

feates from the heads of departments employing labour, to the effect that all wages owing have been listed to the city treasurer.

The auditor should always, before making out the balance sheet, consult the city solicitor, and see that some reasonable provision is made therein for damage claims. Some city auditors hold that this is not necessary on the ground that unsettled or undecided claims are not a liability until they are in finite shape. This would appear to have the effect of relieving the years in which the damages are sustained in case there is a long drawn out fight. Provision should be made in every year's appropriations for such claims, and the forming of an estimate of damages sustained to be charged against current revenues, would appear to be good practice and even sounder finance.

Coming down to the balance sheet, in the first place we will assume that the auditor knows exactly the form best suited to the needs of the city, and that this point need not be discussed. What supporting evidence does he require?

Let us take a specimen balance sheet and discuss this. Assets first:

*Titles.* Should be examined. It is no part of a city auditor's duty to be a valuer, but it is part of his duty to see that assets are displayed at cost, and that where appreciation is provided, it is offset by a reserve for this purpose. A new auditor is not bound to go behind values set up by his predecessor so long as he makes it clear that he is taking his predecessor's figures.

*Stores.* The stock ledger, with the storekeeper's certificate, is sufficient.

*Accounts Receivable.* Must agree with the subsidiary books, whether tax rolls, utility records or what not.

*Bank Balances.* Bank books should be supplemented by personal enquiry at the banks.

*Unexpired Insurances.* Policies should be proved with the insurance register, and unexpired premiums verified.