

1473. But, with that improvement, that form of ledger would be much better than what has obtained in your office?—Yes, I think it would be. It seems to me that there is some advantage of having the capital and income of an estate account in the same opening, so that you can see the value of the estate without turning to different parts of the ledger.

1474. Then, supposing you had ample space in each folio for particulars, what is to hinder you from putting those particulars in any form?—Yes, we could do that.

1475. I want you to see the necessity, in any folio of your ledger, of confining yourself in the keeping of an account to three principal money-columns. Do you agree with me in that?—Yes, I do.

1476. That is to say, a column for the debit transactions, a column for the credit transactions, and a column showing the balance, with an indicative column to show whether the balance is in debit or in credit, simply by using the letters D or C?—Yes.

1477. Then you would approve of that?—I should approve of that.

1478. Now, in glancing over your report to the Commissioners, I notice that you have made several suggestions that in your opinion would improve your office system of book-keeping?—Yes.

1479. Some of your suggestions fall into the line of suggestions made to you when you were first before the Commissioners?—Yes.

1480. Showing that you approved of those suggestions?—Yes.

1481. You have been in this office for ten years?—Yes.

1482. Have you ever, during that time, made any suggestions for the simplification of the system of book-keeping in the Public Trust Office?—Yes, I have.

1483. Have you on more than one occasion, or on many occasions, made suggestions in that direction?—Well, I do not know that the occasions were many, because there was no opening for it. The first suggestion as to opening accounts separately for capital and income being met by a statement that the Public Trustee did not feel it desirable to alter the system adopted by the previous Trustee and the Audit, therefore there was no room for me to suggest.

1484. Very well; that is what I want to get at; and I wish you to state fully, without any reserve, your feelings on that point. I want to ascertain from you clearly whether you have been labouring under the impression that it was useless to make suggestions for simplifying your system of book-keeping, presuming from what you have said that there existed a determination not to depart from the system that had been initiated in the first instance?—Yes, that was so.

1485. You have no doubt about that?—I have not the slightest doubt about that. In making my suggestion to open separate accounts for capital and income, I ruled pages and submitted them to the Public Trustee; but he did not feel justified in adopting them, seeing that a change in the system would be introduced; and on a repetition of those statements on two or three occasions when I made suggestions, I felt it was useless to suggest any changes, because the Public Trustee desired to maintain a uniform system to that adopted by the previous Trustee and the Audit.

1486. Then, in other words, you have felt that you were working within iron-bound rules?—Yes; just so.

1487. You felt that a system of book-keeping had been initiated at the time of opening the Public Trust Office, and you have always found there was a determination not to alter that system?—Yes; just so.

1488. Notwithstanding many suggestions made by yourself?—Yes.

1489. And do I understand you to say that if you had had free scope to alter the system that you found in vogue in this office when you joined it, you would have made improvements?—No; I do not know that I would have done that, because there was still the Audit difficulty to get over.

1490. *Mr. Loughrey.*] Did the Audit ever suggest any method of book-keeping to you?—No. I will give you an instance of the Audit difficulty. The first way in which the Public Trustee produced his annual accounts and published them was altered by the Audit to the form in which they now appear; and, that being the case, it showed the Audit had the control, and that we were not free agents.

1493. You have told us more than once that the auditors have never suggested anything in the method of your book-keeping?—Not in the way of improving it. They changed the shape of the accounts into the form in which they now appear.

1494. *The Chairman.*] Are we to understand this: that if the Public Trustee had been willing to listen to any suggestions on your part towards the simplification of the system of book-keeping, you and the Public Trustee would still have had to face the difficulties that would have been raised by the Audit Department?—Yes; just so. I may mention that at one time we adopted the simple method of showing the overdrafts in the estate accounts, letting the debit balances show; but the Audit stopped us.

1495. Did the Audit Department give you a reason for stopping you?—Yes: that we had no right to pay out of an estate account more money than was at the credit of that account, when it became necessary to make advances to the estate for purposes of realisation. After realisation that overdraft would be liquidated, and the amount credited to the estate account.

1496. But I presume your office—that is to say, you, as Accountant of the office—would not allow any estate to be overdrawn did you not feel warranted that sufficient assets remained in your hands to justify such accommodation?—Just so. I should have called the attention of the Public Trustee to it if the amount proposed to be paid exceeded reasonable limits.

1497. Then, notwithstanding that you might have any amount of assets to come and go upon, as it became desirable to realise those assets the Audit Department would not allow any advance by way of overdraft in connection with such an estate?—Yes, that is so. If an estate was worth £30,000, they would not let us overdraw half-a-crown.

1498. So that, in order to do justice to such an estate, you had to adopt a roundabout method of getting an advance out of your own Expenses Account in the first instance to provide funds to