

(No. 11.)



1877.

SESSION IV.

T A S M A N I A.

LEGISLATIVE COUNCIL.

A U D I T A C T :

R E P O R T O F S E L E C T C O M M I T T E E .

Laid upon the Table by Mr. Gellibrand, and ordered by the Council to be printed,
October 5, 1877.



REPORT of the Select Committee of the Legislative Council appointed to enquire into the working of "The Audit Act."

REPORT.

THE Select Committee of the Legislative Council, appointed to enquire into the working of "The Audit Act," 22 Victoria, No. 6, have the honor to report that the Committee, having had the valuable assistance of the late and present Colonial Auditor, and of the Assistant Treasurer, are unanimously of opinion that the evidence justifies your Committee in recommending for the approval of Parliament the adoption of the annexed amended Regulations and Instructions; and that a Bill to give effect to the same be introduced by the Chairman of the Committee in the present Session of Parliament.

W. A. B. GELLIBRAND, *Chairman.*

MINUTES OF THE MEETINGS.

FRIDAY, 27 JULY, 1877.

Committee met at 2:30 P.M.

Present—Messrs. Robertson, Gellibrand, and Chapman.

Mr. Gellibrand was elected Chairman.

Mr. Chapman proposed to call witnesses; viz.—The Colonial Auditor and Mr. E. J. Manley.

The Committee adjourned at 2:35 P.M. until 2:30 P.M. on Monday.

MONDAY, 30 JULY, 1877.

Committee met at 2:50 P.M.

Present—Messrs. Gellibrand, Chapman, and Robertson.

The Colonial Auditor examined.

The Committee adjourned at 4:30 P.M. until 11:30 A.M. next day.

TUESDAY, 31 JULY, 1877.

Committee met at 11:45 A.M.

Present—Messrs. Gellibrand, Chapman, Robertson, Aikenhead, and Grubb.

Examination of Colonial Auditor continued.

Committee adjourned at 1:10 P.M. until 2:30 P.M.

AFTERNOON SITTING.

Committee met at 2:30 P.M.

Present—Messrs. Gellibrand, Chapman, Robertson, Aikenhead, and Grubb.

Examination of Colonial Auditor continued.

Mr. Chapman proposed to call the Assistant Colonial Treasurer as a witness, and to recall the Colonial Auditor.

Committee adjourned at 3:30 P.M. until 11:30 A.M. to-morrow.

WEDNESDAY, 1 AUGUST, 1877.

Committee met at 11:50 A.M.

Present—Messrs. Gellibrand, Chapman, Robertson, Aikenhead and Grubb.

Examined—Mr. E. J. Manley.

Committee adjourned at 1:10 P.M. until 2:30 P.M.

AFTERNOON SITTING.

Committee met at 2:30 P.M.

Present—Messrs. Gellibrand, Chapman, Robertson, Aikenhead, and Grubb.

Examination of Mr. E. J. Manley continued.

Committee adjourned at 3:30 P.M. until 11:30 A.M. to-morrow.

THURSDAY, 2 AUGUST, 1877.

The Committee met at 11:40 A.M.

Present—Messrs. Gellibrand, Chapman, Robertson, Aikenhead, and Grubb.

The Colonial Auditor further examined.

The Committee adjourned at 1:10 P.M. until 2:30 P.M.

AFTERNOON SITTING.

Committee met at 2:45 P.M.

Present—Messrs. Gellibrand, Robertson, Chapman, Grubb, and Aikenhead.

The Assistant Treasurer examined.

The Committee adjourned at 3:50 P.M. until 2 P.M. to-morrow.

FRIDAY, 3 AUGUST, 1877.

The Committee met at 2 P.M.

Present—Messrs. Gellibrand, Robertson, Grubb, Aikenhead, and Chapman.

The examination of the Assistant Treasurer continued.

Mr. G. F. Lovett summoned before the Committee and examined.

The Committee then summoned the Assistant Secretary and examined.

The Committee adjourned at 4.5 P.M. until 4.15 P.M.

Committee met at 4.15 P.M.

Present—Messrs. Gellibrand, Chapman, Robertson, Grubb, and Aikenhead.

Mr. B. T. Solly, Assistant Secretary, examined.

The Committee adjourned at 4.35 P.M. until 12 A.M. to-morrow.

SATURDAY, 4 AUGUST, 1877.

Committee met at 4.15 P.M.

Present—Messrs. Gellibrand, Chapman, and Robertson.

The Assistant Secretary's examination continued.

The Colonial Auditor summoned to appear at 2.30 P.M. on Monday.

The Committee then adjourned at 1 P.M. until 2.30 P.M. on Monday.

MONDAY, 6 AUGUST, 1877.

The Committee met at 2.40 P.M.

Present—Messrs. Gellibrand, Chapman, Robertson.

The Colonial Auditor examined.

The Chairman laid before the Committee a letter from the Hon. W. L. Crowther, calling attention to certain matters into which he requested an enquiry might be made.

The Committee adjourned at 4 P.M. *sine die*.

WEDNESDAY, 26 SEPTEMBER, 1877.

Committee met at 2.5 P.M.

Present—Messrs. Gellibrand, Chapman, and Aikenhead.

On the motion of Mr. Chapman, seconded by Mr. Aikenhead, Mr. Gellibrand was elected Chairman.

On the motion of Mr. Chapman, the Chairman was instructed to report to the House that they have appointed Mr. Gellibrand Chairman; and that the Committee request instructions to continue the enquiry from the point at which it was interrupted by the Prorogation of Parliament.

The Committee adjourned at 3 P.M. until 2 P.M. to-morrow.

THURSDAY, 27 SEPTEMBER, 1877.

Committee met at 2 P.M.

Present—Messrs. Gellibrand, Chapman, Robertson.

The Chairman reported to the Committee the Order of the Council of the previous day; viz.—That the Select Committee on the working of "The Audit Act" have power to continue the enquiry at the point where it was interrupted by the Prorogation of Parliament.

Mr. E. J. Manley and the Colonial Auditor attended, and laid before the Committee proposed revised Regulations under "The Audit Act," and proposed revised Instructions for the guidance of the Treasurer and Auditor, as suggested by them, which the Committee proceeded to discuss.

The Committee adjourned at 4.50 P.M. to 11.30 A.M. to-morrow.

FRIDAY, 28 SEPTEMBER, 1877.

The Committee met at 11·50 A.M.

Present—Messrs. Gellibrand, Chapman, Robertson, Innes.

The Committee further considered proposed Regulations and Instructions.

The Committee adjourned at 1 P.M. until 2·3 P.M.

AFTERNOON SITTING.

Committee met at 2·45 P.M.

Present—Messrs. Gellibrand, Chapman, Robertson, and Innes.

The Committee further considered the proposed Regulations and Instructions.

The Committee adjourned at 4·55 P.M. until 11·30 A.M. on Monday next.

TUESDAY, 2 OCTOBER, 1877.

Committee met at 11·35 A.M.

Present—Messrs. Gellibrand, Innes, Aikenhead, Robertson, and Chapman.

The Committee further considered the proposed Regulations and Instructions.

A Draft Report was drawn up by the Committee, to be printed and submitted to them for approval on Friday, 5th instant.

The Committee adjourned at 1·10 P.M. until 3 P.M. on Friday, 5th instant.

FRIDAY, 5 OCTOBER, 1877.

The Committee met at 3·5 P.M.

Present—Messrs. Gellibrand, Chapman, Robertson, Innes.

The Draft Report was brought up and adopted.

EVIDENCE.

MONDAY, JULY 30, 1877.

Present.—Messrs. Gellibrand, Chapman, and Robertson.

W. LOVETT, Esq., *Colonial Auditor, examined.*

By the Chairman.—1. Your name is William Lovett? It is.

2. You are Colonial Auditor? I hold the appointment of Colonial Auditor; I received the appointment from the Governor in Council in July, 1873; and I was also Deputy Auditor at one time, during the years 1865 and 1866, and Assistant Treasurer subsequent to that time.

3. What salary do you receive for that appointment? I receive as salary £500 a year as Auditor, and £100 as Auditor of Municipal Accounts, Road Trusts, &c.; I am only amenable to removal by Parliament; I am subject to be suspended by the Government, but only removable by an Address by both Houses of Parliament.

4. What are your duties under the Audit Act? To see that all Receipts of Revenue and Expenditure are properly accounted for in accordance with the provisions of that Act.

By Mr. Chapman.—5. With reference to Expenditure of Money—I put into your hands Estimates for 1875, 1876, 1877. With regard to Estimates for the years 1875 and 1876, did you receive a copy of those Estimates for the years 1875 and 1876, as submitted by the Colonial Secretary to the Governor, and signed by the Governor as the authority of the Government for the years 1875 and 1876? I received those Estimates not signed by the Governor, but signed by the Colonial Secretary as approved by the Governor, as the authorised Expenditure of the year,—that is the usual way in which these Estimates reach me as my guidance in auditing the salaries, allowances, and minor contingencies of the several Departments throughout the year.

6. Did you receive the Estimates for the year 1877 through the same channel and authorised in the same way, being limited by Act of Parliament to the first Three Months of that year? Yes.

7. What was the communication received by you for the month of April, 1877, the salaries only for that month being authorised by Resolution of both Houses? I received a special authority by the Governor in Council for the payment of salaries, allowances, and contingencies for the month of April.

A similar question and similar answer for the month of May.

8. The Appropriation Act for the first Three Months of this year, 40 Vict. No 21, provides for the payment of salaries, allowances, and contingencies in the usual way, by the Warrant of the Governor prepared by the Colonial Treasurer, and certified to by you as Colonial Auditor in the usual way? Yes.

9. When those special authorities of the Governor in Council for the payment of salaries, allowances, and contingencies for the months of April and May were presented to you, what course did you take as they were not authorised by any Act of Parliament? I certified to the Warrant in the usual way, because I thought I was authorised under Section 19 of the Audit Regulations of the year 1859. I had other reasons besides what I have stated; viz., that I felt convinced that the meaning of the Parliament was to provide for one-twelfth of the whole expenditure of the civil service, allowances, and contingencies, less the sums provided by Act of Parliament. My reason for arriving at this conclusion was that if you multiply £16,000 by 12 it would be the total amount required for those services for 12 months.

10. Were the Resolutions of Parliament of the 3rd and 17th May, appropriating £16,000 for the months of April and May for salaries, before you at that time? I had seen them, but am not quite sure they were forwarded by the Government.

11. Was there any explanatory Memorandum, as shown by the Votes and Proceedings of 17th May, forwarded to you from the Treasury or from the Colonial Secretary? It had been forwarded by the Government Printer, but not by the Treasurer.

12. Were you aware that the attention of the Government had been called in the Legislative Council and House of Assembly to the fact that the Resolution of the 3rd and 17th May only provided for the payment of salaries for the months of April and May, and that no provision whatever had been made, or authority given, by Parliament for the payment of the allowances, contingencies, and incidental expenses? I read the debate in the *Mercury* on that subject.

13. How was it that you came to certify to such a warrant when there was no authority of Parliament for the payment of anything beyond the salaries? Because I had special authority from the Governor in Council, and also for reasons given in a previous reply.

14. In the ordinary way, whenever there is an excess of expenditure beyond the amount provided in the Estimates, the authority of the Governor in Council is obtained for that excess? Yes, in accordance with the regulations.

15. I call your attention to the 19th Section of the Audit Regulations, 1859, having reference to the expenditure of money not authorised in any way by Parliament, and request you to be good enough to point out for the information of the Committee what authority the Audit Act confers upon the Governor in Council authorising the expenditure of public money without a vote of Parliament? There is no such

authority; but, in my opinion, the Regulations provide for expenditure of a special nature without a previous vote, upon the understanding that a vote will be submitted by the Government to the Parliament afterwards. That is a distinct understanding between the Colonial Auditor and the Government.

16. What is the practice with regard to this expenditure? It is usually submitted to Parliament as a supplementary estimate.

17. The Supplementary Estimates for the year 1876 should be submitted to Parliament during the present Session? Yes.

18. But with regard to any supplementary expenditure for 1877, between 1st January and the present time, it would not, in the usual course, be brought under the notice of Parliament until the Session of 1878? No, it would not.

19. Then, in fact, according to the present practice the Governor in Council can authorise the expenditure of any amount of the Public Revenue he may think fit, and Parliament may not be made acquainted with it until twelve months after it has been incurred and paid? Yes; but in any extraordinary cases I should feel it my duty to report the case to Parliament immediately, although in ordinary practice in cases of necessity I should pass it as a matter of course.

20. I now call your attention to the large sums of money advanced to the Main Line of Railway Company, without the authority of an Act of Parliament, during the year 1876 and 1877; what authority was sent to you for those advances? A special authority of the Governor in Council that the money should be advanced to the Main Line Company on loan.

21. Have you made any special report to Parliament of the advance of that money? I have not; but my reasons for not doing so were these,—that the loan had been approved of by the House of Assembly, and submitted to the Legislative Council, and because the money had been secured by Bond of the Company; and I considered it one of those cases of necessity in which the Governor in Council could act, subject to the after approval of Parliament. If the case was not submitted during the present Session, I should feel it my duty to report that the Loan had been made, and that no provision under an Appropriation Act had been provided.

22. Were there ample funds available from the usual sources of Revenue to pay those advances without the Government getting a special temporary overdraft from the banks? It has not been necessary to obtain an especial overdraft on this account.

23. Were you not aware that the Bill that had passed the House of Assembly to authorise the advance of this money had been amended by the Legislative Council providing certain conditions to be observed by Government and the Railway Company before such loan could be made? I read the debates, but am not aware that I saw the Bill. The Bill I understood lapsed in the Assembly.

TUESDAY, JULY 31, 1877.

Present.—Messrs. Gellibrand, Chapman, Robertson, Aikenhead, and Grubb.

The COLONIAL AUDITOR'S examination continued.

24. *By Mr. Chapman.*—With regard to the items of expenditure not authorised by Parliament during the years 1876 and 1877, could you produce a list of those payments to the Committee during the next day or two? Yes.

25. Can you produce the authorities of the Governor in Council for the payment of the new items included in such payments, together with any remarks or queries you may have made thereon? Yes.

26. Are the whole of the documents relating to these questions in your possession? I believe the whole of them are.

27. Were payments made of the salaries, allowances, and contingencies for the months of April, May, and June in accordance with the estimates passed in the Session of Parliament in November last? Yes, they were, with the exception of some special cases, which have been approved by the Governor in Council.

28. What amount do the estimates to which you refer provide for the year 1877? It provided for the sum of £306,339 7s. 5d.

29. Are you aware that amended Estimates were laid before Parliament for the year 1877 amounting to £318,505 16s. 4d.? Yes.

30. Are you aware that other amended Estimates were laid before Parliament on the 27th July providing for the year 1877 an expenditure of £318,749 12s. 10d.? I was not aware of it till the present moment.

31. Can you inform the Committee whether the ordinary expenditure of the Government for the present year is being carried on at the rate provided in the Estimates passed by Parliament in November last, or those laid before Parliament in May? I only recognised the Estimates passed by Parliament in November last, with the exception of the cases provided by law, and the cases referred to in a former reply.

32. As the regulations of the Audit Act provide that the Estimates for every year shall be prepared by the Colonial Treasurer to be laid before Parliament in sufficient time to be passed through Parliament before the commencement of each year, so that by that means they may form the basis of the system of account for which they are intended to apply,—have you felt any inconvenience in the Estimates not having been passed for the whole year in the usual way? Yes, there has been some considerable inconvenience to the Department.

33. When do you close your Quarterly Accounts of Revenue? On 31st March, 30th June, 30th September, 31st December.

34. And when do you close your Annual Account of Revenue? On 31st December.
35. When are they published in the *Gazette*? Generally about four weeks after.
36. Could not the Returns of Revenue be published in the *Gazette* within 10 days of the close of each quarter, or year, as the case may be? Yes, it could be, if sufficient strength were given to the Treasury and Audit Departments.
37. Within what time could the Revenue Returns be published with your present staff? Within three days after the receipt of the returns from the Treasury.
38. Calling your attention to the Annual Returns of Revenue that have been published since the year 1868, will you inform the Committee the earliest period at which these returns could be published? Within three days after the completion of the Quarterly Returns for 31st December.

AFTERNOON SITTING.

Present.—Messrs. Gellibrand, Chapman, Robertson, Aikenhead, and Grubb.

The COLONIAL AUDITOR'S examination continued.

39. In your Report on the Public Accounts for the year 1876, you call attention to the sum of £535 9s. 10d. being due by the promoters of several Local Public Works at the close of the year 1876. Will you inform the Committee whether any of these amounts have been since collected and paid into the Treasury? I don't know of any having been paid.
40. Are you aware whether any steps have been taken by the Government to collect these moneys? I have been informed that the Assistant Treasurer has applied for these moneys.
41. Has the sum of £144 11s. 9d., due by the Tarleton Road Trust on the 31st December last, been paid to the Treasury? I am not aware that it has been paid.
42. Are you aware of any special rate having been levied by the Tarleton Road Trust for raising funds to pay this? Not that I am aware of.
43. It appears by your Report that the Government have advanced the sum of £789 15s. 7d. to the South Esk Bridge Trustees during the last three or four years. Can you inform the Committee under what authority that money has been advanced to the Trustees, and for what purpose? The money was advanced under the provisions of the South Esk Bridge Act, under which the Government guarantee the interest on the loan raised for the construction of the bridge.
44. What are the provisions of the Act referring to this matter? The Act provides that in case the tolls and special rate do not produce sufficient funds to meet the interest on the loan, the Government has to make up the deficiency,—the above £789 15s. 7d., being the accumulated deficiencies for several years.
45. Calling your attention to the sum of £9000 authorised to be expended on Public Works by the 39 Vict. No. 22, I understand that no funds have been provided by Parliament, although considerable expenditure has been incurred in the erection of certain works. Will you inform the Committee under what authority any moneys have been paid from the Treasury to defray the cost of those works? No sufficient authority has been forwarded to me for this expenditure. The only one that I have seen has been the approval of the Minister of Lands and Works.
46. How is that authority shown? On the voucher by the approval of the Minister of Lands and Works.
47. Are you aware of any other cases? There are several cases somewhat similar referred to in the report on the account 1876.
48. With reference to the sum of £400 which you state in your report should be provided by the Cemetery Trustees for a sinking fund to redeem Debentures issued by the Government for the purposes of the Cemetery Act, can you inform the Committee whether the Trustees have any funds available for that purpose? I am not positively aware that they have. The matter has been referred to in my report of 1875, page 28.

WEDNESDAY, AUGUST 1, 1877.

Present.—Messrs. Gellibrand, Chapman, Robertson, Aikenhead, and Grubb.

E. J. MANLEY, Esq., *examined.*

By Mr. Chapman.—49. Your name is Edward Johnstone Manley? Yes.

50. You filled the office of Colonial Auditor in this Colony? Yes, for 20 years.

51. I call your attention to the Estimates of the year 1877, as passed in the month of November, 1876, and to an Appropriation Act appropriating supplies for 3 months in accordance with those Estimates; and I also call your attention to Resolutions of Parliament passed on the 3rd and 17th May appropriating £16,000 for the Salaries of the Civil Servants and Public Officers for the month of April, and similar amount for the month of May,—and I ask you whether you as Auditor would have certified to the warrants for the payment of salaries, allowances, and contingencies for the months of May and June, provided the same did not exceed the sum mentioned in those Resolutions? My course would have been first, on receiving the authority of the Governor in Council and a copy of the Resolution, to have called the attention of the Colonial Treasurer by a query or observation to the Resolution in which the word salaries is used without the words allowances and contingencies; and if his answer and explanation satisfied me that the omission of the words allowances and contingencies was merely accidental, and that the intention of Parliament was to pay all these, not exceeding the sum of £16,000 for each month, I should

have felt justified in preparing the warrant for signature of His Excellency the Governor, at the same time requesting the Colonial Treasurer to be pleased to bring my observation under the notice of Parliament.

52. In the ordinary way, whenever there is an excess of expenditure beyond the amount provided in the Estimates, the authority of the Governor in Council is obtained for that excess? Yes, the Treasurer is bound to furnish it; but in small payments a Ministerial authority is given in the first instance, and the authority of the Governor in Council afterwards obtained: but this rule is only applicable to items of expenditure authorised by Parliament where the amount voted has not been found sufficient.

53. I call your attention to the 19th Section of the Audit Regulations, 1859, having reference to the expenditure of money not authorised in any way by Parliament, and request you to be good enough to point out for the information of the Committee what authority does the Audit Act, or the Regulations, confer upon the Governor in Council authorising the expenditure of public money without a vote of Parliament? I think the 19th Section of the Regulations is the only authority for the payment of any excess upon votes of Parliament, or for any expense not provided for in the Estimates,—the word expense in that Regulation being always read to include any expenditure of public money which the Governor in Council may please to sanction.

54. In the event of the sum of £500 or upwards being paid from the Treasury upon the approval of any Minister without the special authority of the Governor in Council, what course would you take? It would have been my duty to have raised a query calling for that authority, and not to have discharged the Treasurer until it was obtained.

55. In the event of one or more such payments having been made by a Colonial Treasurer without such an authority, and in the event of the Treasurer leaving office, what remedy would the Crown have to recover the amount? There would be no remedy that I know of, supposing the amount to have been improperly paid; but if it was merely an omission to obtain the necessary authority of the Governor in Council, it would be obtained by his successor.

AFTERNOON SITTING.

Present.—Messrs. Gellibrand, Chapman, Robertson, Aikenhead, and Grubb.

MR. MANLEY'S *examination continued.*

56. Calling your attention to the 5th Section of "The Land Fund Act," 21 Victoria, No. 8, passed in December, 1857,—

It shall not be lawful for the Government to issue any warrant authorising the Colonial Treasurer to pay, or for such Treasurer to pay out of the Land Fund any sum of money for any other purpose whatsoever than by this Act is authorised; and any sum of money which the Colonial Treasurer pays in contravention of this Act shall become a Debt of Record due to Her Majesty, and such Treasurer shall be liable in his person and property for such debt, and the same shall be recoverable from him as a Debt of Record due to Her Majesty,—

have you any recollection of any inconvenience to the Public Service by the provisions of the Land Fund Act while it was in operation? I have no recollection of any inconvenience having been sustained.

THURSDAY, AUGUST 2, 1877.

Present.—Messrs. Gellibrand, Robertson, Chapman, Grubb, and Aikenhead.

The COLONIAL AUDITOR further examined.

By the Chairman.—57. Have you had occasion to differ from the Honorable the Colonial Treasurer as to the way that you have carried out what you believe to be your duty? There have been cases in which the Colonial Treasurer has failed to satisfy queries raised by me; and from replies given to certain queries I presume the Treasurer has differed with my opinion, although it may not have been distinctly so stated in the reply. I may state also, in regard to a conversation with the Colonial Treasurer and other members of the Ministry, that the Treasurer differed from my opinion as to the way in which the Estimates for 1877 should be prepared for submission to Parliament; but the Treasurer on a second protest submitted Estimates, as I thought, in accordance with the Audit Regulations. The queries above referred to will be found in my Reports on the accounts for the years 1874, 1875, and 1876.

58. How and when was it that you protested against the Estimates for 1877, laid upon the Table of the House in November, 1876, not being in accordance with the Audit Act? In consequence of reading the reports of the debates that took place when the Colonial Treasurer laid those Estimates upon the table, and upon observing that the Colonial Treasurer had given notice that he would ask for a vote for 4 months upon the Estimates for the year 1876. The morning after, I brought under the notice of the Government that the course proposed was contrary to the Audit Regulations. The matter having been brought up a second time before the House of Assembly, I noticed that no alteration had been made in the method proposed; and I protested a second time, and Estimates, as I thought, in accordance with the Audit Act were afterwards submitted.

59. With regard to the £9000 referred to in Questions 45 and 46, was the money paid before you received the voucher from the Treasury as approved of by the Minister of Lands? Yes.

60. What is your present system of audit of expenditure? Audit after payment.

61. Do you approve of that, and consider it a sufficient safeguard to the Public Treasury? It might be sufficient under more stringent Regulations; but I think the system of pre-audit would be the greatest safeguard.

62. Do you consider that pre-audit is especially necessary before any payment is made on expenditure unauthorised by Parliament? Yes.

63. Do you think that the Public Treasury has sustained any loss by the payment of salaries, allowances, and contingencies, and other expenditure authorised in the Estimates being paid without previous audit? No, certainly not; but my recommendation of pre-audit specially applies to expenditure under Loans Bills and other expenditure authorised by the Governor in Council, but not by Parliament.

64. Do you think the system of pre-audit would cause (if adopted) much delay or additional expense? If proper authorities were furnished no additional delay need take place, but there would be a small additional expense.

AFTERNOON SITTING.

Present.—Messrs. Gellibrand, Robertson, Chapman, Aikenhead, and Grubb.

W. H. WINDSOR, Esq., *Assistant Colonial Treasurer, examined.*

By Mr. Chapman.—65. What is your name? William Henry Windsor.

66. You are Assistant Treasurer: how long have you been Assistant Treasurer? Since July, 1873, and for 37 years previously in the Treasury and Audit Offices.

67. Will you inform the Committee the earliest period at which the Quarterly Revenue Returns can be prepared in your Department, and transmitted to the Colonial Auditor for audit? Possibly within 3 or 4 days, if it were not for the Reserves.

68. With regard to the Annual Returns, what is the earliest period at which they could be published? Within a week or 10 days.

69. When accounts for payment are presented at the Treasury, the service for which has not been authorised by the Estimates, by any Act of Parliament, or by the approval of the Governor in Council, the payment of which has been approved by any one of the Responsible Ministers, what is your usual practice? To pay it: a copy of Cash Book is forwarded to the Auditor every two or three days, and when the Auditor notices any payments of that character the account is queried and the Responsible Minister who has ordered the payment called upon to explain.

70. How long is it before the Auditor sends you a query with regard to any such payment after he has received the copy of the Cash Account? Within a day or two.

71. What do you usually do with the queries? I forward the query to the Minister, or the head of the Department, to obtain the requisite authority.

72. And when do the queries generally come back to you? Generally within a week from the departments; but in some instances very great delay has occurred.

73. With regard to payments of accounts directly under the Ministerial control of the Colonial Treasurer, what is the course? The same course as with other Ministers.

74. Have you any instances within your knowledge that have occurred within the last 12 months, where any payments have been made on the authority of any one of the Responsible Ministers without the authority of the Governor in Council, that have been queried by the Auditor, and at present not satisfactorily explained? All important queries have been satisfactorily answered.

75. Was there any sum of money paid from the Treasury to Mr. Henry, the Member of the House of Assembly for Deloraine, as compensation, &c., in relation to the Mill-site at Deloraine, during the month of April last? There was, on the 20th April, compensation £86 3s. 6d. as awarded by the Arbitrators on the 27th February, 1877, together with a moiety of Mr. Henry's costs of £17 0s. 9d., amounting together to £103 4s. 3d.

76. Under whose authority was that money paid? On the authority of the Minister of Lands and Works without the approval of the Governor in Council.

77. Was that item queried by the Auditor? Yes, on the 12th May.

78. On receipt of that query what did you do? I do not quite recollect. On the 22nd May a Minute from the Minister of Lands and Works was received, dated the 16th May, intimating that His Excellency the Governor in Council had been pleased to approve of the amount being paid: to be provided for in a Supplementary Estimate in 1877.

79. Have you got the account, and can you produce the same, together with the authority of the Governor in Council? I will do so.

[Mr. Windsor retired, and returned shortly after and produced the account.] The account is dated 19th April, payment approved by the Minister of Lands and Works on the 20th April. Attached to the account is a letter from the Solicitor-General, dated 16th March, addressed to the Minister of Lands and Works, notifying the amount awarded by the arbitrators to Mr. Henry as £86 3s. 6d., together with the moiety of the costs. This letter was forwarded by the Minister of Lands to the Colonial Secretary on 9th April, and returned to the Minister of Lands the same day, with the following minute:—"Perused and returned to the Hon. the Minister of Lands and Works, who is requested to take the necessary steps to carry out the award. (Signed) THOMAS REIBBY, 9th April.

I applied to Mr. Lovett, the Ministerial Clerk at the Lands and Works Office, for the order of the Governor in Council, when he informed me that it was at the Audit Office; and on applying to the Auditor, he stated that it was sent to him officially from the Lands and Works Office, and he would officially return it to the Minister of Lands and Works.

80. Has the Treasury Department experienced any inconvenience from the Estimates for the year 1877 not having been prepared and passed in the usual way? Yes, I have been a good deal harassed, not exactly knowing the best course to pursue; for instance, the Estimates for 1877 laid before Parliament

show an aggregate expenditure for the year amounting to £306,339 7s. 5d., while the Appropriation Act for the first three months of the year only authorised the expenditure of one-fourth part of that sum, whereas the actual amounts required to meet the payments for the first quarter were, in many instances, largely in excess.

MR. G. F. LOVETT *examined.*

By Mr. Chapman.—81. What is your name? George Frederick Lovett.

82. You are Ministerial Clerk in the Lands and Works Office? I am.

83. Can you produce the Order of the Governor in Council for the payment of £103 4s. 3d. to Mr. Samuel Henry, Member of the House of Assembly for Deloraine, for an award and costs in reference to the Deloraine mill-site on the 20th April last? I can; and now produce it. The original date was 23rd April, 1877, altered in the Governor's handwriting to the 7th May, with His Excellency's initials opposite the alteration.

MINUTE PAPER FOR THE EXECUTIVE COUNCIL.

Lands and Works Office, Hobart Town, 7th May, 1877.

SUBMITTED,—

THAT a reference to arbitration with respect to a claim against the Government made by Samuel Henry for compensation for the loss of a mill site at Deloraine, the lease of which he surrendered to the Queen, having resulted in an award of £86 3s. 6d. as compensation, together with a further sum of £17 0s. 9d., being one moiety of costs payable by Government pursuant to the said award; the said sums amounting together to One hundred and three pounds four shillings and threepence be paid as awarded, and charged on a Supplementary Estimate for 1877.

(Signed) C. O'REILLY, *Minister of Lands and Works.*

(Corner turned up and the following Memoranda written :—)

APPROVED for reasons given in my Memorandum to Ministers of this day's date, which Memorandum I desire to be recorded in reference to this matter, as in a former Executive Council I declined to approve.

(Signed) FRED. A. WELD.
7th May, 1877.

THIS Executive Minute received from Mr. E. C. Nowell on the 16th May, 1877. Mr. Nowell having in the interim referred to me for a copy of His Excellency's Memorandum, I immediately returned it to Mr. Nowell, intimating that the Minister of Lands and Works suggested a reference to His Excellency, whom he believed had the Memorandum referred to.

(Signed) G. F. LOVETT, *Ministerial Clerk.*
17th May, 1877.

(This was accompanied with the following :—)

THE Colonial Auditor presents his compliments to the Minister of Lands and Works and would feel obliged for a perusal of the original Minute of the Governor in Council approving of compensation being paid to Mr. Samuel Henry, referred to in his Memo. of 16th May.

Audit Office, 24th July, 1877.

(Corner turned up :—)

MR. Lovett will be good enough to comply with the request of the Colonial Auditor.

(Signed) C. O'REILLY.
24. 7. 77.

THE Executive Minute herewith forwarded.

(Signed) GEORGE F. LOVETT, *Ministerial Clerk.*
25th July, 1877.

WILL the Minister of Lands be good enough to let me see the Minute of 7th May referred to by the Governor?

W. LOVETT.
2nd August, 1877.

B. T. SOLLY, Esq., *Assistant Secretary, examined.*

By the Chairman.—84. Your name is Benjamin Travers Solly? It is.

85. You are Assistant Secretary? I am.

86. Have you the memorandum referred to in the before-mentioned minute? The memorandum referred to is not in my possession, but I am under the impression that I have seen it.

87. Could you inform the Committee in whose possession the memorandum is at the present moment? Not with certainty; but I believe it is likely to be in the Colonial Secretary's private drawer.

88. Will you apply to the Colonial Secretary for the document referred to and produce it to the Committee to-morrow at 12 o'clock? I will endeavour to do so.

SATURDAY, AUGUST 4, 1877.

Present.—Messrs. Gellibrand, Chapman, and Robertson.

The ASSISTANT COLONIAL SECRETARY'S examination continued.

89. Are you able to produce the document? I now lay it before the Committee, examined and certified to by myself as correct.

(Copy.)

MEMORANDUM FOR MINISTERS.

In reference to the payment of the award made to Mr. Henry, the Governor desires to make the following remarks:—

When the question was brought before him in Executive Council on the 23rd April, the Governor objected to sanction the payment on the ground that to do so would be taking the matter out of the hands of Parliament, and the question dropped. The Prime Minister was not then aware that the sum awarded had been already paid in anticipation of the Governor's assent. Becoming aware of this fact, the Prime Minister brought it under the consideration of the Governor this morning. The Governor desires to impress upon Ministers the impropriety of signifying his assent to the Treasury before such assent has been obtained: it has been usual that in mere matters of routine, when it would be inconvenient to see the Governor, a Minister should, on his own responsibility, assume a consent that would certainly be given, and this practice has prevailed, the Governor believes, in all colonies and under all governments, but such a procedure has been taken only in matters of mere routine, and then upon a Minister's personal responsibility.

The Governor is, in this case, fully satisfied that the departure from proper practice is accidental and unpremeditated,

The inconvenience would be great, and the responsibility attached to the Minister very serious, were the Governor now to refuse his approval,—but he would do so unhesitatingly did he feel that his duty required it.

He considers, however, that he is, under the circumstances, justified in no longer withholding his assent for the following reasons:—

When he demurred to the proposal made by Ministers in the Executive Council of 23rd April, he was under the impression that the question of compensation to Mr. Henry had been under the consideration of Parliament and had been withdrawn; he is now informed that a prominent member of the Opposition proposed that a sum of Two hundred Pounds should be paid as compensation to Mr. Henry, and that the Notice of Motion was not withdrawn, but lapsed on the prorogation of Parliament: had it not been for the prorogation it might reasonably, therefore, have been expected to have been carried.

The present award is very much less than that sum.

All circumstances considered, there is every reason to suppose that Parliament would consider it a fair compromise not unfavourable to the Colony.

The Governor, therefore, will not refuse to legalise an act already performed, as he believes, in good faith by his Ministers, in a purely Colonial matter; he accordingly now gives his approval.

(Signed) FRED. A. WELD.

Government House, 7th May, 1877.

CERTIFIED to be a true copy.

B. TRAVERS SOLLY.

4th Aug., '77.

90. Has the Governor's Memorandum (a copy of which you have handed in to the Committee) been duly recorded in the Colonial Secretary's Office, in accordance with His Excellency's instructions? As far as I know, it has not, up to the present time, been registered in the Colonial Secretary's Office; but it remains in the Colonial Secretary's Office.

MONDAY, AUGUST 6, 1877.

Present.—Messrs. Gellibrand, Chapman, and Robertson.

The COLONIAL AUDITOR recalled.

I now produce the authorities of the Governor in Council for excesses in expenditure, and expenditure not voted, for the year 1877, with queries raised upon them, most of which have been answered within the period allowed by the Audit Regulations. (Appendix A.)

91. What number are there? 114 authorities of the Governor in Council and 17 queries.

92. Will you be able at the next meeting of the Committee to prepare a list of the expenditure showing the authorities with your queries for the years 1876 and 1877? Yes.

WEDNESDAY, SEPTEMBER 26, 1877.

Present.—Messrs. Gellibrand, Chapman, and Aikenhead.

The Colonial Auditor attended and produced the list of items of expenditure not authorised by Parliament from 1st January to 28th September, 1877, amounting to £24,708 19s. 8d. A large proportion of this amount is consequent upon the votes for 1877 not having been taken in the usual way. In addition to which there are advances on loan to the Main Line Railway Company from 1st January to this date, amounting to £9900, making a total of £17,900 now advanced to that Company.

93. On looking over this list there are several items showing expenditure for roads and bridges in the mineral districts? Yes; the amount is £3300, as follows:—

DETAIL of Expenditure authorised by Governor in Council in Mineral Districts in excess of Votes by Parliament.

	£
Road from George's River through Gould's Country to junction of road (17 miles from the Bay) leading to the Blue Tier and the Little Plain.....	2000
Road from Ringarooma Township to Krushka's Bridge, main road from the Tin Mines to the shipping place at the Port of Ringarooma.....	500
Road from Upper Ringarooma to Scottsdale.....	500
Cost of clearing and other works on Track from Junction at Thomas's Plains to Weldborough.....	200
Road from Launceston and George Town Road to Nine Mile Springs.....	100

£3300

APPENDIX A.

AUTHORITIES furnished to the Select Committee, Legislative Council.

NO.	DESCRIPTION.	DATE.	AMOUNT.		
			£	s.	d.
		1877.			
8	A. W. Chatfield, bonus.....	9 January	10	0	0
19	Excesses	15 January	336	7	1
20	Postmistress, Nine Mile Springs.....	16 January	10	0	0
27	Salmon Commissioners, bonus to Mr. Seager.....	25 January	5	0	0
29	Public School, Mount Seymour	22 January	5	0	0
30	Survey of lands for year 1876	23 January	2500	0	0
31	Erection of goods-shed, Launceston and Western Railway	ditto	322	0	0
32	Lithographic plans	ditto	10	0	0
34	F. H. Ward, Clerk, Cascades.....	ditto	50	0	0
35	Recorder of Titles, travelling expenses, &c.....	ditto	12	0	0
36	Insurance Offices, Launceston, fire in Gaol	ditto	13	11	0
46	Mr. J. Coates, Clerk, Lands Titles Office, increase	29 January	20	0	0
47	G. J. Farmer, salary, Lands and Works, Junior Draftsman.....	30 January	50	0	0
49	Mr. and Mrs. Phillips, Board of Education, pension	31 January	66	15	5
50	Standage, C., pension from 1st January.....	ditto	5	6	8
51	Constable, George Town, 5s. per diem	ditto	91	5	0
75	A. H. Boyd, salary, the increase for 3 months only	12 February	7	18	9
76	S. R. Smith, Medical Officer, Emu Bay	13 February	5	0	0
*77	Salaries of Officers, Invalid Depôt, Port Arthur.....	ditto	366	7	6
78	Bonus to Anderson, Master schooner <i>Harriet</i>	ditto	12	0	0
79	House Allowance to Under-Keeper, Hospital for Insane, New Norfolk.....	ditto	12	0	0
81	Norman, F. J. P., increase of salary	ditto	10	0	0
82	Murphy, R. W., Superintendent Launceston Hospital, increase salary.....	ditto	50	0	0
83	Smith, H. E., payment to, Acting Secretary Hospital Commission.....	ditto	15	15	0
*84	Increase employes Hospital for Insane, New Norfolk	ditto	31	5	0
85	B. Shaw, Royal Commission, Lands and Works.....	ditto	17	13	6
*87	Abel and Fisher, Night Officers, Gaol, increase of pay	23 February	8	7	0
91	Mrs. Webb, Telegraphist, Cleveland, £40 per annum; and Jessie Bain, Telegraphist, Tunbridge, £26 per annum	20 February	66	0	0
*92	T. T. Watt, travelling expenses	19 February	20	0	0
98	J. C. M'Michael, salary, Postmaster, Blue Tier	23 February	5	0	0
100	R. Walsh, Messenger, domestic service allowance	27 February	20	0	0
*101	C. Garforth, Writer, Gaol, 5s. per diem	23 February	76	10	0
*102	Forage Allowance, Police Districts Selby, Huon, and Kingborough.....	ditto	141	5	0
104	Govett, E., Health Officer, Stanley	ditto	25	0	0
105	Expenses Ministerial Visit to Port Arthur.....	ditto	45	0	1
108	J. Hamer, Clerk, Stores Department, increase salary	2 March	36	0	0
130	F. H. Ward, Clerk, Cascades, salary	23 January	25	0	0
133	Compensation to J. J. Butler	5 March	38	14	0
136	J. Seals, house rent, General Hospital.....	6 March	5	0	0
137	Purchase of boat for Salmon Commissioners	7 March	20	0	0
138	Purchase of books, Philadelphia Commissioners	ditto	20	0	0
139	Net for Salmon Commissioners.....	ditto	50	0	0
*142	Appointment of Constable, Selby Police, 5s. per diem, £10 forage	ditto	86	10	0
147	Intercolonial Telegrams	14 March	37	10	0
148	Hon. J. Whyte, travelling expenses to Sydney	ditto	65	0	0
*153	Miss Abbott and Staff, salaries, increase for 3 months	20 March	56	10	0
162	Intercolonial Exhibition Commissioners	29 March	300	0	0
164	Rent of Police Cottage, Westbury	27 March	3	0	0
165	Miscellaneous expenses, Orphan School Farm	ditto	54	16	9
166	Edward Pace, wages, seaman, schooner <i>Harriet</i>	ditto	7	1	0
170	Miss Wragg, Telegraphist, salary	ditto	26	0	0
173	Gardener and Overseer, Queen's Asylum	3 April	73	0	0
176	Bernard Shaw, Commissioner Gold Fields, 3 months' salary and allowances	22 March	87	10	0
179	A. H. Boyd, Gaoler, Cascades, salary for March, increase	9 April	See No. 75		
180	Post Office, Country Districts, salaries for 3 months	10 April	11	17	6
183	Hon. W. R. Giblin, preparing agreement.....	30 January	3	5	6
188	J. Fincham, Engineer-in-Chief, salary and travelling allowances	9 April	573	0	0
189	General Hospital, provisions, excess of Vote	10 April	128	7	0
195	Alterations, Queen's Asylum.....	14 April	84	0	0
197	Salary, Tide Surveyor, Hobart Town, increase	17 April	30	0	0
198	I. J. Taylor, increase salary, Hospital, New Norfolk; salary, 3 months	19 April	5	0	0
199	John Dickie, Medical Officer, Westbury, salary, 3 months	ditto	6	5	0
200	Vaccination, rent of room, salary, &c.....	ditto	71	1	0
210	Telegraph Line to Ouse, excess	29 February	46	13	0
212	Waste Lands Act, claims for 1874 and 1875	17 April	1720	3	10
224	Roger Butler, Education Office, £10 increase, 3 months' salary	23 April	2	10	0
228	Erection of Cottage, L. and W. Railway	28 April	156	0	0
229	H. E. Smith, Act. Sec. General Hospital Board	25 April	10	10	0
230	Charles Seager, pension	ditto	70	10	0
232	P. O. Carlsen, Overseer Gaol, salary and allowances.....	26 April	112	16	8
236	J. J. M'Lusky, Landing Waiter, Spring Bay	30 April	29	3	4
240	Difference in salary, Clerk to Solicitor-General, 4 months	9 M y	5	0	0
242	Charter of <i>Southern Cross</i>	10 May	150	0	0
243	W. H. Buckland, Tasmanian Scholar	ditto	83	6	8
244	M. P. Honey, bonus, Colonial Secretary's Office	ditto	10	0	0

NO.	DESCRIPTION.	DATE.	AMOUNT.
		1877.	£ s. d.
245	George Turnley, Medical Officer, salary and allowances for February	10 May	37 10 0
258	Surveys	15 May	275 5 0
*259	Excesses, Telegraph, General Hospital, and Gaol	ditto	54 11 1
262	Compensation to Samuel Henry, loss of mill-site	16 May	103 4 3
265	John Toomey, rent of Police-station, repairs General Hospital	17 May	13 5 9
266	Miss Galt, Miss Proctor, Matron, &c., Gaol; allowance for quarters, &c.	18 May	63 14 0
269	Government House, excesses	22 May	50 10 9
270	Police Buildings, George's Bay	ditto	600 0 0
271	Post Offices, Thomas's Plains and Ruby Flat	ditto	10 0 0
271	Conveyance of mails, G. Smith, Ruby Flat	ditto	10 0 0
274	Hospital for Insane, Cascades, expenses, April and May	25 May	267 2 4
*278	Police, Selby, changes, &c.	30 May	395 12 1
280	Mount Nelson Signal Station	14 May	45 4 9
285	Expenses enquiry wreck <i>City of Foo Choo</i>	28 May	12 0 0
286	A. B. Crowther, General Hospital, salary and allowances	29 May	87 10 0
287	Vaccination, stationery, and stores	30 May	30 0 0
288	Female Warder, Nurse and Midwife, Gaol, salaries for May	4 June	14 4 9
289	John M'Farlane, Messenger to Recorder, Launceston	ditto	38 5 0
290	Registrar, Supreme Court, witnesses expenses	ditto	50 0 0
296	Works, George's River	7 June	1200 0 0
297	Ditto, Nine Mile Springs	7 June	100 0 0
298	Cascades, repairs to buildings	ditto	250 0 0
300	Todd, washing, Cascades	19 June	7 4 9
310	Works, Upper Ringarooma and Scotsdale	12 June	500 0 0
*325	Salaries, Hospital for Insane, Cascades	20 June	1020 14 10
329	J. W. Lord, Bailiff, salary and allowance	25 June	77 10 0
331	Clearing Track, Thomas's Plains	26 June	200 0 0
332	Works, George's River	ditto	800 0 0
333	Roads, Ringarooma	ditto	500 0 0
334	Cascades, works and repairs to buildings	ditto	250 0 0
335	Matting, General Hospital, Launceston	ditto	25 0 0
336	Election Expenses, Returning Officer, North Hobart	27 June	9 3 3
340	Intercolonial and Philadelphia Exhibition	7 August	400 0 0
341	T.M.L.R. Co. Meeting, London, Traction Engine, Inspection, &c.	ditto	605 14 2
342	Marine Survey, Banks' Straits	17 July	619 9 5
346	Inspection of Imported Cattle	ditto	7 10 0
348	Telegraph Stations, George's Bay and Falmouth	11 June	14 8 10
353	W. Langston, Health Officer, Emu Bay	2 July	14 11 8
354	G. Drew, Landing Waiter, Customs, Leven, salary and allowances	ditto	87 10 0
360	Remuneration to Drs. Huston and Dinham	10 July	52 10 0
368	Mail Coach Guards, pension	18 July	69 5 8
369	H. B. Barrett, Tasmanian Scholar	26 July	16 13 4
370	Telegraph Line, George Town to Nine Mile Springs	27 July	150 0 0
376	General Hospital, cleaner and laundress, salaries	31 July	87 1 8
377	Dr. Holden, House Surgeon, General Hospital	ditto	145 0 0
378	Mr. Wiggins' tender, building hot water apparatus, General Hospital	ditto	1178 0 0
382	Payments to Road Trusts	ditto	2801 16 10
385	Telegraph Line to Longford	7 August	250 0 0
387	Additions to Cascades Hospital for Insane	ditto	100 0 0
388	Repairs, General Hospital, Hobart Town	ditto	500 0 0
390	T. P. Molloy, jun., clerk, Lands and Works Department	ditto	60 0 0
400	Postmaster, Cressy, increase 10% salary	20 August	3 6 8
401	Steam printing machine, Government Office	ditto	77 8 8
402	Court House keeper, uniform	ditto	6 0 0
403	Hospital for Insane, Cascades, expenses to 31 August	21 August	732 10 1
421	Clerk of the Peace, Launceston, witnesses expenses	27 August	100 0 0
422	Admiral Barnard, expenses enquiry loss <i>Queen of the Seas</i>	ditto	9 9 0
423	C. F. Collier, expenses advising Law Officers, &c.	ditto	7 19 6
426	J. Myles, Telegraphist, Nine Mile Springs	28 August	8 13 4
427	J. Templar, Landing Waiter, Don, expenses in moving	3 September	14 4 0
428	Cost of exchange on remittance to London	ditto	215 0 0
430	Mrs. Allen, Upper Davey-street Post Office	ditto	1 6 8
431	Great Coats for Police	4 September	18 6 8
438	Post Office staff, Hobart Town, overtime allowance	9 September	12 8 8
*440	Officers, Gaol, Campbell-street, salaries	13 September	276 6 8
*443	Maintenance of Government House, excess to 31 August	17 September	10 0 0
445	H. J. Buckland, Registrar Supreme Court, expenses	ditto	100 0 0
446	General Hospital, Hobart, salaries	18 September	38 17 0
449	Alfred Randall, temporary Draftsman	26 September	59 17 0
450	W. Mason, Telegraphist, Longford	24 September	16 13 4
	Total....		£24,908 19 8

* Only approximate amounts.

Advances on Loan to Main Line Railway Company, from 1st January to 28th September (making a Total of £17,900 advanced to date).....

£9900 0 0

W. LOVETT, Colonial Auditor.
28th September, 1877.

APPENDIX B.

**PROPOSED REVISED REGULATIONS UNDER THE
AUDIT ACT.**

GENERAL REGULATIONS.

1. THE year of Account is, in all cases, from 1st January to 31st December.
2. The printed Estimates of Revenue and Expenditure, as passed by Parliament in each year, are to form the basis of the system of Account.
3. The heads of Revenue and of Service are to be the same in the Accounts as in the Estimates : every item must, therefore, be carefully classed under its appropriate head.

REVENUE.

4. All Revenue collected is to be paid either into the Colonial Treasury at Hobart Town, or into one of the Banks at Hobart Town or Launceston, to the credit of the Public Account of the Colony, in such manner and at such periods as the Colonial Treasurer may from time to time direct.
5. The full amount of all Revenue collected is to be accounted for without deduction. Charges for commission on the sale of property (not Public Lands), and the share of penalties paid to Seizing Officers and Informers, are to be considered as the only exceptions to this rule. In these cases the nett amount is to be paid into the Treasury, and the detailed Account to be rendered to the Auditor must give full particulars of the deductions which have been made.
6. In every case moneys paid into the Treasury are to be accompanied by a statement, signed by the Collector, giving full particulars of the amount paid in; and, when the money is paid into a Bank, the receipt of the Cashier must be transmitted to the Treasurer with the Account of Particulars. In the event of no collections being made a "Nil" Return must be forwarded.
7. On the 10th day of each month the Treasurer will report to the Governor in Council the names of such Collectors as have failed to pay over their collections up to the 31st day of the preceding month : and all payments to such Officers, whether for Salaries or Allowances, will be suspended until the amount collected shall have been paid over.
8. In the event of the sale, whether by auction or by tender, of property belonging to Government, the payment of the proceeds into the Treasury must be accompanied by the Authority for the Sale, the Account Sales, Tenders, and other documents relating to the transaction.
9. In case of the collection of any sums of an unusual or special nature, the person receiving such sums must obtain, and hand over to the Treasurer, the most satisfactory documents in his power in order to show that the correct amount has been collected.
10. All Officers and others who collect moneys on account of the Public Revenue shall transmit to the Auditor monthly, before the 14th of each month, attested Returns or Statements in the prescribed forms, showing in the fullest detail the several amounts collected under each head of Revenue within the preceding month, as well as any deductions made according to Rule 5, and all other particulars that can be furnished. When an Officer accustomed to collect Revenue does not receive any money during a month, he must, nevertheless, furnish the usual form of Statement, with the word "Nil" written across it, and bearing his declaration to that effect.
11. On the 20th of each month, or immediately thereafter, the Auditor shall report to the Colonial Secretary for the information of the Governor in Council the names of such Collectors as have failed to render such attested Returns for the previous month, and will also forward a copy of the same to the Treasurer ; and all payments to such Officers, whether for Salaries or Allowances, shall be suspended until their attested Returns have been furnished.
12. Approved forms of Accounts and attested Returns are at all times to be strictly adhered to.
13. Any additional information which the Treasurer or Auditor may require is, upon application, to be furnished by the respective Collectors forthwith.
14. In the event of a repetition of delay or inaccuracy in the rendering of Accounts or attested Returns, or of neglect or refusal to furnish such information as the Treasurer or Auditor may require, the person in fault will render himself liable to removal from the Public Service.

15. In addition to the Abstracts and attested Returns transmitted by the Department of Customs, the Collectors will be required to submit their Books to the Auditor for examination; and they will also forward to him daily the duplicates of all entries passed during the preceding day.

16. Due security shall be given by every person entrusted with the collection of public money; but the Colonial Treasurer, with the authority of the Governor in Council, may dispense with security in such cases when the collections do not exceed £50 a year.

17. Public Officers receiving and paying moneys which do not form part of the Public Revenue must keep correct Books of Account, in such form as the Treasurer may from time to time prescribe; and they will be expected to furnish such Accounts and Vouchers as the Treasurer or Auditor may require.

EXPENDITURE.

18. No expense, although duly provided for in the Estimates, is to be incurred by any Head of Department without the Governor's authority, either general or special; and the production of that authority, or a reference thereto, with the Account of Expenditure, will in all cases be considered essential to enable the Treasurer to liquidate an Account.

19. It shall not be lawful for the Governor in Council to authorise any expenditure of public money for purposes not recognised or provided for by Parliament, unless in cases of emergency,—but this Regulation shall not apply to the cases of excesses in the details of Establishments, not being salaries.

20. In any case of excess in expenditure under the authority of the Governor in Council, as previously defined, an immediate report shall be made to the Colonial Auditor of such authority having been granted, and the effect thereof; and it shall not be lawful for the Colonial Treasurer to make any payment under such authority without the previous certificate of the Colonial Auditor that the payment has been duly authorised.

21. The Treasurer shall prepare, immediately prior to the assembling of Parliament, Supplementary Estimates of all sums expended, or as far as can be foreseen likely to be expended, beyond the amount voted for any service, and also for any new heads of expenditure already incurred or intended to be incurred before the termination of the current year for which no Parliamentary sanction had been previously granted. These Supplementary Estimates shall be forthwith submitted by the Treasurer to the Governor in Council, and transmitted by Message from the Governor to Parliament within 14 days of the opening of the Session.

22. With respect to fixed Expenditure, such as Salaries and Allowances, a general authority will be conveyed at the beginning of the year to each Head of Department for the periodical payment of these charges, subject of course to any changes that circumstances may afterwards render necessary; but a distinct authority must also be obtained for every new appointment, although the number of Officers may not be increased.

23. With regard to all Contingent Expenditure not included in the general authority, each Head of Department must apply for a separate authority whenever he may require to incur expense under any item of Estimate applicable to the service of his Department; and such application must be accompanied by a statement of the amount already expended, and of the balance available for the remainder of the year.

24. In case any Public Officer is under the necessity of incurring an expense for any service not directly connected with his own Department, and not provided for in his own Estimate, he must previously, if there be time—but if not, immediately afterwards—report the circumstance to the Minister with whom he corresponds, and obtain through him the authority of the Governor in Council for the expense, which he will attach to the Account when he forwards it to the Treasury for payment.

25. All authorities issued for Contingent Expenses must be furnished to the Treasurer, who will forward the same to the Auditor.

26. Accepted Tenders published in the *Gazette* are to be considered as authorised Contracts for the passing of Accounts; and the Government Printer is therefore to submit proofs, when required, to the Head of Department by whom the Tenders are invited, in order that the press may be corrected; and he is also to forward weekly to the Auditor slips of every Contract so gazetted.

27. On the 26th day of each month, or as soon thereafter as may be practicable, Heads of Departments are to prepare and submit to the Treasurer Abstracts of the Salaries and Allowances of their Departments due for the month; and on the 1st of the following month the Treasurer will pay the total amount of every such Abstract to the Head of the Department, taking his receipt for the same, and returning to him the Abstract in order that the acquittances of the several claimants whose names are borne thereon may be obtained.

28. Heads of Departments will be held responsible for the due appropriation of all moneys so issued to them; and they will be required, on or before the 14th of the month, to forward the said Abstracts to the Auditor, bearing the signatures of the persons to whom the payments were made, and duly completed in all respects. And the Treasurer will make no further payment of Salaries or Allowances to any Department until its previous Vouchers shall have been so rendered to the Auditor in a satisfactory state.

29. For the purpose of paying daily or weekly wages, witnesses' expenses, cost of rations for Prisoners in Watch-houses, fuel, light, and water for Police Service in the Country Districts, trifling repairs to buildings, stores of small value, or other minor expenses, advances will be made to the Heads of Departments and other superior Officers at the commencement of the year, or at such other time as the necessity may arise.

30. Two modes of advance will be adopted:—

(1.) Where the expenditure is recurring throughout the year, as wages for instance, an advance, computed upon a month's or six weeks' expenditure, will be issued to the Head of the Department. At the commencement of the second month the Vouchers for the exact outlay of the preceding month must be forwarded to the Treasury, where repayment will be made to him of the amount expended; and so on throughout the year until the 31st December, when, or not later than the 10th January following, the original amount advanced must be returned into the Treasury, or adjusted by presentation of the Accounts and Vouchers for December, and payment to the Treasurer of the balance in hand.

(2.) Where the advance is required for a temporary object only, the officer demanding it must state the period within which it is intended to account for the appropriation of the same; and he must take care not to exceed that time in producing to the Treasurer complete and satisfactory Vouchers of the Expenditure, paying in at the same time any balance that may remain in his hands.

31. Any Public Officer paying advances or other public moneys into a Bank shall place the same to his credit as a Public Officer, and not to his private account.

PREPARATION OF ACCOUNTS.

32. All Accounts of Expenditure are to be transmitted to the Treasury through the Head of the Department by which the expense was incurred; and they are to be certified by him, or in his absence by an Officer of the Department duly authorised to sign on his behalf.

33. No Account is to include services forming a charge upon separate years, nor upon more than one Department, except by express arrangement with the Treasurer.

34. All Bills of Particulars must be made out on the prescribed forms, and must clearly set forth, in the case of services performed, the exact dates or periods and nature of the service,—the rates of remuneration,—and the name of the place; and in the case of articles purchased, the exact dates or periods,—the places of delivery,—the quantities and the prices of the several articles. They must also be invariably signed under the total amount by the Claimant as a guarantee of the correctness of his claim. On payment of the money the receipt may be signed either by the Claimant or by his authorised Agent.

35. When any payment is made to a person unable to sign his name, his mark is to be vouched by a witness as having been made in his presence; and, as a general rule, all receipts for Contingent Expenditure are to be vouched by a witness, in whose presence the payment has been made.

36. In stating periods, the first and last day specified are both to be considered as inclusive.

37. Should an Account once certified by the Head of a Department be represented as having been lost or mislaid, no duplicate is to be signed until the Head of Department shall have satisfied himself that the Account has not been paid, and that it has been really lost. He may then sign another Account, which is to be marked in *red ink* "Duplicate" across the face thereof; *but he is in such case to make a special report to the Treasurer on the subject.*

38. Heads of Departments are enjoined to take care that no contingent claims against their Departments incurred prior to the 1st day of any month are allowed to be outstanding after the termination of that month, except in the case of such current contracts as may be payable quarterly, the Accounts of which must be rendered within one month after the termination of the quarter. With this object in view, each Public Officer is desired to afford every facility to persons having claims against his Department in the preparation of their Accounts, and to use his utmost endeavours to secure the prompt settlement of all such claims by calling in the Accounts when the parties neglect to present them, and by transmitting them in a complete state to the Treasurer with the least possible delay, notifying at the same time to the Claimant that he has done so.

39. All Accounts whatsoever, before transmission to the Treasury, must be properly certified and supported by the requisite authorities. Should Accounts when forwarded for payment be obviously incomplete, or vitiated in any essential particular, by erasure, interlineation, or otherwise, they will be returned to be completed or made out anew, as the case may require.

40. Accounts forwarded to the Colonial Treasury, duly certified and completed in accordance with the Regulations, will be forthwith paid to the Claimant or his authorised Agent. Should it afterwards appear, when the Accounts are submitted for audit, that any material error has been committed,—that the authority is insufficient,—or that the Voucher is essentially imperfect, the Auditor will surcharge the Treasurer with the amount; and should the defect not be at once remedied on the Treasurer's application, all payments, whether of Salaries or Allowances, to the Head of Department who certified the Account will be suspended until the amount has been recovered, or the Auditor has been satisfied.

41. In order that this liability may be clearly defined, it is determined that the Head of each Department shall be held responsible for the correctness of all Abstracts and Accounts for the Salaries, Allowances, and Contingent Expenditure of his Department, and generally for all Accounts incurred by him, whether strictly for his own Department or not; but that the Director of Public Works and the Colonial Storekeeper shall, respectively, be considered responsible for all Accounts incurred by them in the name of any other Department.

42. The object of the system of Treasury payment is to render each transaction final and complete in itself, and to enable it to be brought at once to account. This end must therefore be kept in view by every person whose duty it is to collect or disburse the Public Moneys: and as, under this system, Accounts will be paid at the Treasury *before* being audited, it will be indispensable that all Public Officers shall make themselves thoroughly acquainted with these Rules, and adhere strictly to them.

43. All Heads of Departments and persons entrusted with Public Money, whether it be on account of the Revenue, or for payment of Salaries, Allowances, or Contingent Expenditure, are required to keep a Cash Book, in which they will enter on one side the sums received, and on the other the amounts paid,—a balance being struck weekly or monthly.

44. They are further required to keep a Register of all Accounts passing through their Offices, so as to show in what manner each Account has been disposed of, and for reference at any future time.

45. In some Departments it will be necessary to keep other books, such as books containing the details of Fines and Fees received, and for other objects specially applicable to particular duties; but upon this point Heads of Departments are expected to exercise their own discretion, taking especial care that the Accounts are kept in the most clear and satisfactory manner.

46. The Auditor shall, at all times, have access to the Books and Accounts of every Department, or of persons entrusted with Public Money.

47. The Auditor may, at his discretion, depute the duty of inspection to an Officer of his Department.

48. Should it appear to be necessary or desirable, the Auditor is hereby authorised to visit any of the Offices in which Accounts of Revenue or Expenditure are kept. On such occasions he will carefully examine the Books to see that they have been regularly and accurately kept; and should any instance of irregularity or negligence come under his notice, he shall make an immediate report of the circumstance for the information of the Governor in Council.

APPENDIX C.

PROPOSED REVISED INSTRUCTIONS

FOR THE

GUIDANCE OF THE TREASURER AND AUDITOR

IN

KEEPING AND RENDERING THE ACCOUNTS OF RECEIPT
AND EXPENDITURE.

1. Annual Estimates of the Revenue and Expenditure of the Colony are to be laid before the Legislature in sufficient time to enable the Votes to be taken before the commencement of the year to which the Estimates relate. The duty of compiling the Estimates will devolve upon the Treasurer, the requisite data being furnished by the several Heads of Departments.

2. And, in like manner, Supplementary Estimates are to be prepared of all ascertained or probable excesses upon Votes for the current year, and of any new expenditure incurred or likely to be incurred during the year, which had not been previously voted; and the same shall be submitted by the Treasurer to the Governor in Council, and transmitted by Message from the Governor to Parliament, at the Session holden within the year in which such excesses or new heads or items of expenditure have occurred or can be foreseen, within 14 days of the opening of the Session.

3. The Estimates are to form the basis of the system of Account.

4. The year of Account is to be from the 1st January to the 31st December.

5. The heads of Revenue and of Expenditure are to be the same in the Accounts as in the Estimates: every item must, therefore, be classed under its appropriate head.

6. The Accounts are to be kept by double entry, the set of Books consisting of—

Cash Book,		Journal,
Daily Abstract Book,		Ledger.

7. In the Cash Book, which will be kept by the Treasurer, is to be entered every Receipt and Payment of whatever description, in the chronological order in which it may occur. Cash sheets containing literal copies of the entries in the Cash Book are to be forwarded to the Auditor weekly or daily to be checked in his office by the Vouchers, and retained in his office; and the Cash Book is to be closed and balanced at the end of every month.

8. The Daily Abstract Book, Journal, and Ledger are also to be kept by the Treasurer. The entries in the Daily Abstract Book are to be made from the Vouchers of Revenue and Expenditure, and the Book is to be journalised monthly.

9. The Ledger is to be posted from the Journal, and a trial balance is to be made on closing the Accounts of the year.

10. Before the commencement of the year the Colonial Secretary will submit two printed copies of the Estimates as passed by Parliament to the Governor for his approval in writing; which having been obtained, one copy shall be transmitted to the Treasurer as his authority for paying, and the other to the Auditor for his guidance in auditing, the Salaries, Allowances, and Contingencies of the several Departments throughout the year.

11. As regards Expenditure included in the Estimate but not embraced in the general Authority, special Authorities will be issued as occasion may require by the Responsible Minister in charge of the Department applying for the same; and every such Authority must be forwarded to the Treasurer, by whom, after record in his Office, it shall be transmitted to the Auditor for his information and guidance.

12. The Treasurer will be required to render to the Auditor every month a detailed copy of his Inland Revenue Accounts, which it will be the Auditor's duty to compare with the Monthly attested Returns received from the several Collectors of Revenue.

13. The Treasurer shall at the end of each month prepare a full and particular Statement in detail of the Receipts of the several branches of the Consolidated Revenue, and cause the same to be published in the *Gazette* within four days of the close of the said month.

14. The Treasurer shall at the end of each year prepare a full and particular Statement in detail showing the Receipts of the several branches of the Consolidated Revenue, and cause the same to be published in the *Gazette* within seven days of the close of the year.

15. During the month of April in each year, or earlier if possible, the Treasurer is to transmit to the Auditor an Abstract of his Receipts and Expenditure in the previous year, corresponding with the closing entries of the Journal and Ledger. Upon receipt of this document, the Auditor is to examine the Treasurer's Journal and Ledger with the Vouchers deposited in the Audit Office; and when the whole shall have been found to be correct, the Abstract is to be countersigned by the Auditor, and submitted for the information of His Excellency the Governor through the Colonial Secretary, who will afterwards return it to the Auditor.

16. With a view to maintaining an efficient Audit upon payments made for Salaries and Personal Allowances, a Register Book is to be kept by the Auditor, in which are to be entered the names of the persons receiving Salary or Allowance, the period for which pay is drawn, the rate, the amount of each instalment, and, in the case of a new appointment, a reference to the authority under which it was made. This Book must exhibit the names of all persons receiving pay under the Fixed Establishment, with the exception of Petty Constables, Javelin Men, and others subject to be changed at the discretion of the Head of Department, whose names need not be entered, as the number authorised for each Establishment or Station will form a sufficient check.

17. The Treasurer shall transmit to the Auditor from day to day his "Daily Abstract Books of Revenue and Expenditure;" and, upon their receipt, the Auditor shall immediately compare and check the entries therein by the Cash Vouchers received from the Treasury in support of the Cash Sheets, shall mark by tick or initials every such entry, and, on being satisfied of the correctness of the work, shall return the books to the Treasurer. At the end of each month the Auditor shall add up and ascertain the total of each column, and the general totals for the month, in the Treasurer's Books. The Quarterly and Annual totals are to be dealt with in like manner. For the purpose of reference to details, the Abstract Books kept in the Treasury are to be available to the Auditor at all reasonable times. He shall also compare the aggregate of the general totals with the totals of Receipts and Expenditure in the Treasurer's Cash Book.

18. The Auditor is likewise to keep a Register of the "Attested Returns of Revenue," in such simple and convenient form as may be adapted to show at any time what Officers in receipt of Revenue are defaulters in respect either to the transmission of their Returns or their payments into the Treasury.

19. The Treasurer's Annual Cash Account is to be prepared in such form as to show the actual transactions during the year, but distinguishing Arrears from Current Expenditure.

20. Moneys which the Treasurer cannot immediately bring to account as Revenue, or take credit for as Expenditure, by reason of informality in the Vouchers, or any other cause, are to be posted to a "Suspense Account" until they can be credited or debited to the proper head of Revenue or Expenditure, as the case may be.

21. In the case of Stationery or small Stores purchased by the Colonial Storekeeper for issue in detail to Departments, the bills when paid are to be entered to an account entitled "Storekeeper's Personal Account;" and the Departments are to be afterwards debited from the periodical adjustment Accounts of the Storekeeper. The Treasurer will therefore take care that such Returns are regularly furnished at the appointed periods.

22. The Storekeeper will continue to make all other purchases, except under extraordinary circumstances, in the name of the Department requiring the supplies, in order that the Accounts may be self-adjusting.

23. On the 31st December all Votes under which no Expenditure has been authorised are to be considered as having lapsed.

24. In order to provide for Expenditure authorised before the 31st December, a sum equal to such authorised Expenditure is to be made available as a credit in the succeeding year, in order that the Expenditure of each year may be kept distinct. All such credits not expended are to lapse on the 31st December following.

25. The Auditor, as often as he may deem it necessary, is to compare the Bank balances with those shown in the Treasurer's Books, and to count the money in the Chest, and check over any securities that may be held by the Treasurer; and, after allowing for outstanding cheques, he is to verify the Bank balances and the cash in the Treasury, and report thereon for the information of the Governor in Council.

26. The Treasurer and the Auditor are to consider these Instructions, together with the Audit Act, and the Regulations respecting Public Accounts, as the rule of their conduct; and any questions arising out of them which cannot be agreed upon between these Officers are to be submitted, by either, for the decision of the Governor in Council.