

87. Subsection (4) appears to modify that. Could you include any arrears in a statement of receipts and expenditure?—Well, no, unless by an abstract memo.; and therefore it is obvious that section 50 must be read as a whole. Subsection (4) forms part of the balance-sheet—it forms one whole as a concrete statement; you cannot get over that. If you eliminate subsection (4), you have the right to eliminate any of the other subsections. It is simply an item that must be shown as forming part of the balance-sheet.

88. You admit that the balance-sheet is incorrect to the extent of £2,850 accrued interest not put in?—Yes. That was a merely inadvertent omission.

89. Then, you must admit that the statement of interest is not correct?—Yes; it shows inflated results to the extent of £2,850.

90. *Hon. Sir W. R. Russell.*] Would it not be possible for the Audit Department and the Advances to Settlers Department to agree on some form of balance-sheet which would be intelligible to Parliament and yourselves?—I contend that the only balance-sheet that can show the true position is there, and that any other would not be true. It shows all the receipts and expenditure included, as provided in the Act, and what the financial position of the office is, and the financial results of the operations.

91. Do you not see that it is difficult and injurious to the public that there should be this splitting of straws between two Departments?—It is not a splitting of straws. It is a matter of the greatest importance to me. It is a question of principle and correct professional practice, which is a very important matter indeed.

92. Well, I will withdraw that. But it is inconvenient to the public if they cannot know what the true balance-sheet is with regard to form and principle?—I am pinned down to the only true and correct form, and it is quite contrary to correct practice to present it in any other form.

93. *Right Hon. R. J. Seddon.*] Is there any accountant who stands high in the profession outside that we could call in to assist us in settling this matter?—I think Messrs. Badham and Biss stand high in their profession, and there are Mr. Henry Kember and Mr. Stuart and others, who stand very high in the profession of accountants here.

---

SIR,— Government Advances to Settlers' Office, Wellington, 21st September, 1905.

I have the honour to request that in the report of my evidence in connection with the Government Advances to Settlers Office Accounts the following amendments may be made:—

In paragraph 6, add “or it is not a balance-sheet at all, &c.,” so as to read as follows: “The balance-sheet must be founded on the accounts or it is not a balance-sheet at all, and each and all of the four subsections of section 50 refer specifically to the accounts to be kept as provided by sections 46, 47, and 48.”

In paragraph 7, strike out the words “but it does not say they are limited to that and,” and insert after the words “section 46” the words “that is the bank account.”

In paragraph 9, insert after the word “but” in the second line, the words, “it does not say they are limited to that and.”

Yours obediently,

P. HEYES,

Superintendent.

The Chairman, Public Accounts Committee, Parliament Buildings, Wellington.

---

*Approximate Cost of Paper.*—Preparation, not given; printing (1,550 copies), £2 15s.

---

By Authority: JOHN MACKAY, Government Printer, Wellington.—1905.

Price 6d.]