

902. Has it not occurred to you as a professedly experienced accountant—and I am glad to hear from you that you have had so much experience—that your system of keeping these subsidiary ledgers, looking at the irresponsible way in which they are kept, can well and with advantage be dispensed with?—I quite believe that, and it is my advice too. I would have all those accounts in the individual ledgers. We wanted something to exhibit for the particulars of individual shares of estates. It was not the practice to open these accounts in the individual ledger, but as we wanted the information we had to adopt some practice which would give it to us in another way.

903. In any well-regulated office where proper book-keeping exists I take it that the cash-book will record, or should record, the daily transactions of cash—that is, all entries, payments both out of any account in any office and payments into any account?—Yes.

904. Then, the daily working of your cash-books should be focussed into the individual ledgers, giving the particulars fully of every item that has gone in its original entry from the cash-book; and the ledgers would give full particulars which the cash-book would not?—Yes.

905. And from your individual ledgers you would again focus, and from your cash-books you would also focus, the entries of the totals of the cash-books daily into your Check Ledger?—Yes.

906. And what would be particularised daily under the many headings in your individual ledgers would appear, so far as amounts and balances, in totals in your Check Ledger?—Yes.

907. Then, your subsidiary ledgers have nothing whatever to do with this book-keeping?—No.

908. Then, you agree with me that they are really unnecessary, and could well be dispensed with?—Yes.

909. Then, that would dispense with a large amount of extra writing and complication besides?—Yes.

910. You also admit that if any auditor were to take out the balances from the individual ledgers and expect them to balance with the Check Ledger, or help to do so, the balances would only mislead?—Yes, they would only mislead; in fact, they would not balance.

911. This Check Ledger, or General Ledger, is, as you said before, and as its title implies, a check on the working of the individual ledgers?—Yes.

912. How often are your cash-books written up?—The class cash-books are written up daily, and the general cash-book is written up once a week.

913. Before leaving the subsidiary ledgers—these sham and fictitious ledgers—let me ask you how many of these ledgers have you got in use in the office?—About eight, I think.

914. Then, these eight ledgers—I have been through nine—can well be dispensed with?—Yes; but it would do this: We could open the accounts we now have in the sub. ledgers in the individual ledgers. We should be using a very expensive book where a cheaper one would do.

915. But your subsidiary ledgers are in the regular form of ordinary ledgers—the ruling particulars and columns are the same?—I quite agree with you they could be done away with.

916. That would make a large reduction of your twenty-two ledgers now in use in the office. We will now see whether some of those other ledgers could not be dispensed with also.

917. How many cash-books do you keep?—There is one general cash-book in use and six class cash-books, the totals of which are transcribed into the general cash-book.

918. I understand your class cash-books to mean, that all daily transactions, debits and credits, pass through them?—Yes, as they come in daily.

919. Then, what is the use of the general cash-book?—It takes the daily total of classes from these class cash-books, and it is the cash-book which is balanced with the bank pass-book.

920. Is it the general cash-book from which you take your totals into the general ledger?—Yes.

921. Have you been in the habit of having your daily cash-books summed up and the balance struck daily?—No; the balancing is done once a week. The entries are made daily, but once a week, when the general cash-book is balanced with the bank pass-book, then the other cash-books are proved to be correct in their daily totals or not. If there is an error, it must have occurred in the daily cash-book.

922. Has it not occurred to you that the general cash-book is a very useless book?—We require to have a cash-book to be signed by the Controller and Auditor, and the general cash-book was the best form in which that could be done, especially at a time when the cash-book had to be sent to the Audit Office to be signed by Mr. FitzGerald. It is only within the last twelve months that Mr. FitzGerald has called at the office to sign.

923. Do you say that up to twelve months ago it was necessary to send your cash-book daily to the Audit Office?—At a rough guess, Mr. FitzGerald came to this office twelve months ago. Prior to that the cash-book was carried up to Mr. FitzGerald for signature. At the time we had one cash-book it was a continuous source of trouble between the Audit and the Public Trust Office as to the possession of the book. They could not get it because we were using it. Therefore one way of getting over the difficulty was to split the work up into class cash-books.

924. Then, for the last twelve months that objection has disappeared?—Yes: by having the six class cash-books the six different branches can go on posting up their ledgers at the same time.

925. Supposing, then, that the summations of your ordinary cash-books were made daily, and the balances ruled off and brought down, could not the totals from those ordinary cash-books be carried into your Check Ledger as they are now from your general cash-book?—Yes, just as well.

926. If that were done you could dispense with the general cash-book?—Yes.

927. And all the extra writing in it?—Yes.

928. You have told us that for the last twelve months the Auditor-General has called here to sign the cash-book. What is the object of his signing the cash-book?—He is bound to do it to comply with the Public Trust Office Act. I suppose it is a certificate that it is correct.

929. If he finds the cash-book not added up, and the grand totals not ruled off, would he still