

1390. Then you think he spends half of his office-hours with your office?—Yes, I think so.

1391. That has been the custom?—Yes.

1392. When he comes to your office each day how does he proceed with his work?—Well, he passes what vouchers there are, and does whatever branch-work he feels disposed to or considers necessary.

1393. Does he ask for the cash-book?—Yes; whenever he wants it he asks for it. Of course the books lie about, and he can take them when he wants to without asking.

1394. Have you seen the officer from the Audit Department this morning?—No.

1395. Did you see him yesterday?—Yes.

1396. He was in with you yesterday?—Yes.

1397. When he came did he ask whether your cash-book was balanced?—I cannot say that. He did not ask me anything yesterday.

1398. Did he ever notice that the total cash-book summations had not been made?—He has never spoken to me about it.

1399. But you know that the total summations have not been made in the daily cash-book?—Yes.

1400. Did the audit officer ever call your attention to the want of summations in the ledgers?—No.

1401. Then, how does the Audit Department check your balances?—He calls over the cash-book and journals with the ledgers, and then he has our balance-workings to go over, and then checks the balance-sheet with the Check Ledger.

1402. The Audit Department never attempt to take out a balance for themselves from your books?—No.

1403. They never have done so?—They may have at one time. I do not know; I have never seen them at it.

1404. Do you think they ever attempted to take out a balance?—I do not think so.

1405. Supposing that any false entries were ever to occur in the books of your office—not that I think they have occurred—but supposing those things ever had occurred, and which have occurred in most parts of the world in the best-regulated offices, would the system of audit adopted in your office lead to a detection of any such falsification?—Well, if the falsification is to be found out through calling over the cash-books and so on, they might find it out. Of course there may be such a way of making the entries as to elude even the most vigilant audit officer. The audit is not so searching as it might be.

1406. Then, do you consider the system of audit, as practised, of any real or practical good or benefit to your office?—No, I do not think it is.

1407. Then you would have got on just as well without it?—Yes, I think we should—with, of course, a less expenditure of time.

1408. Now, you spoke of the Audit officer calling over the cash-book with the ledger: will you describe how he goes about that?—He usually borrows one of our junior clerks, and one takes the cash-book and the other the ledger, and they call over between them.

1409. Can you speak from your own knowledge whether the clerk whom you have been good enough from time to time to lend to the Audit Department on such occasions has ever written up the cash-book?—Yes, he has.

1410. So that it might happen that your clerk who called out the cash-book to the Audit officer, who was looking over the ledger, was the officer who had written up the cash-book the day before?—Yes, he might be so.

1411. Of course, there are different ways of calling over a cash-book. Does the Audit Department call over every entry in the cash-book?—I believe so. I have never watched him, but I believe that is his practice. I do not know from my own knowledge.

1412. He never asked you to call over the ledgers or cash-books with him?—No.

1413. Nor does he ever check and take the totals of each branch?—No; I think he calls over the individual items. He has the individual ledgers when he is at work.

1414. Now, you have got a large kind of Register-book, one of the first that you opened. You call it a Record-book of the letters received?—Yes.

1415. Well, is that book always kept under the same system?—The system has been varied since its first establishment. At first all letters went into that Record-book. At the present time only those letters go into it which do not relate to estates. There are another series of books, called Index to Estates, in which the letters on estate matters are entered.

1416. Of how many such books is that series composed?—At the present time about a dozen. They are gradually increasing in number. As they get full fresh books have to be started.

1417. Do you think, under your present system of increasing books, that you will not find a difficulty in getting them made for you and in finding room to store them?—As new estates come in you must find room for them in your books.

1418. Do this series of twelve or thirteen books cover for their purposes the whole work of the office from the first?—Yes.

1419. And they are related or connected with this Record-book?—For the first few years they were kept concurrently with the general Record. Now the letters on estate matters are only entered in the Index of Estates, and drop out of the other book altogether; so that general records only, not relating to estates, go into that large Record-book.

1420. If that large book were kept in alphabetical form, as we agreed about a similar book for registration of particulars of estates, would not that book answer all the purposes in place of the present Record-book and Index—in fact, of the whole thirteen books?—Yes, it would.

1421. And that would save a lot of time, trouble, and reference?—Yes; you would simply go to the one book.