

two. I have been through them all. I suppose you are aware, as I said before, that the summations of the individual ledgers have not been made in ink?—Yes.

2194. Are you aware that when many of the balances are carried to a new ledger no indication has been made in respect to the folio they are carried to?—I am not aware of that.

2195. Then, you do not think it is the duty of the Audit Department to complain, or, in fact, to refuse to audit a book that is not in a complete state?—No.

2196. Do you know whether an experienced auditor, practising as an auditor, would audit books unless they were properly written up?—Well, of course, on the general question of incomplete books it would be incorrect to do it, but when they come finally before me at the end of the year I test their correctness. It would hardly be fair to take an arbitrary period.

2197. Would you call a space of twelve months an arbitrary period?—No.

2198. Then, if the books were incomplete for that period, what means would you have of checking their correctness?—When an issue was proposed to be made I would refer to the ledger-balance to see there was sufficient money to meet it.

2199. Then, when you saw the ledger-balance, and the debtor and credit or columns showing that balance, you would presume that it was correct?—No, because I have taken it from the Check Ledger.

2200. Then, of course, you presume the balances in the Check Ledger are correct?—I presume they are, because the entries are made from the cash-books and journals which I have individually examined.

2201. Ought not the Check Ledger to be a check on the balances in the individual ledgers?—Not individually. We will take one account called “Intestate.” There will be one total in that, and the total of the individual estates would total up to the amount in the Check Ledger.

2202. That is, the balances of many accounts would appear in one total in the Check Ledger. Therefore I ask you again, would not the Check Ledger be a check on the balances in the individual ledgers?—Yes.

2203. Very well. If you find the balances indifferently kept in the individual ledgers, without the summations and the totals being made, how can you positively say that those balances are correct unless you go through the ledgers from the commencement of an account?—I do not know that it is necessary. The only way these ledger-balances will come before us during the year is by the Public Trustee proposing to make any payments; and we will then see that there is sufficient money to meet those payments.

2204. In fact, the Audit Department seem to rely on the Public Trust Office to keep their accounts correctly?—Yes, at portions of the year, but at the end of the year we check that.

2205. How can you check at the end of the year unless you go through the whole year?—We have gone through the individual ledgers at various times during the year.

2206. How can you rely upon the balance being correct unless you go through and check the whole of the summations for the year?—They would not serve the purpose during the year. As long as there is a balance in an account we would issue.

2207. But, supposing an error had been committed in the working of the accounts, how would you find it out?—We should find it out at the end of the year, when checking the annual balance-sheet.

2208. But meanwhile the balance might have been dealt with?—The balance is quarterly, and the error could not extend over three months.

2209. Then you do rely upon the Public Trust Office keeping its accounts correctly?—To a certain extent we do.

2210. The Audit Department, through you, does not think it part of its duty to see that the books of the Public Trust Office are kept in a regular and proper way?—That is rather a wide way of putting it. Considering the means adopted to make the entries, I think they are fairly well kept. When these entries are made by juniors in the office, you cannot expect the accuracy you would have in older hands.

2211. I am not wishing to impose upon you greater duties than you consider your office imposes. But I ask your opinion whether, taking any one account in this ledger, you can point to me an instance where the summations have been made and appear in ink, where I am in a position to check the balance and see that the balance according to the ledger is correct? Can you point out to me one single account, where the summations have been made and brought down in any part of the account and filled in in ink, where I can put my finger and say, the difference between those summations gives the balance?—On folio 92 you could do that.

2212. The total summation there on the debtor side is £70 12s. 6d., on the credit side £50; difference, £20 12s. 6d.; and the balance shown is £1 18s. 2d.?—If you were to go back and work it up from the commencement, you could get the total summations.

2213. What I want to call your attention to is this: whether you have ever seen books properly balanced without the balance being brought down and ruled off? Why did you not ask the Public Trust Office to do the same?—Because we have never thought it part of our duty to do so.

2214. I suppose you will agree with me that there are none of the summations through any of these ledgers that are in ink or brought down?—They are not done. They would need to be, to make the thing more complete.

2215. With your long experience, have you thought of any way in which the book-keeping of this office could be simplified?—I have thought of it several times.

2216. You think it could be simplified?—I think so.

2217. But you have never framed a plan?—I have at odd times spoken to the Accountant and to Mr. FitzGerald, who said it was no part of our duty to suggest a plan: “All you have to do is to see that their books are accurate.” I do not think it is at all necessary that there should be so many cash-books. I think it would be more correct if one man would undertake the duty of entering up the cash.