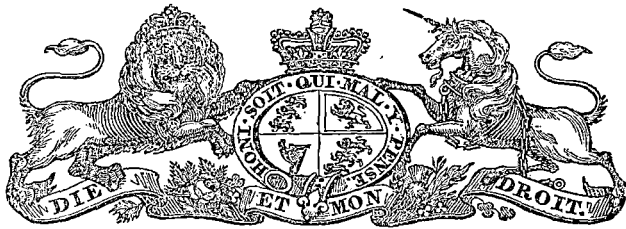


(No. 29.)



1864.

T A S M A N I A .

F I N A N C E .

AUDITOR'S LETTER.

Laid upon the Table by Mr. Colonial Treasurer, and ordered by the House to be printed, 8 July, 1864.

Audit Office, 7th July, 1864.

SIR,

IN returning your Balance Sheets and Annual Statements of the Public Accounts for the Year 1863, I have the honor to submit my Report thereon, in accordance with the requirements of the 22nd Section of "The Audit Act."

In the compilation of these Statements I do not discover any discrepancies to call for observations from me; and as the various transactions they exhibit are so fully detailed, it would be superfluous, I think, to offer any explanatory remarks, which, to be of value at all, would far exceed the reasonable limits of this letter.

I proceed therefore to report, first with respect to the "Revenue," upon which, I extremely regret to say, it is my duty to relate the particulars of a defalcation to the extent of £252 12s. 7d. by a Clerk named Hardinge, who was employed in the Colonial Treasury.

The circumstances may be thus briefly explained. Mr. Hardinge acted as Second Clerk in the Revenue Department, under Mr. Campbell the First Clerk, and although not on the "fixed" establishment, was necessarily entrusted with the receipt of moneys when his senior was not present, or was otherwise engaged. His success in defrauding the Revenue may be attributed to his ability in imitating signatures, which enabled him to effect his object by committing forgery.

It appears that the principal sums abstracted by Hardinge were receivable upon Grant Deeds, some of which remain in the Revenue Office for years, awaiting the payment of dues by the persons to whom they belong. There was, consequently, not so direct a check upon the collection of such moneys as on most other sources of Revenue, except by the registration at the Audit Office of the formal receipt issued by the Treasury Department, which, had forgery not been resorted to, would of course have been sufficient to detect his proceedings. Hardinge, however, improperly signed these receipts himself for the Treasurer; and, in order to get the document taken without question by the parties paying the money, he forged the signature of the gentleman in the Audit Office whose duty it was, and had been for years, to register such receipts. The forgery was cleverly executed; and hence the readiness with which the receipts were taken, even by persons much accustomed to Treasury transactions.

It was unfortunate that Hardinge held his appointment in the Revenue Office by so uncertain a tenure, — a circumstance which may perhaps have led him to undervalue his situation, and, with a tendency to irregularity, have increased that want of regard for character which he afterwards so lamentably exhibited. It may be added that, for his misdeeds, the young man received a sentence of Four years' Penal Servitude.

I avail myself, however, of this occasion respectfully to record my opinion, that no person should be employed in those branches of the Treasury where moneys are received and paid without giving ample security; and, as a fair and just reciprocity to this condition, I would venture a further opinion that Clerks so situated should, relatively to their responsibility and trust, be better remunerated than gentlemen filling situations of corresponding rank in other Departments where pecuniary responsibility is not so directly involved.

I am not aware of any other instance of loss to the Revenue which I have to report; and I therefore now turn to the subject of check upon a source of Revenue which has been always, more or less, attended with difficulty, both in regard to collection and audit.

Under date the 20th May, 1862, I had the honor of addressing a letter to your predecessor on what appeared to me to be defects in the system of check upon the receipt of Crown Land Rents, and therein submitted the outline of a plan by which I thought the means of check might be improved, not only as a matter of account, but practically in aiding the Revenue, by making known promptly in every District all lands that had been relinquished by previous lessees. Without, however, enlarging on this latter point, which would be, I feel, trespassing on the province of the Commissioner of Crown Lands, I confine myself simply to the audit of Accounts.

The plan proposed may be briefly repeated here as follows:—

1st. That, at the expiration of the time allowed by law, or such reasonable time beyond as may be fixed by Regulation (and to be rigidly adhered to), all Lessees of Crown Lands who may have failed to pay their Rents shall be, as at present, reported to the Commissioner of Crown Lands by a Return prepared in the Treasury.

2nd. That, immediately on receipt of such Return, the Commissioner should cause a Circular Note to be addressed to each person named in the list, requesting him to state whether it was his intention to relinquish the land leased by him; or, if the non-payment of the rent was an oversight, to remit the money at once to the Treasury; failing which by a specified date the land would be resumed. On the termination of the time fixed by the Circular, the Commissioner, having first ascertained from the Treasury what rents

had since been paid, should cause an official notice to be published in the *Gazette* of those Lots of Land, with the names of the recent occupants, which had been so resumed by the Crown. The Auditor would then adopt the *Gazette* Notice as his official guide and instruction for correcting his Rent Roll, and for admitting, on audit of your Revenue Accounts, the non-collection of those particular rents; instead of, as at present, having no document for his guidance except a Return of Defaulters furnished from the Revenue Office itself.

The advantage of the scheme proposed is, I trust, sufficiently obvious without my troubling you with further observations on the subject; except to add, with your leave, the suggestion, that copies of such *Gazette* Notice might be struck off on separate sheets, and exposed in a convenient place at every Police Station, for the information of the Settlers throughout the Colony.

There are two or three instances of delay in rendering Accounts connected with the Revenue, which it is required by the Act should be particularised in this Report, although it does not follow that the omission to furnish the documents should cause any loss to the Public Funds.

Mr. Stuart, the Council Clerk of Fingal, is in arrear with some of his Returns; but he has promised to furnish them, and indeed he cannot receive his commission for collecting the amount of Rural Police Rates for 1862, which he states he has completed, until he shall have rendered all the necessary details to this Department.

Mr. Reynolds, the Collector of Rural Police Rates for the District of Hobart, is also in arrear with his detailed Accounts; but this fact may be to some extent attributable to his desire to recover Rates of former years, which could not be, for various reasons, collected at the proper time. It may be observed that, in his case, the detailed Accounts are very voluminous, and attended with much labour and trouble both to compile and examine.

There are two unsettled Accounts connected with the Board of Education which it is desirable should be brought to a close as early as possible. The one is for School Books and Materials sold under a Regulation of the Board, the proceeds of which have been long ago paid over to the Treasury; but the detailed particulars of Account have not yet been furnished in a complete state by the Secretary, who, it is submitted, should be instructed to give *immediate* attention to the business, and forward the Accounts to this Office without further delay.

The other matter is a Return of Postage Stamps received and issued in the Education Department, which is required for examination, but has not been made up in consequence of the absence of the Postage Book, which Mr. Burgess has not been able to find. I contemplate, therefore, going into this business as soon as time will admit, and taking such collateral evidence as Mr. Burgess may be enabled to produce to satisfy the Government, and myself as Auditor, of the due appropriation of the Stamps.

A special Report will be addressed to you on completion of the investigation; and if the whole amount issued cannot be satisfactorily accounted for, Mr. Burgess will, of course, be liable to a surcharge for the balance.

Turning to the "Expenditure" side of the Accounts, I have no record of any payment having been made at the Treasury and allowed by this Office without the production of the proper Vouchers; and consequently have nothing to report on this point.

It may not, however, be out of place for me here to call attention to the Act of Parliament, 27 Vict. No. 43, for "making good the Supplies for the Public Service in the year 1863." The object being to provide funds for the Defences of the Colony, this Act may not improperly be viewed in the light of a Loans Bill, the amount of which might run over some years in being expended. Practically it has been thus construed; but, according to the heading of the Act, taken literally, its operation would be limited to the service of the year 1863. I am not aware whether it is indispensable to alter the Act on this account; but I think it desirable, at all events, that the apparent discrepancy should be brought under notice.

Referring to my Report upon the Financial Statements of 1861, I have to inform you that the final Accounts of the International Exhibition Commissioners, including those of the Commissioners in England, have been rendered to this Office, and examined,—but await Answers to some Queries made upon them before they can be altogether closed.

The Accounts of the Immigration Commissioners are still in arrear, but the Secretary promises that they shall be completed and furnished in a very short time. I would, however, solicit your being pleased to issue a special instruction to that Officer on the subject.

No detailed Accounts having reached this Office showing the particulars of the Expenditure in England on account of the "Introduction of Salmon," I would submit that a request should be conveyed to the gentleman who has been entrusted with the arrangements in England to forward a Statement in detail of the Disbursements made by him for the object in question, accompanied by the requisite Vouchers, at the earliest convenient opportunity.

In my Report of 19th July, 1862, addressed to your predecessor, I took occasion to suggest, whether it would not be desirable to attach to the Annual Accounts an Abstract of the Year's Expenditure through the Agents-General in London; and I now beg leave to renew this suggestion for your consideration, availing myself also of the opportunity to bring under notice the fact, that the Agents-General continue to render their Accounts of transactions conducted for this Colony, with original Vouchers, to the Commissioners of Audit in London,—a course which appears to me now, under the altered circumstances of our position relatively to the Imperial Authorities, to be quite unnecessary, and indeed so far attended with disadvantage that I am not able in all cases to obtain satisfactory Vouchers for the disbursements made by the Agents on account of this Colony. I therefore venture to suggest that the Quarterly Accounts Current, accompanied by the original Vouchers, should in future be forwarded by the Agents-General direct to the Honorable the Colonial Treasurer at Hobart Town, by whom they would be handed over to the Audit Department for examination in the regular routine of business.

I have the honor to be,
Sir,

Your very obedient Servant,

E. J. MANLEY.

The Honorable the Colonial Treasurer.