

(No. 122.)



1871.

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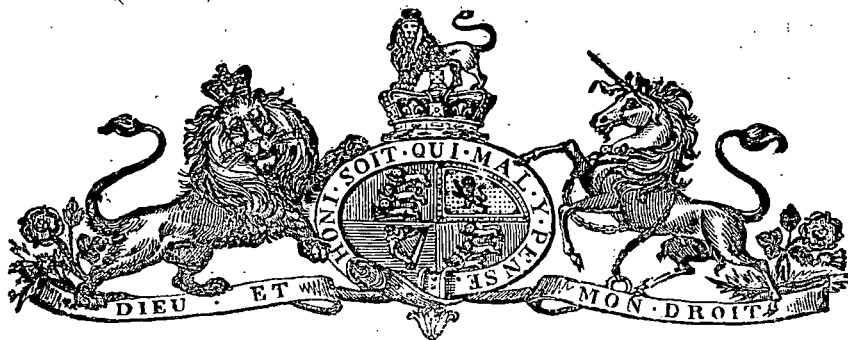
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**LAUNCESTON AND WESTERN RAILWAY.**

CORRESPONDENCE BETWEEN THE COLONIAL AUDITOR AND THE SECRETARY  
OF THE COMPANY IN REFERENCE TO WAGES PAID TO LABOURERS,  
WITH THE AUDITOR'S REMARKS THEREON.

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Laid upon the Table by the Colonial Treasurer, and ordered by the House to be  
printed, December 6, 1871.



*Audit Office, 15th November, 1871.*

SIR,

I HAVE the honor to enclose copies of correspondence between the Secretary of the Launceston and Western Railway Company and this Department on the subject of wages paid to men who were for some time employed on the works of the Railway under the direction of the Engineers to the Company, and who received such wages without giving their individual receipts for the same, either by signature or mark, upon the pay sheets.

As it is one of the fundamental regulations of the Public Service that all persons to whom payments are made from public funds must give an acquittance in writing for the amount of the same, I did not feel myself at liberty, without the special authority of Parliament, to depart from this rule in the case of the Railway; and I have therefore withheld from giving a full discharge to the Company and the Commissioners for payments so made, amounting to about £3800, pending my being empowered to do so by a proper and sufficient authority, which I have now to request that you will do me the favour to solicit from Parliament during its present session.

I beg leave to add that I have not met with, in the examination of subsequent accounts, any instance of a re-demand of wages from any one of the workmen referred to; and I therefore conclude that, although an undesirable practice, no actual inconvenience has arisen from the course pursued.

I have the honor to be,  
Sir,

Your very obedient Servant,

E. J. MANLEY.

*The Hon. the Colonial Treasurer.*

(Copy.)

OBSERVATION ON THE ENCLOSED VOUCHERS Nos. 559, 571, 580, 589, 609, 627, 640, 653, 654, 684.

OBSERVATION—No. 1.

In the Treasury Accounts wages are always supported by the individual receipt of the mechanics or labourers employed. If receipts have been taken from the persons named in the enclosed pay lists, it is requested that they may be produced for the satisfaction of the Auditor; but if this has not been done, the reason for dispensing with the usual acquittances should be explained.

It would appear from the form of the pay abstract that the certificate of the Engineers is merely intended to verify the fact that the several amounts stated were due to the men named in the list, and that the signature of the Accountant of the Company alone supports the fact of actual payment. It is desirable therefore that full particulars should be afforded as to the mode of making the payments in detail, in order that the Auditor may be in a position to judge whether the documents furnished can be legally admitted without the usual receipts as sufficient vouchers, upon such additional proof of payment as it may be practicable for the Secretary of the Railway Company to produce.

(Signed) E. J. MANLEY, *Colonial Auditor.*

*Audit Office, 29th November, 1870.*

ANSWER.

In this case, as you are aware, the Engineers of the Company were carrying out the works by day labour instead of through Contractors; and the course adopted by large Contractors such as Messrs. Overend and Robb on railway works, that of taking the signature of the witness to the payment, has been adopted. Most of these labourers have been employed out of doors and paid on the works. You state the certificate of the Engineers verifies the fact that the several amounts

were due to the men named on the list.\* The signature of the Paymaster supports the fact of actual payment, and shuts out all possibility of any successful re-demand. I may add that, after getting the pay sheet from the Engineers, the Accountant makes up the several amounts† in separate parcels with each man's name written on: they are handed to them at their work. This is the only practical course.

(Signed) H. DOWLING.

2nd December, 1870.

OBSERVATION—No. 2.

The simple certificate of the Accountant of the Company who acts as Paymaster that he has paid certain moneys to certain persons is not of itself sufficient to satisfy any Auditor of Public Accounts. The principle that has always been acted upon in this Colony, as derived from the Commissioners of Audit in England, is, that every Public Servant entrusted with the disbursement of Public Moneys must produce proper acquittances, or satisfactory proof of payment over and above any certificate or declaration of his own.

In the case under notice which involves a large amount in the aggregate, and numerous detailed payments, it occurs to the Auditor that other persons must be employed to assist the Paymaster in disbursing the moneys, although the explanation of the Secretary does not distinctly say so.

If, for instance, the foreman or chief mechanic of each separate party of workmen is always present, and engaged in assisting Mr. Lord in this duty, as may probably be the case, the certificate of such foreman, or chief mechanic, to the effect that the several persons named in the Pay Abstract received in his presence the amounts set opposite their names, would be a good supporting certificate and evidence of payment, provided such person is competent to read writing, and to sign his name.

As the vouchers at present stand they are not such as would justify the Auditor in giving a discharge to the Company and Commissioners for the amounts paid for wages; and he would be constrained to leave the matter open until the assembling of Parliament, when it would be his duty to submit the question in a Special Report through the Hon. the Colonial Treasurer.

Audit Office, 22nd December, 1870.

(Signed) E. J. MANLEY.

ANSWER.

The Auditor will observe that in the first accounts a few individual receipts were obtained by Mr. Lord, but the Engineers, who had undertaken the voluntary service of erecting the Station Buildings, objected that, 1st. as there were a variety of rates for the same class of mechanics, they deemed it undesirable that the men should become acquainted precisely with the nature of the engagement of others; and 2nd. that as the numbers of men thus employed increased no one paymaster could get through the work.

Mr. Lord therefore, acting under instructions founded on these objections, adopted the principle usually acted upon by large contractors, not connected with any Public Department of Government, and paid the men on the works, certifying to such payments.

The Auditor will also observe that, in addition to this certificate, the proper expenditure of the moneys is guaranteed by the Pay Sheet furnished by the Clerk of Works and Engineers, passed by the Board of Directors and Commissioners.

In all cases the foremen of each separate party of workmen were present.

It is now impracticable to get these men's certificates, their present address not being known.

I beg to add, that I regret that before entering upon these payments, which were new to the office, we did not ascertain from the Auditor the principle to be adopted by us, by which these accounts should have been brought within the category of Public Accounts, subject to the principle laid down by the Commissioners of Audit in England.

(Signed) H. DOWLING.

4th January, 1871.

\* Query No. 1.—Is the Auditor correct in this inference?

Answer.—Certainly, the Auditor is correct.

† Query No. 2.—Are the several amounts handed to the men on the works by Mr. Lord himself, or through the medium of any other agent? Or by Mr. Lord, assisted by another person?

Answer.—By Mr. Lord, in the presence of the foreman of each gang, who points out each man.

(Signed) H. DOWLING.

4th January, 1871.