

two Wills and Trusts, one Real, one Lunacy, and then Miscellaneous, and then there is the West Coast Settlement Reserves and Native Reserves. There are eight in use.

326. Then, there are subsidiary ledgers?—Yes.

327. These ledgers are in use, too?—Yes; the Accountant calls them sub. ledgers.

328. Will you be surprised if I tell you that you have twenty-two ledgers in use in your office?—I should be surprised.

329. This is a list of the ledgers I have gone through: Estates in Office, No. 1, individual; A to L, No. 1, of the same series; A to L again, No. 1, subsidiary; M to Z, No. 1, individual; M to Z, No. 1, subsidiary; Intestate, No. 1, individual ledger; A to L, No. 1, individual ledger; M to Z, No. 1, individual; M to Z, No. 1, subsidiary; Intestate Estates, No. 1, individual; A to L, No. 1, individual; M to Z, No. 1, individual; No. 1, subsidiary; Real Estates, No. 1, individual; Lunatic Estates, No. 1, individual; "Civil Service Reform Act, 1886," No. 1, subsidiary; No. 2, subsidiary; Check Ledger, No. 4; Native and West Coast Settlement Reserves, No. 1, individual; Miscellaneous, No. 3, No. 4, and No. 5; Returned Cheque Deposit Account, No. 1, subsidiary; Expenses Account Imprest Account, No. 1, subsidiary; West Coast Settlement Reserves Advance Account, subsidiary; Auckland Hospital Reserves Sinking Fund, subsidiary. I have been carefully through the whole of these books—twenty-two ledgers—which you have in current use, inasmuch as each of them contains, if not much used, some account that is not closed or dead—what we term live balances. Do you not think all those ledgers are in some manner confusing? How could you be expected to look at all those ledgers every day or every week, with the great amount of work you have to attend to?—It would be absolutely impossible. I feel great diffidence in offering any opinion in matters of account-keeping, because I do not consider myself an accountant, and I have, since Mr. Moginie's appointment, required results rather than supervising current work.

330. Do you mean to say that you were not in a position to judge whether your present Accountant was a qualified accountant or not? I understood you to say you were not in a position to judge of accounts?—I consider I am not an accountant.

331. Very well: are you in a position to judge whether your Accountant or any accountant placed over the work of your office is qualified for the work?—Yes; I think I am qualified to say that.

332. Well, after seeing the books in their present state and condition, if you supposed that your books were kept in a proper way, after now going through those several ledgers are you still of the same opinion that they have been kept in a proper way?—No; they have not been finished off well, as a person accustomed to accounts ought to finish them off; but, as to the accuracy of the thing, I would stake my existence upon them.

333. How are you to prove the inaccuracy if on any particular day you wish to make a balance, and you find the books in that state, with the summations incomplete, and you have to be guided by the summations in order to indicate what is presumably a correct balance?—Instead of pointing it out at a glance, I should have to go through some figures to do it.

334. Do not suppose I am for a moment insinuating that your Accountant does not understand his work; but, presuming you have an Accountant who chooses to keep all kinds of unnecessary books, and he or any subordinate officer chose to falsify your books, how would you, judging from what your custom has been, expect to have prevented it?—By means of the Audit Department.

335. Now, seriously, looking at those ledgers you have been through with me, do you think that they were books containing important accounts that should have been passed by the Audit?—Well, I am unable to blame the Audit Department for the state of the books, for in my opinion the Ledger-keepers are responsible for their books, and they should have finished them in a book-keeper-like manner.

336. Well, I am asking, more for information for the Commissioners in framing their report, what you conceive to be the Audit Department's duty. You complain very much of the interference of the Audit Department in your work: what do you conceive to be, so far as your office is concerned, the Audit Department's proper duty?—The duty of the Audit Department, so far as I can see, is to make sure that every entry in all our books are accurate, to see that we pay no claim where there is no balance, or not sufficient balance, and to check certainly the annual accounts for Parliament, and every public account that goes out. Perhaps I had better make myself a little more clear. They have to see that every entry is accurate, and I should say that they ought to see that all our commissions are properly charged, and they should check the account which is prepared for Parliament annually, and see that our balance-sheet is correct.

337. Do you know anything yourself about auditing accounts?—Very little.

338. You never had to conduct an audit?—No.

339. Then, do I understand you that if errors were in your books from careless or wilfully-bad book-keeping, would you expect the Audit Department to discover these errors?—Oh, certainly!

340. So, in point of fact, you have relied in most respects upon the Audit Department overlooking the style and mode of your book-keeping?—Scarcely the style and mode, but the accuracy of the entries.

341. Well, after what you have seen to-day, and the absolute want of summations and want of completeness you may see throughout your ledgers and cash-books, which are the most important books in your office, are you surprised that your attention was not called to the fact by the Audit?—I am very much surprised now that my attention has not been called to it; but I should have expected the Accountant to call my attention to it rather than the Audit, unless it were done through the Auditor-General. I have no power to give Audit officers instructions, and I do not do it.

342. Now, putting aside the Audit Department for a while, what mode have you adopted since your connection with the office as its head of checking the proper entries in your books, of detecting wrong entries, or of checking the correct mode of making the entries, and the correct mode of keeping the books in your office? In short, what mode, if any, have you adopted for this purpose?—I per-