116. Do you take it up yourself?—No. As a matter of fact, Mr. FitzGerald comes into Mr. Hamerton's room and signs it.

117. *The Chairman.*] This book, then, signed on the 19th day of March, 1891, by the Auditor-General, presumably as correct, has not really been thoroughly checked by you nor by him?—No.

118. Tell me distinctly, has it been thoroughly checked and examined by Mr. FitzGerald?—No; he takes my certificate.

119. Then, on this occasion he signed this book without any certificate?—I never give him a certificate. That is my writing there.

120. That purports to be a certificate?—Yes.

121. Then you wrote that before you had completed your check of the book?—Yes; you must do so. I could not possibly check all these books through in time owing to the press of work occasioned by the examination of the balance-sheets of the Insurance and the Trust, and by the fact that the work required for the Commissioners monopolised the books. The rule is, of course, to check the entries in the cash-books first.

122. Then, if the audit is signed before the work is done the audit is a farce. This, to my mind, although it is an unusual book to be kept by an office, is the real cash-book of the office?—No; the daily cash-books are the real cash-books.

123. Then why does not the Auditor-General sign the daily cash-books?—Because he could not do it.

124. Then, I understand from you, the Auditor-General signs for his department on the faith of any officer of his department having said that he has checked the work?—Yes.

125. Has he ever requested any particular officer to sign for him?—Never; I do not think so.

126. It seems to me it would be more correct, where you act on the part of the Audit Department, that you should sign for the Auditor-General where you have done the work yourself?——But the Act provides that the Controller-General himself should sign.

127. Under this section the Act says distinctly that a Cash Account shall be kept?—When that Act was passed the operations of the office were on a very small scale.

128. *Mr. Macdonald.*] What do you do in order to check the cash every day? When you come into the office what do you do?—I take these two receipt-books, one called the "Receipt," and the other "Acknowledgment." The "receipt" money is actually paid to the Head Office; and "acknowledgment" money is paid by the various agents. I take these with the cash-books. In the case of acknowledgments, sometimes they do not appear for some time, possibly for a fortnight.

129. Where is the money kept?—It is kept separately.

130. Is it in separate accounts at the bank? [Acknowledgment-book produced.] Where do you get this from?—The Public Trustee gets that from his agent.

131. And this is filled in by the advice the agent sends in?—Yes.

132. And then you take it as a fact that this money has been received by the bank?—Yes.

133. Have you an indiarubber stamp which you put upon everything to show you have checked it?—Yes.

134. You do not check it daily?—No.

135. What do you check daily?—I do not check any set work daily. Of course, if I did no other work I should have a certain system, but I am called away constantly to the Government Insurance Department, and have to keep the two running.

136. You are here every day?—Yes.

137. Do you check the cash every day?—No.

138. And what becomes of that clause in the Act which says that the cash shall be certified to every day? That is not carried out?—No.

139. We will take the balance here. What did the balance in the bank-book consist of?—All the moneys paid in.

140. Was there any cash in the office at the time?—Mr. Moginie would have that in his Imprest Account.

141. There is no particular date here for balancing the cash-book?—No.

142. When you examined this book here, did you count this £371, 2s. stamps?—Yes.

143. How often do you count the actual cash in the office?—The arrangement now is practically that we shall do it once a fortnight—*i.e.*, the Imprest Account of the Accountant.

144. *The Chairman.*] Have you done it on an average once a fortnight previously?—No.

145. Once a month?—No; I think quarterly before.

146. *Mr. Macdonald.*] Have you any auditor's book to show how often you attend?—No.

146A. None in which you record your observations if you discover any error?—No. Anything of that kind I take up to the Controller.

147. You do not place it on record?—If he thinks there is any point in the objection, he writes a memorandum upon it.

148. Do I understand that, supposing you go through and notice an irregularity in the books, you have no auditor's book in which you record the fact at once, and what explanation is made respecting it?—No.

149. That is the practice in the Audit Office?—Yes.

150. The officer finding out the error does not make any reference to it at all?—No; he merely reports to the Controller.

151. *The Chairman.*] Look at Cash-book 34. Would you consider it came within your province to report any careless summations of that kind?—No: I might mention it to Mr. Buckland. That cash-book is written up by a boy in the office.

152. Is it right that a boy should keep one of the most important books in the office?—He only writes up the particulars, and they are checked.

153. Did you check these summations?—I may have done so.

154. This is the 31st December, 1889, and in every amount carried forward there is an altera-