

## REPORT OF THE COMMISSIONERS ON THE CONDITION AND WORKING OF THE PUBLIC TRUST OFFICE OF NEW ZEALAND.

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To His Excellency the Right Honourable William Hillier, Earl of Onslow, of Onslow in the County of Salop; Viscount Cranley, of Cranley in the County of Surrey; Baron Onslow, of Onslow in the County of Salop, and of West Clandon in the County of Surrey; Baron Cranley, of Imbercourt; Baronet; Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George; Governor and Commander-in-Chief in and over Her Majesty's Colony of New Zealand and its Dependencies, and Vice-Admiral of the same.

MAY IT PLEASE YOUR EXCELLENCY.

On the subject of the Public Trust Commission issued by you on the 27th day of February, 1891, under which we were appointed your Commissioners, we have now the honour to report that, having made full inquiry as to the following matters, so far as the time placed at our disposal would allow, we propose to deal with them in the order set forth in your Excellency's Commission.

Firstly—

The mode of conducting the business of the Public Trust Office in its several branches, and whether at Wellington or elsewhere, by means of the permanent staff of the said office, or by agents or otherwise.

Your Commissioners have gone most carefully into this portion of their duties, and it is with extreme regret they feel compelled to state that, so far as the Head Office is concerned, there has been an absolute want of any proper or regular system up to the present time in the conduct of its business.

The books of the office have for years been kept in a careless and unfinished manner, particularly the ledgers and rough cash-books. The number of books and classes of books in daily use by the Public Trust Office is far in excess of what would be necessary under a well-regulated mercantile or banking system; and the evidence discloses the fact that very many of these books are in daily use for money-entries of which the Public Trustee, the Chief Clerk, and the Audit Department were entirely ignorant.

To give some idea of the number, style, and uses of the books kept, your Commissioners have had returns and diagrams prepared showing the method of keeping them, and their respective places in the working of the business of the Public Trust Office. Attention is directed to these returns and diagrams, and also to the evidence relating thereto.

The correspondence by the Public Trust Office has been conducted in an unsatisfactory and irritating manner. Neither the Public Trustee nor his officers seem to have acquired the habit of writing the courteous and businesslike letters that are customary in all well-regulated establishments, but have practised a system of sending formal memoranda, and, as a rule, giving very limited information to clients and the public who may have had occasion to correspond with the Public Trust Office.

On the subject of rendering accounts by the Public Trustee in connection with the many estates under his control, your Commissioners find that this duty has been carried out in a very irregular manner, so much so that the Public Trustee has rarely sent a really true and faithful statement of an account to a beneficiary in cases where a loss, or prospective loss, has been made on a security.

Secondly—

The powers, duties, and liabilities of the Public Trustee and of the officers and agents of the said Public Trust Office; the mode of keeping, rendering, and auditing the accounts of the said