

2218. In fact, that it should be conducted, so far as cash is concerned, much on the principle that a bank teller does his work?—Or a cashier in a merchant's office.

2219. Do you not think the number of ledgers could be considerably reduced?—I think that could be done also.

2220. Would that not make your work much more simple?—Certainly, I would not have so many books to go to.

2221. And the more books you have to wade through the more time you consume unnecessarily?—Yes. Might I say, in connection with No. 4 ledger, that I think a large number of entries are made unnecessarily—that is, in the miscellaneous entries. Every little entry is elaborated in matters coming under the Bankruptcy Act.

2222. That is, you think the whole of those accounts might be brought in under one heading?—Yes.

2223. There are over fifty folios with an average of ten headings in each folio. You say there is no reason why all these entries should not appear under one heading?—I think so.

2224. *Mr. Macdonald.*] You told us, Mr. Webb, that you look at the revenue entries in the ledger. Will you tell us how you check the correctness of the revenue that comes in?—From the block of the receipts.

2225. But have you any means of checking the correctness of the cash that should come in?—Not in all cases.

2226. Does the Audit Department make no investigation into that?—Except what information comes from the terriers. There may be entries in the records which we do not see.

2227. Then, practically speaking, the audit consists in checking the cash receipt-book?—Yes.

2228. It is not an audit, in reality, of the revenue correctness of the office?—It may or may not be, supposing they do not choose to bring any entry into their book and it was purposely omitted.

2229. They have a certain standard revenue coming in from mortgages, from rents, from interests, and various branches of that kind: do you not check that?—Yes, I do. But they may get round the Audit by saying, "This amount is still outstanding." We could not tell then.

2230. But, as a matter of fact, have you any record as to what amount of money the Public Trust Office ought to receive per annum in the shape of interest upon mortgages, rents, &c.?—There is no such record kept, and that is one point I have spoken to Mr. Moginie about, the necessity of keeping a record, to show what amount of money ought to have been received.

2231. You have no means of checking that at present?—No.

2232. *Mr. Loughrey.*] Did you draw the attention of the Public Trust Office to these apparent defaults in the payment of interest?—I have drawn the attention of the Ledger-keeper to them. His cadet makes out a note of the interest in arrears, and I see these; but they are not sent to me officially.

2233. You never make inquiries?—I say, "How is he not paying his interest?" They say, "He is in default," and I could not go beyond that.

2234. *The Chairman.*] The Audit Department is not responsible if interest is not paid regularly?—I do not know that it is our duty to see about it.

2235. *Mr. Macdonald.*] You mean that it is not your duty to call attention to the fact that there are arrears?—I never thought it to be.

2236. *The Chairman.*] Do you know of the system which obtains in this office of the Ledger-keeper keeping his cash-book?—Yes, that is the system.

2237. Do you approve of that?—I do not think it should be done.

2238. *Mr. Loughrey.*] Have you spoken to the Accountant about it?—Yes. His statement is, "It is the system which was in use when I came into the office, and I have simply carried that on." As there was no power behind us to make the Public Trustee keep the books in the form we might wish, nothing could be done.

2239. *Mr. Macdonald.*] Have you any book in which you enter any observations you desire to make respecting the accounts?—They are made either by notes put on the papers, or are made orally to Mr. FitzGerald or Mr. Gavin, as the case may be.

2240. Do I understand that you inspect the terriers?—Yes.

2241. Is it done on a complete system, or merely perfunctorily? Are they complete records of the business?—I do not know that they are.

2242. If they are not complete records, the inspection must necessarily be perfunctory?—Yes, taken in that light it is.

2243. That remark holds good with reference to the Assets and Claims book as well?—Yes. If they do not choose to make entries in the Assets and Claims, or terriers, we do not know anything about them.

2244. *The Chairman.*] And therefore, so far as the correctness of their books in that respect goes, your audit is a farce?—I do not know that that is the exact term to apply to it.

2245. It is a farce so far as attempting to discover any neglect?—Yes; we would not be able to discover errors for some time.

2246. What check has the Audit Department upon amounts drawn from the bank and invested by the department in deficiency bonds or in other ways? Supposing it was necessary to invest £1,000 or £10,000 from the office here, money lying in the bank, what would be the *modus operandi*?—Before I would pass the voucher issuing the £10,000, I would see the resolution of the Board authorising the Public Trustee to invest this money in deficiency bills; and before Mr. FitzGerald would issue that he would get the deficiency bill. He keeps those in his safe.

2247. Do I understand you to say that Mr. FitzGerald, as Auditor-General, would get from the Government the amount of deficiency bills covering the investment?—Yes.

2248. Then, in point of fact, he has never relinquished possession of them?—No. They are