

1894.

NEW ZEALAND.

PUBLIC TRUST OFFICE.

(REPORT MADE BY MESSRS. KEMBER AND TODD, ACCOUNTANTS, ON THE SYSTEM OF KEEPING THE ACCOUNTS.)

Laid upon the Table by Leave of the House.

Wellington, 31st August, 1894.

SIR,—

In accordance with the instructions contained in your letter of the 16th instant, that we should inspect the present arrangements for keeping the accounts of the Public Trust Office, and report whether, in our opinion, the principle of the accounting system is at fault, we have the honour to state that we have made a searching examination of the Public Trust Office books, and that we find that the books are neatly and correctly kept by the double-entry system, and that the arrangements made for carrying out the present system are expeditious and correct, tend to lessen labour, and facilitate the working of the business of the office.

With regard to the objections raised by the Auditor-General to the last balance-sheet of the Trust Office, we do not think we are required to give our remarks on the subject of "control," but, viewing the matter quite impartially, we feel compelled to state that the objections raised by the Auditor-General and reported to Parliament should not, in our opinion, have been published, as the queries refer to matters in many cases of opinion or administration, and cannot be classed as errors, and could have been easily arranged by a conference between the Auditor-General and the Public Trustee; but which, being made public, must tend to unnecessarily damage the Public Trust Office in the eyes of the public. As, for instance, objections No. 1 and subsections 1, 2, 3, and 4 of No. 2 in no way affect the balance-sheet. No. 6 is an error pure and simple, which was corrected on the 6th January last by cross-entry. On the 6th June, when certifying the accounts, the Auditor-General states: "The estate is therefore deficient by £2 7s. 2d." This is misleading, as it would naturally be inferred that the matter had not been corrected, and that the estate was still deficient.

Availing ourselves of your permission, we have inspected the system of the General Post Office and the Government Insurance Office, but, owing to the difference in the nature of the transactions and requirements of these departments, they offer no opportunity for comparison with that of the Public Trust Office.

We enclose herewith a list of suggestions which we think are necessary to perfect the system. These have been offered to the Public Trustee, and accepted by him with the understanding that they will be carried into immediate effect; and we have therefore no hesitation in saying that the Government and the country should have every confidence in the accounting system of the office, to which we can find no valid objection.

We have, &c.,

HENRY KEMBER, M.I.A.N.Z.,
Public Accountant, Wellington.ROBERT J. A. TODD, M.I.A.N.Z.,
Accountant, Government Insurance Department,
Wellington.

The Hon. the Colonial Treasurer.

SUGGESTIONS: PUBLIC TRUST OFFICE ACCOUNTS.

1. ALL interest received as income on account of individual estates, instead of being credited as at present to interest, should be credited direct to the particular estates interested, thus saving unnecessary cross entries.

2. All debit entries in the personal ledgers should be completed by filling in the dates at time of transfer to the summaries.

3. At present it is the practice, when vouchers are being sent out for payment by the General Post Office, to debit the particular accounts in the personal ledgers at the time the voucher is sent out, but the Cash Account is not credited till the voucher is returned to the Public Trust Office receipted. Hence the objection to subsection 5 of the Auditor-General's Report.

We hold that this is incorrect, and would therefore suggest that the entries be made in the cash-book at the same time as they are made in the personal ledgers—*i.e.*, when the vouchers are passed for payment—thus bringing into conformity class ledgers with general ledgers, and cash-book with actual *cash* in the hands of the General Post Office.

HENRY KEMBER.
ROBERT J. A. TODD.

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