

208. It is no part of the functions of your Board of Directors to look into the books of the office?—None at all.

209. They are a mere Board of Advice?—They are not a Board of Advice.

210. What would you call them?—They are more than an Investment Board, because I am unable to execute any instrument without their sanction, so that, although they are not a Board of Advice, they have more duties than a Board of Investment would have. I can scarcely define the Board. No trust can be introduced without their sanction. Their duties are laid down by statute. They are more than a Board of Investment, and they are not a Board of Advice.

211. Then you do not know what to call them?—They have statutory duties.

212. A statutory yet weekly Board on certain occasions?—Yes, and for specific duties. They have no administrative duty whatever under the Public Trust Office Act.

213. They have nothing to do with the working of the office nor with the mode of book-keeping?—Nothing whatever.

SATURDAY, 11TH APRIL, 1891.

Mr. R. C. HAMERTON'S examination continued.

214. *The Chairman.*] Mr. Hamerton, will you please look at this ledger, the first entry in which is on the 24th December, 1886? I will not take you through the whole of this book, but we will go through many folios so as to draw your attention to the unfinished state of the ledger. You see, in your last balance, on the 31st December last, the totals are added up and the account ruled off; but if you look at the totals the balance appears nothing, while the total transactions show a balance. None of the totals are made, nor any summations, but you also see that those totals that do appear are simply in pencil, and not very clear at that?—That is so.

215. If you look through many more of the folios yourself you will see how the accounts are kept. Turn to folios 97 and 98. Do you know that pencil memoranda in a ledger are not allowed in a well-regulated office?—The pencil memoranda should be taken out.

216. There are occasions in reference to any account in your ledger when it may be necessary to put memoranda in the ledger, as being the most likely place to prevent their being overlooked. I presume that, where it is necessary, you ought to have such memoranda in ink?—Well, I take it such memoranda could only be temporary, and might be rubbed out at the end of the period.

217. The memoranda I find in some ledgers are of more than a temporary character. Where it is necessary to make memoranda it should be in ink. This ledger, as also the one before us yesterday, although open and in use for some years, there seems really no necessity for. Is that not so?—The idea was to separate the classes of estate, each class of estate having its own ledger.

218. Did you ever think it was your duty from time to time and frequently to look through the books of the office?—I have not thought it was necessary in the case of the ledgers. The cash-books have weekly come before me.

219. But you never thought it was necessary to look weekly, or occasionally, through the ledgers?—No, for the reason that the Accountant branch generally was under a man in whom I had very great trust, and have very great trust.

220. Had you looked through the ledgers would you have allowed them to be in the state they are?—I would not.

221. Now, can you point out to me a single account in No. 1 Estates in Office Ledger that has been properly summed up and ruled off?—My answer to that is, that unless I go through the ledger page by page I cannot say. I am not conversant with the state of the ledgers.

222. Well, that I may satisfy you, let us together go through this ledger in order that you may be able to fairly answer that question. In our examination it will be necessary to be precise and definite. Will you kindly look through the ledger and show me one account that has been properly ruled off and balanced?—Yes. Here is one at folio 80, and others at folios 84, 88, 108, 142, 145, 198, 202, 208, 253, 254, 280, 284, 309, 310, 312, 315, 316, 318, 329, 336, 363, 367, 376, 379, 381, 398, 458, 480, 483, 488, 492, 493, 498, and 500.

223. There are 502 folios in that ledger. You have been carefully through it. How many accounts is that you have pointed out?—Thirty-five.

224. Have you noticed that these thirty-five which you have found to have been ruled off are small accounts?—I did not particularly notice.

225. Now, is there any of them taking up more than half a folio?—I should say yes, but I really did not notice it.

226. If, then, you will turn to them I think you will find they chiefly comprise a few entries?—The account at folio 80 is a small one; at 84, a folio and a quarter; 88, a folio and three lines; 108, about a third of a folio; 142, a quarter of a folio; 145, about the same; 198, a folio and a half; 202, about a third of a folio; 208, about a quarter of a folio; 253, about two-thirds of a folio; 254, about three-quarters; 280, about a quarter; 284, a full folio (this is part of a very long account—Ngatitoa trust); 309, part of the same account, about a full folio; 310, same account, full folio; 312, same account, full folio; 315, same account, full folio; 316, same account, full folio; 318, a folio and a quarter; 329, about a third of a folio; 336, a quarter folio; 363, half a folio; 367, quarter of a folio; 376, quarter of a folio; 379, six lines; 381, a third of a folio; 398, one folio and three-quarters; 458, a third of a folio; 480, one folio and a quarter; 483, half a folio; 488, seven lines; 492, one folio and seven lines; 493, half a folio; 498, three-quarters of a folio; 500, a folio and a half.

227. Now, I suppose there are a few hundred accounts in that ledger?—Yes.

228. Can you point to several and any one large and important accounts that have been properly ruled off?—Shall I go through it again?

229. Yes, take folio 125. Is that a large account?—It is a very large account.