

was, so far as the Audit was concerned, a matter of no importance whatever—in short, would never have been looked at. I am not saying whether the system is a good or bad one, but I do say that Mr. Larnach obtained evidence from me knowing all the while that I was speaking under the false impression that the summation of the columns were, as in most books, a necessity; in short, he was asking me questions with *one meaning*, knowing that I was answering them with *another*. Of course, I discovered the error on inquiry, and corrected it in my evidence the next day. But I am entitled to characterize such a mode of examination as—well, I will leave the reader to finish the sentence according to his sense of what is honourable or the reverse.

I have examined the cash-books and ledgers with some care, and have no hesitation in saying that they are fairly well kept. I have not come across any entry which was not completely legible, nor a figure that could possibly be mistaken for another. I have counted every correction in some of the ledgers. The result in two ledgers gave an average of one correction in every nine and a half folios of fifty-nine lines each. In some books they were somewhat more numerous. The caligraphy is not always artistic; but it is clear—wonderfully so, considering that much of it was the work of a lad at £35 a year and a house-allowance. The fact that the columns are not always added up and ruled off may be an eyesore to an accomplished bookkeeper. It was of no importance to an Audit Inspector, who checked the addition of the daily totals into the General Cash-book and Ledger and thence to the Balance-sheet.

I am not concerned to uphold the scheme of account. It is no doubt cumbrous and not as well-adapted for the office work as it might be, and the Accountant of the Office has himself suggested its alteration; but to speak of it in the terms in which the Chairman spoke throughout his examination was unjust and untrue, and the possible saving of labour in book-keeping has been very greatly exaggerated. It is often the case that men who have been brought up to certain forms of book-keeping imagine that all accounts are wrong which differ from such forms, and are incapable of realising that forms are, after all, only valuable so far as they record facts and facilitate results, and that various forms, within the limits of established principles, may attain the same ends. Frauds and bankruptcies have not been averted by books written like copperplate, and homely accounts have often satisfied the keenest audits and recorded the largest commercial success. The book-keeping in the Trust Office has been sufficient to enable me to certify that out of £1,607,806 15s. 5d. received in the office from its foundation to the 31st of December last, and £1,592,841 2s. 6d. expended in the same time, not a farthing has gone wrong or been expended otherwise than as provided by law.

6. *That no Lists or Inventories of Personal Effects coming into the Office by Intestacies were required by the Audit.*

I am free to admit that this has been overlooked. No doubt one reason may be sought in the fact that when the audit of stores, which was formerly placed in an independent office, and, when that was abolished, in the Audit Office, was finally abandoned, the duties of the Audit Office were considered to be confined wholly to matters of account. I give this as a reason, but not as an excuse, for overlooking a duty which, however, never came under my notice. At the same time I take leave to observe that it is a mistake to suppose that such lists or inventories would afford any protection against speculation. Persons dying intestate do not, as a rule, leave behind them accurate inventories of their trifling personal effects. Such goods are usually taken in charge by some relative or friend—often by the police—and finally find their way to the Trust Office, or one of its agents. If any speculation occurred it would, of course, occur *before*, not *after*, such a list were made; and if the inventory were deemed necessary as against the Trust Office itself, it may be presumed that it would be made and sent to the Audit Office *after*, not *before*, the articles were secured. Nor in any case could the Audit discover whether the list were right or wrong. Hence, whilst an official form has been omitted which should have been required, it was one the supplying of which would have put the Audit in no better position to prevent or detect wrong than it was without it. The Audit Office does at present trace the proceeds of the sales from the auctioneer's list into the Trust Office account.

7. *The Charge of buying Articles of Intestate Estates at Auctions.*

Although it is no part of my duty to defend the officers of another department, I cannot resist the opportunity of saying that an undue and most ungenerous slur has been cast on some gentlemen of the Trust Office for having purchased at auction some watches or other