fields in the direction of the big white house known as the Fishery.

Charles Wybrook leaped ashore and bolted after him. Charlie was a splendid runner; he won the varsity quarter-mile when he was an undergraduate at Oxford. As he landed he tore off his woman's hat and skirt; but he had still the bodice. Arthur ran diagonally across the field—also half man, half woman—so as to cut off the wretch's retreat by the farther end, in case he doubled. As for me, I made for the opening by the footpath to Cockham. But the field, a low water-meadow, was intersected with ditches, both deep and wide, and they hampered us greatly. We could see the pirate knew them all well, and was evidently acquainted with the little bridges here and there, for he never turned aside, but made straight in the dusk for them. Charlie Wybrook leaped the dikes, narrowly escaping a ducking. As for Arthur and myself, in the eagerness of pursuit, we ran through them bodily.

But where was Atkins all this time? I drew my whistle twice, and blew long and loud for him. Strange to say, ubiquitous as he had always seemed when danger lowered before, he did not now answer. I began to fear our prisoner would after all escape us. Still, Charlie was gaining on him now—when all at once he bolted for the garden-gate of the Fishery. To his evident surprise he found it locked; he had not counted on that mishap, clearly. I could gather he was somebody who knew the ground well, for the moment the gate failed him he rushed madly up to the outhouse, where the coal is kept, and then up the roof of the house, like a cat or a monkey. Charles Wybrook, never pausing, followed him as quickly as he himself had mounted. For a second there was a desperate struggle on the leads—the two men closed; then Charlie threw his man, but the rogue rose again, unhurt, and twisting himself once more with surprising ease out of his captor's grasp, descended straight into my arms and Arthur's.

How we missed him I really don't know; but we did miss him. With extraordinary agility he ducked as he passed us, and seemed to slip like an eel through our closing fingers.

"Give him chase, Arthur!" I cried, "give him chase!" And at the same moment Charlie came rearing down the sloping roof and joined us in the pursuit. For half a minute the pirate made as though he were going towards the corner by the footpath—the most natural mode of escape, now that the garden gate was locked, with its high and dangerous pikes; but his cunning and swiftness of resource were really marvellous. No sooner had he separated us in our efforts to head him than he suddenly and unexpectedly doubled back towards the river. I saw that he meant now; he was making for the boat again; he would put himself across and escape up the hills on the Buckinghamshire side towards Taplow orreat Wycombe.

"Cut him off, Charlie; cut him off!" I shouted, "he's making for the skiff!"

But again we were too late. A ditch interposed our path and stopped us. The man's tactics were astutely; I understood now why he had got off so

free so often; he had a marvellously intimate knowledge of the country and its intricacies.

We made after him for the boat. He reached it before us. Jumping in, he seized the sculls. But Charlie was too quick for him. He followed, and wrested the blade with a jerk from the man's grasp. It was now too dark to see much; but Arthur and I followed him. We were all four in the boat, and clung hard to our prisoner. It was the most exciting hunt I have ever taken part in.

"If only Atkins were here!" I cried. "He would have handcuffs with him!" As I spoke the irrepresible creature bounded to his feet once more, as if I had stung him; half upset the boat, and sprang hastily overboard. I saw he was determined not to be caught, if he drowned for it.

He swam like a water rat. We rowed after him, and, finding all other means fail, Charlie Wybrook gave him a light tap on the head with his scull. That brought the man to reason. He let us come up with him and pull him out of the water, though struggling still as hard as he could struggle. But he was quite exhausted. His breath came and went, and he was in a state of collapse. At least, I thought so, though after all the trouble he had given us, I deemed it best to take nothing for granted. He might be shamming, and might jump overboard again next moment if we relaxed our attention. For it was certain, at least, that our captured pirate was a man of immense resource and a most consummate acrobat.

"Search his pockets!" I said, sternly. "He may have another revolver concealed about him!" For Charlie Wybrook had snatched one away from him in the course of the first struggle when the canoe went over.

Charlie did as I suggested, Arthur holding the man meanwhile, for he still made ineffectual attempts at resistance.

"This is odd," Charlie said at last. "The fellow has no more firearms, but of all things on earth to come in handy at such a minute, he has—a pair of handcuffs!"

"Pass them over," I said, still as unsuspecting as a child. "What on earth can he want with them, though? However, 'tis the bitter bit. We'll use them for himself, Charlie!"

We secured him at once. As soon as his wrists were fast he gave up all for lost, and lay back resignedly in the bottom of the boat where I laid him. To make things doubly sure, however, we tied his feet with the rope at the bow—what we call the painter. I took the sculls and pulled, for I was cold after my ducking. The two young men, half-laughing at their success, kept guard over their prisoner.

As for the baffled wretch, he sat with his head held down, his hands manacled, and his feet tied with the rope, the very picture of despair—wet, downcast, and speechless. He seemed thoroughly cowed. He never spoke a word till we reached Cockham lock. Before we could tell the lockman our story, however, one of the keepers came alongside with strange tidings which added to our complication.

"Heard the news, sir?" he called out, recognizing me. "Mr. Symington's gone off his head; they've took him to an asylum. It appears he never went on the river that day at all; it was all a delusion! Only a delusion!"

We hauled him out, still dripping, and held him tight till the constables could come up and take him in charge. He was wearing a false beard, which he had kept through the race. I removed it and gazed at him. "Well, you know me now, colonel," he said gruffly. I stood aghast. It was Atkins!

We had been employing him as a detective to detect himself. He was the Pirate of Cliveden Reach—he had committed all the outrages!

Before long the policemen came up and took possession of him. We marched him to the lock-up. It was a melancholy procession; every one of us knew him. As soon as the young Wybrooks had formally charged him I held a few minutes' conversation alone with the prisoner.

"Atkins," I said, "we may as well be frank with one another. I need not caution you about the use that may be made of anything you may say, but I ask you one question, as one who knows you, and not in my official capacity—do you mean to plead guilty?"

He hung his head doggedly. "Oh, it's all up now," he answered; "I may as well be hanged for a sheep as a lamb. I shall plead guilty to the lot, every blessed job, and throw myself on the judge's mercy. But it was you that did this thing! It was you that suggested it!"

"I?" I broke in, astonished. "How do you make that out, Atkins?"

He crossed his handcuffed hands between his legs with a gesture of despair and replied slowly: "By seeming to believe that old fool, Teddy Symington."

"Then you robbed Mr. Symington?" I exclaimed. He looked up with a malicious grin. "I've made a good business of this sort of job for years," he answered; "but it's all up now, and I may as well have done with it. I've worked many a good burglary or two in town, where nobody'd ever suspect a country detective; but it was you that set me on this. I'd never have thought of it. Robbed Mr. Symington! No, nobody ever robbed old Symington, don't you see. The moment he told his story, I could tell he was as mad as a hatter; and if it had been me that had had to manage it, the man I'd have called in would have been the divisional doctor. Old Symington took a fancy into his head he'd been robbed—robbed on Cliveden Reach—and what you said set me thinking. It hadn't been done; but it was easy enough to do. You paid for my canoe, and I got a light collapsible one."

"Atkins," I said, drawing back, "I shall really have to remind you, after all, that anything you may say—"

He looked up at me angrily. "Stow it, you old idiot," he cried. "Do you think I'm telling you all for anything except for my own reasons? You'd better listen. I'll help you in future in your official duties. I bought a canoe, and I lurked about the river. I was there, as a detective, authorized to guard the place; and I could land on the private grounds, pretty well where I liked, and carry my collapsible canoe."

He ran along the bank twice as fast with it under my arm as any two men could scull an ordinary row-boat. And I did run with it, too. I began with the boat. I knew they had good jewelry, and I got it all from them. First, I ran along the bank to the reed bed; there I got in again, and headed down stream, pulled my false whiskers off, and came to their aid with their bracelets in my pocket. It was as easy as pap; and it was you that showed it to me."

"Atkins," I said severely, "I decline to hear any more of this self-incriminating story. It isn't seemly."

He laughed a peculiar laugh.

"You'd better hear it out," he said. "You won't have another chance. Then there was that Wybrook woman. She told me a few days before that she supposed there wasn't any danger in coming back by daylight, for she always brought 500 in gold every second Wednesday from the bank at Maidenhead. I told her not the least; and, the ram coming on in the nick of time, I ran down the path with my canoe under my arm, stopped her and took it, chucked my revolver on shore where I could find it again, stuck the money into my pocket, and flung

away the bag, and not one of you even thought of searching my pockets! You thought a detective could do no wrong. Oh, you're just about as fit to be constable of a county as I am fit to be archbishop of Canterbury. And I wish to goodness I was; with fifteen thousand a year, no man has a temptation to be anything but virtuous."

I withdrew from the cell. "Atkins," I said, with dignity, "this is a painful business. I can listen to no more. I feel I must leave you."

"All right, old man," he answered in a most insolent tone. "Don't you be afraid. I won't expose your incompetence."

Next morning before breakfast I was surprised to receive a visit from the keeper of the lockup. His face was very grave.

"Well, Nicholson," I said, anticipating evil from his appearance, "what's the matter this morning?"

"This, sir," he answered. "Atkins has poisoned himself. We think he must have had prussic acid concealed about him. He left this note."

I took it and read it.

"Forgive a dying man one outburst of spleen. And don't be too hard on my wife and family."

It may be weak of me, but I will frankly confess it was I who obtained for Mrs. Atkins the post of matron to the Upper Downtown Infirmary.—New York Evening Post.

THE GLOBE'S HOME STUDY IN PRACTICAL BOOKKEEPING.

A Course of Study in Single and Double Entry, Embracing Mercantile, Bank and Joint Stock Accounts, With a Treatise on Expert Accounting and Professional Auditing.

[BY THOS. DUGRELY.]

ELEVENTH ARTICLE—Auditor and Auditing.

THE AUDITOR.

An auditor, in the general acceptance of the term, is a person appointed to audit or examine the accounts of persons to whom have been entrusted the receipt and disbursement of money or other property.

Large corporations, such as railroads, manufacturing, mining and insurance companies, usually employ an auditor permanently, whose duty it is to periodically examine the accounts of their different officers or agents at their various offices or plants.

Auditors appointed by court are authorized to take testimony, to examine books or other vouchers, and in some states to examine witnesses under oath. Such an auditor is an officer of court during the term of his service to state items of debit and credit between parties in suits when accounts are in question and exhibit balances. They receive special instructions from the court appointing them, with which they file their report. This report, or statement of account, is subject to examination for points of law contained in it, and when presented to the jury testimony may be introduced to prove incorrectness.

The directors or stockholders of many corporations appoint or elect an auditor to audit the accounts of the company; sometimes a finance committee is appointed to approve and order paid all bills and to examine and attest the correctness of the books, etc.

QUALIFICATIONS.

An auditor must be an expert accountant. It requires very little practice and knowledge of accounting to keep ordinary books. In checking entries and comparing disbursements with vouchers there is very little difficulty, but to attain the title of a competent auditor much study and practice in the science of accounts are absolutely necessary. He must understand the principles of the business he is auditing, for, while the principles of accounting are always the same, their application in each line of business varies. An auditor should be a man of uncompromising integrity, of good character, with a will of iron; he should know his duty, and do it without fear or favor. He must be discreet and capable of keeping his own counsel, minding his own business, taking no advantage of his position or knowledge, nor hastily reaching conclusions. He must stand in a neutral position, retaining and maintaining every fact acquired by virtue of his position as a secret within his breast for ever.

An auditor, when serving a corporation, is the representative of the stockholders, and it is his duty to protect their interest, and if fraud is discovered to expose it, stating the facts as he finds them, regardless of whom it may affect, whether the duty is pleasant or otherwise.

A person interested, either directly or indirectly, in a corporation should never be employed to audit its books.

VALUE OF AN AUDIT.

To test the accuracy of the accounts and the efficiency and integrity of the accounting officers and employees.

To examine the records and see if the money paid in by the stockholders has been properly credited to their accounts, and passed into the treasury or business of the corporation.

To ascertain if the records show the true financial condition of the plant.

To determine whether the business is conducted in accordance with the constitutional provisions and by-laws of the corporation.

To produce a reliable and verified balance sheet or statement of the corporation's affairs.

To furnish evidence of the safety and prosperity of the corporation.

REPORT.

The report of the auditor consists of two statements, viz.: Loss and gain account and assets and liabilities. From these two reports the stockholders will learn the condition of the business, its losses and gains and its assets and liabilities, and understand in what position the business stands as to its future possibilities.

The loss and gain statement will show in what manner the loss and gain was made. It embodies the debit or credit balances of all the speculative accounts, the auditor reporting each particular balance and its relation to this account.

The statement of assets and liabilities shows all resources or assets of every kind, such as cash, real estate, leaseholds, mortgages, loans, securities, investments, furniture, plant, machinery, stock, merchandise, accounts due, bills receivable, etc., and all liabilities that the corporation is liable for, whether to stockholders, capital, loans, individuals, bonds, etc. This statement must show the fair cash value of each resource, and the amount of each liability.

The auditor will take nothing for granted; it is his duty to make a thorough, careful and full examination, and he may refuse to certify to accounts presented for auditing, for the reason that he does not approve of same, and make a special report of such accounts.

The duties of the auditor cease when his report is read openly in a stockholders' meeting, and he has explained the report and answered all reasonable

questions concerning the same, and recommended such changes as he believes will be for the advantage of the keeping of the accounts, books and records of the corporation.

AUDITING.

The following routine may safely be followed by auditors to cover the examination of ordinary books, subject, however, to such variations as the character of the business may require, and instructions received from the appointing power.

He should obtain a list of all the books kept by the corporation, firm or business, together with all financial statements and balance sheets, showing the resources and liabilities, and with all vouchers, accounts, etc., relating thereto.

If he deems it advisable, he should receive a brief explanation of the system of accounting, with which information he is better prepared to commence his audit.

The auditor must not certify to any statement as correct, of his own knowledge, until he has investigated it from beginning to end. He may, however, accept as correct, in many cases, various facts and figures, on proper authority of the parties whose accounts are being audited.

The minute book must be carefully examined to ascertain the actions of the directors and stockholders, making notes of such specific resolutions as may affect the accounting and checking, to see if same have been properly carried out.

The subscription book and stock ledger must be examined to see how, by whom and upon what conditions the subscriptions have been made, the amount paid thereon, delinquents or forfeitures, if any. Compare the amount of subscriptions paid with the installment book and the installment scrip book. If the corporation is a new one compare the certificates of stock issued with the installment scrip book.

In the event that capital stock account in the general ledger has received its credit from the cash book by subscriptions as they were paid, and not on the installment principle, then check each stockholder's account in the stock ledger with the cash book to see that the accounts represent the actual amount paid in. The sum total of these entries from the cash book will balance the amount to the debit of capital stock account in the stock ledger.

CAPITAL STOCK ACCOUNT.

See that the capital is neither more nor less than authorized by the charter and articles of association. Ascertain if the capital contains preferred or guaranteed shares, or whether it is made up of common stock.

Examine critically the opening entries, and, if there is treasury stock, working or operating capital, note the character and how produced.

If there is treasury stock on hand not fully paid a separate statement of this should be made for the benefit of the stockholders. In case of liquidation of the company the stockholders would be liable pro rata for the amount unpaid on treasury stock, or for such a pro rata part thereof as might be necessary to pay the liabilities of the company; in other words, they would be responsible for an amount that would be due by other parties, were the other parties the holders of the stock.

See that the titles to all purchased property have been duly recorded and all costs, etc., properly entered. Ascertain if mortgages, bonds, etc., have been recorded and registered according to law.

CASH BOOK RECEIPTS.

Compare and check all items of cash receipts with the auxiliary books and the different sources from which cash is received, according to the nature of the business. It is important to see that there are no omissions of receipt entries, and this sometimes requires critical examination. Carefully look for the transposition of figures.

Ledger accounts have been known to contain cash credits which never appeared on the cash book, and amounts received have been transposed in entering same. Say, for instance, a payment is made of \$2,806 and is credited on the cash book as \$2,686, there is a difference of \$120, thus, the original entry can be made wrong, and the correct amount posted to the account in the ledger. The ledger account would appear correct on its face. Such a discrepancy is usually covered up or "balanced" in merchandise account, or some account there is little likelihood of being examined critically, then, what is to prevent the bookkeeper putting the \$120 in his pocket?

The same errors of fraud can be executed on either side of the cash book, therefore it is necessary to examine this book with both eyes wide open.

Carefully examine the additions of all columns in the cash book and see that there is no transposition in carrying forward the footings or balances from page to page. Check every item of receipts in the cash book with its respective account in the ledger.

CASH BOOK DISBURSEMENTS.

Compare and check all items of cash disbursements with the vouchers or receipts. Look carefully for duplicate receipts, duplicate entries, and for the transposition of figures. Ascertain if the disbursements of cash were authorized by resolutions duly recorded in the minute book. Examine all the bank pass books and check books, and see whether the balances of the two books agree, that is, from the bankers' balance, as shown by the pass book, deduct the amount of outstanding checks; this should reconcile the bank account as shown by the check books. When the bank account is kept in the ledger you will check it as you would any other account.

Count the cash on hand, which, added to the balance, should correspond with the balance called for by the cash book, unless a separate account is kept with the bank, in which case the cash book will represent the amount of cash which should be in the safe.

A great percentage of shortages are to be found by examining the footings of the cash book. When an error is purposely made in the addition it requires a corresponding error to be made in some other account, or in the footings of the journal, sales book, etc., so that when a trial balance is taken of the ledger accounts the debits and credits will be equal. Double mistakes and forced balances are usually intentional; they rarely occur by accident. The trial balance does not prove the correctness of the ledger, the accuracy of the details, nor the posting; it is only presumptive proof that a bookkeeper has of his work being correctly executed, therefore an auditor must be able to analyze every entry, and understand its principles, examine every item which looks suspicious, and not check here and there in a slipshod manner, but place every item from its source to its finish.

BILLS RECEIVABLE.

Carefully examine the list of bills receivable and ascertain whether they are on hand or have been discounted; if on hand, and overdue, whether they have been paid and no credit given. If any have been discounted, take a list of same, for, should they not be paid at maturity, the company is liable. If there is any accrued interest on any of the bills receivable, profit and loss should receive credit for the amount.

BILLS PAYABLE.

Carefully examine the bills payable account and see if there are any outstanding notes that have not been credited, and whether the company owes the bills payable as shown by the books. If there is any

accrued interest, profit and loss should be debited with the amount.

ACCOUNTS RECEIVABLE.

Ascertain the time they were to run, and, if overdue, why they have not been collected. Provision should be made for bad and doubtful accounts, otherwise they will appear among the assets, which cannot be collected. Good dividends are sometimes paid from assets of this kind, whereas, had a proper amount been charged off to offset bad debts, a material reduction in dividend might have been declared. It is part of the auditor's duty to see that the accounts receivable are properly valued, and the directors should aid him to this end. Accrued interest is treated in the same manner as with bills receivable.

ACCOUNTS PAYABLE.

Ascertain if the company owes the personal accounts, and if there are any outstanding accounts which have not been credited. Accrued interest is treated in the same manner as with bills payable.

INVOICE BOOK.

It is quite simple, and needs no explanation to audit this book, yet it should require close attention, as fraud is sometimes practiced by increasing the credits of some accounts, in order to pocket money and charge it to the account which has been increased. The amounts in this book should be compared with the original invoices, order book, letter book, etc.

SALES BOOK.

All cash sales should be entered in the cash book, where such entries are examined.

Credit sales should receive careful attention; from this source bad and doubtful debts arise. It is also a simple operation to examine this book, but every amount should be examined if fraud is suspected. The addition of columns, etc., should be verified. If the auditor is suspicious of any accounts in this book, after comparing the ledger, the original order should be referred to, or he can write the customer for a duplicate of the bill and receipt; these amounts can be checked with the credits.

False entries are sometimes made in the sales book in this way: A good paying customer purchases goods on credit amounting to \$500. The amount would be changed and his account charged with \$500. When the remittance of \$500 is received the customer's account is credited with \$500 to balance his account as charged. The check or draft would be placed in the cash, and \$100 in currency abstracted, thus keeping the cash in balance. It can be learned from the banker as to any fictitious check or draft deposited by you on any certain date, which would lead to the detection of such fraud.

STOCKS AND BONDS.

If a corporation holds stocks and bonds, see whether they are as represented by the books, on hand, or whether they have been pledged or hypothecated. The auditor should inform the stockholders of any liability attached to stock which is held for investment.

SECURITIES.

If advances have been made on securities see that they are accompanied by the necessary bonds and mortgages, and be careful that documents already inspected as being held against a loan are not reproduced as the security deposited for other loans. If losses are sustained on any class of securities the amount should be distinctly stated, and not concealed in any item of expenditure.

GENERAL EXPENSES.

Examine the principal items, as they may contain some unauthorized payments.

INVENTORY.

The auditor should see that all stocks and bonds are inventoried at their market value. When merchandise, material, real estate, plant, etc., are inventoried he should be present with a competent appraiser to work in concert with the officers appointed by the company.

Property should be carefully examined whenever any statement is made showing financial standing or gains and losses or before declaring dividends.

Should the auditor find that property has increased in value since the purchase he should debit the account representing the property with the amount of increase, crediting profit and loss, and where property has depreciated, vice versa.

DEFALCATIONS.

Honest and conscientious bookkeepers and directors always invite examination, investigation and criticism, knowing that the outcome will redound to their credit and business standing with the proprietors or stockholders, while the defaulter will usually be ill-tempered and cross, carefully watching every move and operation of the auditor.

Extensive embezzlements or defalcations are usually the work of those skilled in accounting and possessing a thorough knowledge of the books and the routine of the business, and they so cleverly cover up their tracks that the auditor has often to tax his skill to the utmost to unearth the fraud.

If defalcation is suspected, examine every transaction minutely, erasures, alterations, etc., for even a certain dot, dash or character may have been made for some certain purpose, therefore, never pass anything which looks suspicious without a thorough and satisfactory explanation.

Check every transaction from its original entry to its account in the ledger, see that all transactions are properly entered in the books of original entry, from the invoices, orders, receipts, checks, freight bill, correspondence, etc., check every posting and examine the items of expense account. Take the total amount of cash received and disbursed and see if the difference represents the cash on hand. Carefully check the bank account and examine the checks to see if amounts and signatures are correct. Find the total purchases and sales and look for discrepancies in the accounts which represent them. Examine the footings of all books of original entry. Foot every account in the ledger, whether ruled up and closed or still remaining open, and note any items unchecked, examining same carefully. Examine carefully all cash book entries and compare payments with vouchers or receipts. See that the inventory is footed correctly, and the amounts in same properly extended. Trace back to original entry any alterations or interlining.

Take trial balance as shown by the ledger. Make a full note of every error, omission or irregularity requiring explanation as you proceed, giving the date and pages for reference, and finally make up your report as previously explained.

(Close of Series.)

VICTORIAN AUTOGRAPHS.

The Duchesse of St. Albans owns what is probably the most interesting collection of Victorian autographs in the world. Besides the royal family and the nobility represented, there are words especially contributed by Tennyson, Browning, Gladstone, John Bright and Chamberlain, and verse written exclusively for the duchess by the best-known versemasters of the day.

SILK IN MADAGASCAR.

In Madagascar silk is the only fabric used in the manufacture of clothing. It is cheaper than linen in Ireland.