

—There, again, we are brought into contact with the Audit. Would the Audit sign three cash-books? They must sign for the total received during the day.

181. In this little rough diagram there is what you call your "Check Ledger," which you take your balances from?—That is right.

182. Then, here are your cash-books, and here is what you call a general cash-book. The key-stone and true basis of your book-keeping is really your ledgers. If you want information, you go to your ledgers for information of different accounts, and all entries coming through the cash-book must go to the general ledger. If these ordinary daily cash-books are ruled off daily, and show the totals, why cannot they go direct to the ledgers—because, after all, this general cash-book is nothing but a repetition *in globo* of your totals, and the general cash-book must be unnecessary work?—That is so, but how should we arrive at the bank balance where we have three cash-books instead of one?

183. You focus into the ledger?—Yes.

184. Are you aware that in a great many of the accounts in the ledgers during the last few years the totals have not been made?—I was not aware of it.

185. Do I understand you to say that it is not your custom daily, weekly, or monthly to look through your books?—It is not my custom to do so.

186. Or even to look through the ledgers?—It has not been my custom. My custom has been, having such thorough faith in the Accountant, to leave that branch of the establishment almost entirely to his supervision.

187. What would you say if you saw an important set of books with pencil memoranda and balances ruled through and altered, and summations in pencil, or incorrectly made, folio after folio, not through one ledger, but many ledgers? Would you consider that a proper style of book-keeping?—No.

188. Would you approve of it?—Certainly not.

189. Would you be surprised if I showed it to you?—I believe you at once.

190. Do you require in the case of all estates that come into your ledgers that the accounts should be designated and domiciled? That is to say, if John Brown's estate comes into your ledger, do you require that John Brown's calling and place of abode should be stated in the ledger?—No; I do not think his calling, but his place of abode.

191. You do not think it is necessary to designate your accounts?—No; because our system of numbering obviates that, inasmuch as each estate receives a number.

192. But would it not help also to ear-mark the estates by designating them?—I do not think so, because the records show the designation.

193. I have found several names alike in your ledger. If one happened to be a tailor and another a blacksmith, the designation of either and of both would have helped me in my investigation?—No doubt, an outside authority, but inside we know them by the number.

194. But the object, I take it, is to have the books so kept that any one who has occasion to look into your books should understand them as well as possible?—Yes, it is desirable.

195. You think that you do make a rule of having accounts domiciled?—Yes.

196. Are you aware there are a great many accounts in your ledgers that are not domiciled or even designated?—I was not aware.

197. Well, there are, and if you wish I shall be able to show them to you.

198. You saw the ledger M to Z, Estates in Office and several accounts, and also the Real Estates Ledger commencing December, 1884. You saw those several accounts. Do you think they were in a complete state—kept as they ought to have been?—From the book-keeper point of view, I would say they were kept not as they ought to be; but as far as the accuracy of them is concerned, I suppose there is no contention.

199. But as far as the summations of the transactions are concerned, they appear on the face of them wrong?—That is so.

200. We will look at this Check Ledger, commencing 1st January, 1886. [Check Ledger and other ledgers examined.] I think I have shown you sufficient in these three ledgers to clearly show you that really the work has been neglected—not kept in a proper manner. Do you think that these books are kept in a regular and proper manner?—No.

200A. Had you seen these books yourself in that state, would you have tolerated it?—Unquestionably not.

201. Then, you were not aware that the books of the office—the ledgers—were in that unfinished state?—I was not.

202. Had you never any complaints from the Audit Department about the incomplete state of the books?—No.

203. Did you, and do you, rely much on the Audit Department seeing that the books are properly kept?—Well, I cannot say I relied on the Audit Department to see that the books are properly finished off, but I do rely on the Audit Department to see that the balances and the entries are right. But I cannot think it is their duty to superintend the ruling-off of a book, or artistic arrangement, and so on.

204. Do you think it is not important to have balances brought down, and books ruled off, and summations properly made?—I think it is very important.

205. If you were auditing books, would you attempt to audit a ledger in an unfinished state?—Well, I take it I should either have to refuse to audit, or request that it should be finished.

206. And, notwithstanding the unfinished state of a great many of the books in the office, the Audit Department has never requested you to have them put into a complete state?—It has never requested me—never complained to me.

207. Then the Audit Department has been satisfied with the mode and style of your book-keeping?—Yes, so far as I know.