

substitution of a simple and reliable system of book-keeping for methods which, if not unsafe, were but cumbrous and unintelligibly circuitous expedients. The capital funds for investment on account of a property were formerly passed by investment out of the ordinary property account into a separate investment account, and were balanced with another elaborate account, showing the proceeds of estates specially invested—showing, that is, the allotment to the properties of their shares of the investments.

Of these investments, there were many cases where a mortgage had been allotted, as already explained, to several properties; and the following example will perhaps suffice to show what, in an ill-devised method of accounts, a maze of entries a few transactions may involve:—

A sum of £20 10s. 6d., for interest due under a mortgage, would be paid into the bank to the credit of the office, and the clerks who would deal with the bank-receipt on its arrival would find that a trust property, a lunatic's estate, and the General Investment Account contributed the total amount of the loan. The clerk in charge of the trust would thereupon write an acknowledgment in triplicate for his portion of the amount, and after making on the back of the bank-receipt a note of this portion, and inserting a number, he would hand the receipt to the clerk in charge of the lunatic's estate, who would go through the same process for his portion, and would in turn pass the receipt on to a third clerk, who would repeat the operation with respect to the remaining portion. This sum of £20 10s. 6d., having thus been resolved into its elements, would be entered in its respective proportions in three cash-books, after a fourth clerk had sorted the receipts and acknowledgments into classes.

This is by no means an exaggerated example. There were hundreds of such cases, though the process has now become obsolete by the adoption of a system providing that the capital of properties may be entitled to a common rate of interest by falling into a common fund, of which the investment concerns only the Public Trust Office and the colony, and of which the integrity is guaranteed by the colony. Under this system the accounts show the capital funds of the properties as deposits at a fixed rate of interest, while the funds are invested with a view to a general return sufficient to pay that rate and the expenses of management.

The Act of 1891, which followed the issue of the report of the Royal Commission, also deprived the Audit of the power to compel compliance with its requests in respect both to the receipt and payment of the money and to the accounts of the Public Trust Office. An audit preceding, and as a necessary condition to, administration, may occasionally result, from one cause or another, in a serious embarrassment to the efficient conduct of a business which, like that of the Public Trust Office, requires methods as simple and expeditious as may be consistent with safety. Much of the business is, indeed, of a commercial character, and the public appear to expect that in the transaction of this business the office should be distinguished, as a Government office, for a commercial absence of impediments. An important Government office can, as a general rule, decide whether the accounts against it are regular, and when and how they should be paid; and to the inconvenience attending a system of audit preceding payment is probably due in some measure the recourse to the expedient of imprests. Persons who have to receive money from the Public Trust Office should not be distressed by a delay in payment which may be the consequence not of any fault of their own, but of doubts or disputes as to certain questions of form or administration. And now, as regards the Public Trust Office, the payment of accounts may take place as soon as the office is satisfied that they are correct and properly rendered; and this reform has been accomplished without having been proved by experience to have been of ill-advised expediency. It is, however, the usual practice to submit the accounts before payment for the approval of the Auditor-General, after they are audited and passed by the Public Trust Office, and when there is no reason to fear that this course will result in inconvenience. And, on the whole, the relative attitude of the two offices is more reasonable and satisfactory. At one time an Audit official could have even ventured to make into a huge package, and address to himself as a private letter, the accounts constantly required in the transaction of the business of the Trust Office, and have expected the Public Trustee to be called upon by the Auditor and Controller-General for an explanation why the private letter had been opened by the office-clerks, who required the accounts, and knew that the package contained them.

The journal involved a more formidable amount of work than is commonly required by the most cumbrous of ordinary commercial journals. Every item of commission or of interest or of other charge forming a transfer to or from an account was entered first in a schedule for Audit approval, and then in this journal; and the work of examining the book, which was trying enough, to make even an Audit official inquire "Of what use is it?" imposed upon the Public Trust Office a task which had become unendurable, and with which the severest process under the present system is in comparison light.

The numbering of forms, whether of receipt, or statement, or account, being understood by all who have carefully studied the subject, and generally acknowledged to be of no service in the prevention of fraud, has, with the duplication of vouchers, been discontinued wherever the discontinuance would not remove a mechanical assistance to the book-keepers. The numbered forms, in triplicate, of receipt and acknowledgment, bound up in more than a score of books, have therefore been dispensed with. The journal and the numerous cash-books have given place to one simple book of very small dimensions, in which the receipts and payments are balanced daily, and in which all the direct cash transactions, as well as the transfers or journal-entries, appear in classified totals. These totals are obtained from statements of every item of the receipts and payments at the Public Trust Office, and at money-order offices, which, under an arrangement with the Postmaster-General, receive and pay money for the office. The statements—which are the lists which the Post Office must prepare for its own convenience, and are supported by the lodgment-slips for