

(No. 128.)



1869.

T A S M A N I A.

CLARENCE MUNICIPAL ACCOUNTS.

REPORT OF SELECT COMMITTEE.

Brought up by Mr. Lewis, and ordered by the House of Assembly to be printed,
20th October, 1869.

SELECT COMMITTEE appointed on the 14th October to enquire into and report upon the statements contained in Mr. RICHARD STRACHAN'S Petition in reference to the Clarence Municipal Accounts.

MEMBERS OF THE COMMITTEE.

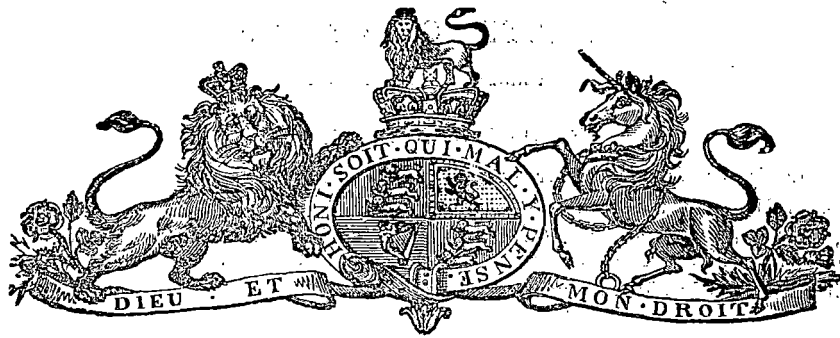
MR. BARRETT.		MR. PRATT.
MR. DAVIES.		MR. LEWIS.
MR. JOHN SCOTT.		

DAYS OF MEETING.

15th, 18th, and 19th October, 1869.

WITNESSES EXAMINED.

Mr. W. I. Thomas; Mr. Strachan; Mr. Young.



THE SELECT COMMITTEE appointed by the House of Assembly, 14 October, 1869, to enquire into and report upon the statements contained in Mr. RICHARD STRACHAN'S Petition in reference to the Clarence Municipal Accounts, with power to send for persons and papers, have considered the matters referred to them, and have agreed to the following

R E P O R T.

Your Committee have had under their consideration the published Accounts of the Clarence Municipality for the years 1866, 1867, and 1868; and they find that there are two items named by Mr. Strachan in the Analysis of the said Accounts attached to his Petition—viz., the sum of £189 13s. 6d. owing to the Bank of Van Diemen's Land on 31 December, 1866, and also the sum of £14 8s. 6d. amount available Risdon Road, 31 December, 1868—as items of expenditure which should not have been entered in the Accounts referred to as expenditure, but that they should have appeared at the foot of the account as items of liability.

The balance £58 5s. 2d. brought forward from 1865, to which Mr. Strachan takes exception in his evidence, your Committee believes to be correct; and with regard to the other amount, £209 6s., transfer from Police to Municipal Fund, which he says is erroneously placed, the evidence discloses the fact, that when the Rural Municipalities Act of 1865 came into operation in October of that year there was a sum of £209 6s. due by the Police Fund, which fund was closed in conformity with the Act alluded to, and this amount was carried to the debit of the General Municipal Fund on 31 December, 1866: and your Committee's opinion is, that it is correctly entered in the Accounts of 1866. Admitting; therefore, the two clerical errors of £189 13s. 6d. due to Bank of Van Diemen's Land in 1866, and the amount available Risdon Road £14 8s. 6d., and after providing for the amounts belonging to 1868 paid and received by the Bank in 1869, the balance brought down to the debit of the Municipality is £17 0s. 3d., as will be seen more clearly by the corrected abstracts of Accounts which your Committee attach to this Report, and which are recommended to be published in the *Hobart Town Gazette* as the corrected Accounts of the Municipality of Clarence.

Your Committee, whilst agreeing with the Petitioner Mr. Strachan in regard to the two items which evidently caused an erroneous statement of the affairs of the Municipality to be placed before the public, have to state that there is nothing whatever shown to justify Mr. Strachan's belief that there is a defalcation during the three years alluded to by him to the amount of £458 7s. 11d., but, on the contrary, the accounts in the ledger are perfectly clear and correct; and the evidence of the Council Clerk fully and satisfactorily explains the reason why the amounts of £189 13s. 6d. and £14 8s. 6d. were put on the account as expenditure. Your Committee are of opinion these errors were errors of judgment only.

Your Committee beg to refer to the evidence taken, in which the Petitioner, Mr. Strachan, clearly proves that he never examined the books of the Municipality, but depended upon certain published accounts for information; and it does not appear that he was in any way prevented from making a searching enquiry by the books themselves, but, on the contrary, he omitted to be present at a Meeting of a Committee appointed at his request by the Council to go over the Accounts with him.

Your Committee beg to call the attention of the House to the anomalous position held by Mr. Councillor Young, the Treasurer of the Municipality. As appears by his evidence, he is merely a nominal official, and not the officer contemplated by the Rural Municipalities Act. Your Committee consider the attention of the Rural Municipal Council of Clarence should be called to the unwarrantable position now occupied by the Treasurer, who should in all respects perform the duties assigned him by the Act.

D. LEWIS, *Chairman,*
19 October, 1869.

MINUTES OF MEETING.

FRIDAY, OCTOBER 15, 1869.

Present—Mr. Lewis, Mr. John Scott, Mr. Barrett.

1. On motion of Mr. Scott, the Chair was taken by Mr. Lewis.

2. *Ordered*, That Mr. Strachan, Mr. Council Clerk, and Mr. James Young be summoned to attend on Monday, at 11 o'clock. The Clerk to produce the Municipal Account Books.

The Committee adjourned to Monday next, at 11 o'clock.

MONDAY, OCTOBER 18, 1869.

The Committee met at Eleven o'clock.

Present—Mr. Lewis, Chairman; Mr. Barrett, Mr. Davies, Mr. Pratt.

The Committee examined Mr. Thomas and Mr. Strachan as witnesses.

The Committee adjourned to to-morrow, at 10 o'clock. Mr. Young and Mr. Thomas to be summoned as witnesses.

TUESDAY, OCTOBER 19, 1869.

The Committee met at Eleven o'clock.

Present—Mr. Lewis, Chairman; Mr. Barrett, and Mr. Davies.

The Council Clerk, Mr. Thomas; and the Treasurer of the Municipality, Mr. Young, were examined.

1866.

RURAL MUNICIPALITY OF CLARENCE.

Dr.

THE Treasurer in Account Current with the Municipality.

Cr.

RECEIPTS.				EXPENDITURE.									
£	s.	d.	£	s.	d.	£	s.	d.					
Balance from 1865	—		58	5	2	Salaries and Contingencies	707	7	5				
Grant in Aid to 30th September	424	10	0			Labour, Cartage, &c., account Roads	191	3	11				
Slaughtering Licences	4	5	0			Expenses, account Inquests	11	6	0				
Dog Licences	53	10	0			Stationery and Printing	9	5	6				
Fines and Fees	16	8	6			Fixing Ventilators and Shelving	3	2	0				
Fees, Court of General Sessions	3	2	6			Insurance on Police Buildings	1	10	0				
Road and Police Rates at Sixpence in the Pound	490	14	0			Fuel, £1 11s.; Scissors, Brushes, &c., 12s. 3d.	2	3	3				
			992	10	0	Three Pistols for Police	0	9	0				
<i>Debts owing to the Clarence Municipality.</i>						Repairs for Iron Chest	1	5	0				
Grant in Aid due by General Government to 31st December	141	10	0			Interest on overdrawn Account, Bank of V. D. Land, 1865	3	15	1				
Contribution in aid of Roads, ditto	125	3	6			Litto, 1866	1	12	11				
			266	13	6	Amount transferred from Police to Municipal Fund	209	6	0				
									1142	6	1		
						<i>Police Reward and Superannuation Fund.</i>							
						Gratuity paid Sergeant Warman	1	0	0				
						Ditto Constable Campbell	0	10	0				
						Ditto Mr. Warman, as Searcher	5	0	0		6	10	0
						<i>Debts owing by the Clarence Municipality.</i>							
						Herald Office, Printing Account	4	9	6				
						Sundry items for Election Expenses	2	16	0		7	5	6
						Balance carried down	—			161	7	1	
										£1317	8	8	
To Balance brought down			£161	7	1	<i>MEMORANDUM.</i>							
						Overdrawn Account, Bank of V. D. Land	189	13	6				
						Balance of above Account	161	7	1				
						Balance against the Municipality, 1866	£28	6	5				

1867.

RURAL MUNICIPALITY OF CLARENCE.

Dr. THE Treasurer in Account Current with the Municipality. Cr.

RECEIPTS.		£	s.	d.	EXPENDITURE.		£	s.	d.
Balance from 1866		161	7	1	Salary, Warden		73	6	8
Grant in Aid to 30 June		283	0	0	Council Clerk		140	0	0
Ditto received on account, to 31st December		50	0	0	Police		417	8	9
Police Rates at 9d. in the Pound		386	11	9	Female Searcher		5	0	0
Road Rates at 3d. in the Pound		128	17	3	Insurance on Police Buildings		1	10	0
Dog Licences		56	15	0	Cart-hire, Superintendent of Police		1	1	0
Slaughtering Licences		4	5	0	Repairs—Clock, 5s., Spouting, 40s.		2	5	0
Fines and Fees		26	17	3	2 Tanks, £8 18s., Brush, 5s. 6d.		9	3	6
<i>Amount due from General Government.</i>					Accountments, Bedding, &c., on account of Police		1	14	0
Grant in Aid to Roads	64	8	7		Fuel, £2 8s., Stationery, &c., £5 9s.		7	17	0
Ditto, Watch-houses	100	0	0		Expenses, Inquests		6	16	6
Balance Grant in Aid Police, &c.	15	3	0		Ditto, Municipal Election		6	9	9
		179	11	7	Interest on Overdrawn Account		8	12	7
					Fees paid to Auditors		2	2	0
					Labour, cartage, &c., on account of Roads		241	8	1
					<i>Accounts due by Municipality.</i>				
					Marsh Brothers	1	9	3	
					Mercury, Printing Account	1	1	6	
					Times, ditto	0	18	0	
							3	8	9
					Balance carried down	—	349	1	4
							£1277	4	11
To Balance brought down		£349	1	4					

1868.

RURAL MUNICIPALITY OF CLARENCE.

Dr. THE Treasurer in Account Current with the Municipality. Cr.

RECEIPTS.		£	s.	d.	EXPENDITURE.		£	s.	d.	£	s.	d.
Balance from 1867		349	1	4	Salary, Warden		50	0	0			
Grant in Aid		191	17	11	Ditto, Council Clerk		104	3	4			
Police Rates		370	16	9						154	3	4
Dog Licences		48	0	0	Police		457	7	3			
Slaughtering Licences		3	5	0	Searcher		5	0	0			
Coach and Drivers' Licences		6	10	0						462	7	3
Public-house Licence Fees		1	5	0	Insurance		1	10	0			
Fees and Fines		17	17	6	Repairs, &c. Roads		128	19	4			
Net proceeds, old timber		0	17	8						130	9	4
					Repairs, Police Buildings		—			78	11	0
					Repayment, General Government		5	5	6			
					Stands for Tanks		1	5	0			
										6	10	6
					Matting, Police Office		1	16	0			
					Coroner's Fees		1	1	0			
										2	17	0
					Stationery and Stores		—			16	13	10
					Fuel		3	1	6			
					Interest on overdrawn Account		4	2	9			
										7	4	3
					Election Expenses		4	8	3			
					Auditors		2	2	0			
										6	10	3
					Sundry Acts of Council, Gazette Office		—			0	19	4
					Balance carried down		—			123	5	1
										£989	11	2
To Balance brought down		£123	5	1								

MEMORANDUM.

Overdrawn Account, Bank of V. D. Land	125	16	10
Due on account of Risdon Road	14	8	6
	140	5	4
Balance of above Account	123	5	1
	£17	0	3

EVIDENCE.

MONDAY, OCTOBER 18, 1869.

MR. WILLIAM ISAAC THOMAS *called in and examined.*

To the Chairman.—I am Council Clerk of the Rural Municipality of Clarence. I place on the table of the Committee the Ledger, Cash Book, Bank Pass Book, and Minute Book of the Clarence Municipal Council. Also the Rural Municipalities Act.

Mr. Thomas retired.

RICHARD STRACHAN, *Esq., called in and examined.*

To the Chairman.—I am a Councillor of the Rural Municipality of Clarence, and was so in the years 1866-7-8 and 9. I have a copy of the Accounts of the Municipality from 1st January to 31st December, 1866. I take exception to some of the items in that Account. They are:—The sum of £209 6s., mentioned as amount transferred from Police to Municipal Fund: because it is usual in all Municipal Districts in transferring from one fund to another to credit the fund that receives it and debit the fund from which it is taken. I cannot see this item transferred as a receipt from any fund. There was a balance of £58 5s. 2d. from 1865. It is not shown as belonging to the Municipal fund; so I cannot tell. In 1865 the Police and Municipal Funds were kept separately. I refer to the Municipal Account in the ledger,—the balance from 1865, a credit balance, is £58 5s. 2d. I look at the Police Fund Account for 1865 in the ledger. On the 31st October, 1865, the balance to the debit of the Police Fund is £209 6s. It was credited by transfer to the Municipal Account on 31st December, 1866, £209 6s. That closed the Police Fund Account, as appears by the ledger.

To Mr. Davies.—On examination of the ledger do you find the item £209 6s. has been transferred, as it should be, from the Police to the Municipal Fund? Yes; on reference to the books it appears it has.

Had you no opportunity, as a Councillor of the Municipality, of referring to these books? I had, privately; but I wished a Committee of the Council to be appointed to do so.

Could you not have seen these items in the ledger before? I never looked. I only referred to the published account.

To Mr. Pratt.—You say you never saw the Ledger before? I have seen it on the table, but never examined it.

Was not an opportunity afforded you on 6th March of examining the Ledger? I did not inspect it. I was at the meeting on that day, but did not inspect the books as the bank book was not there. I had an opportunity on that day of examining the Ledger.

To the Chairman.—What other items do you object to? I object to the item £58 5s. 2d., balance brought forward from 1865.

Does the balance of the Ledger on 1st January, 1866, show a credit balance of £58 5s. 2d.? It does; but I don't admit the Ledger is correct.

To Mr. Davies.—Have you examined the Ledger on that item? No.

How do you arrive at the conclusion that the Ledger is not correct if you have not examined it? By comparison with the printed accounts, which profess to be a true abstract of the Municipal Accounts.

To the Chairman.—Were these balances certified to by the Auditors, the Warden, and the Councillors, yourself amongst them? Yes; I will explain the circumstances under which I signed it. A constable was sent to my house with the accounts already signed by the other Councillors, with a request that I would sign it and return it by the constable. I merely saw they were accounts, and signed them on the faith they were good accounts as signed by the others.

Which is the most likely to be correct, the Ledger or the published accounts? The published accounts, as they are submitted to the Auditors, and placed on the tables of the Houses of Parliament.

Do the published accounts and the Ledger agree? I have not compared them.

Does the balance of £58 5s. 2d., as shown in the published accounts, correspond with the Ledger? I refer to the Ledger, and find it does.

What is the next item you disagree to? I object to the balance, £189 13s. 6d., owing to the Bank of Van Diemen's Land in 1866 as expenditure of that year, because I find a balance brought down,—though not the balance that I admit,—but still a balance, and sufficient sums received from the Government that year to pay all the expenditure that was paid in that year. That £189 13s. 6d. should be struck out.

Was it a liability shown by the bank book now produced? Yes.

Are there any other items in that year you object to? No other.

Will you turn to page 6, and say any of the other items in that account incorrect, except the balances? In the accounts of 1867 the accounts were so made out as to mislead me. I believe they are substantially correct, but improperly put down: I refer to the whole of the items.

Turning to page 7, what item—if any—in that account do you object to? The last amount available for Risdon Road, £14. 8s. 6d. That is not an amount paid.

You say there were some December salaries paid on 4th January? Yes; amounting to £56 3s. 9d.

Will you look at the Bank Pass Book, and say what was the balance on 1st January, 1869? £131 7s. overdrawn.

Will you give the amounts paid in January, 1869, belonging to 1868? £40 3s. 9d., £8 6s. 8d., £2 13s. 4d., and £5.

Will you give the amount received in January, 1869, belonging to 1868? £61 13s. 11d.

You first took exception to the manner of keeping the Accounts in the year 1868? Yes.

Was it the case that a Committee was appointed on 31st December, 1868, from which you were excluded? Yes.

Why did they exclude you? I can't tell. A Committee was formed, and Councillor Maum and myself left out.

Were any grounds stated for excluding you? None.

Is there a Finance Committee of the Municipal Council of Clarence? I believe not.

Were you present at the Council Meeting on 26th December, 1868? No: I was not.

Will you look at and read from the Minute Book the Minutes of the Meeting on that day? "Councillor Young moved that the following do form a Finance Committee to report on the Finances for the ensuing year,—such Committee to consist of the Warden, Councillor Stanfield, Councillor Morrisby, and the Mover: the Report to be brought up at the next Meeting of the Council."

To Mr. Davies.—Was that Report brought up at the next Meeting, and submitted to the Council? Yes.

To the Chairman.—On the 30th January, 1869, were the Accounts laid on the Table? Yes.

Did you then denounce them as wrong? I wished a further suspension of the Standing Orders, in order to compare them with the Books, because I believed they were incorrect. The suspension of the Standing Orders was refused.

On the 27th February, 1869, were you present at the Council Meeting? Yes.

Did you then denounce the said Accounts as being incorrect? I did.

And you requested a suspension of Standing Orders to appoint a Committee of the whole Council to enquire into them? Yes.

Was it granted? Yes.

Did you meet that Committee on 6th March? I did.

Were you called on to prove that the Accounts were wrong? Yes.

Did you proceed to show cause? Yes.

Did you ask for the Municipal Bank Book? I did.

Was it forthcoming? No.

What was substituted for it? An Extract, certified by one of the Clerks in the Bank, showing the Balance to the end of the year of £131 7s., and several other sums, £56 3s. 9d., making together £187 10s. 9d.

Was there anything shown in that Extract of a sum of £61 13s. 11d. paid in to the credit of the Municipality? Yes.

If you deduct the £61 13s. 11d. from the £187 10s. 9d., what balance will be left? £125 16s. 10d., which would be the balance per Bank Book on the transactions of 1868.

Were you not able to get the Bank Book at any time between the time you attended that Meeting, and when you petitioned Parliament? I dare say I might have if I had tried.

Did you attend the Meeting on 27th March when the Committee brought up their Report? Yes.

Who were the Councillors who objected to that Report? Mr. Maum and myself.

Did you intimate you would bring the matter on in some other way? I did.

You state in your Petition, you have examined the Accounts and believe there is a deficiency of £458 7s. 11d. Do you still adhere to that belief? I do, most firmly.

And you have submitted an Analysis of the Accounts attached to your Petition: and that Analysis is to assist this Committee? Yes.

Mr. Strachan retired.

TUESDAY, OCTOBER 19, 1869.

MR. WILLIAM ISAAC THOMAS *examined.*

You are the Municipal Clerk at the Council at Clarence? I am. I have before me the publication of the abstract of the Accounts of the Municipality of Clarence from the 1st of January to the 31st December, 1866. The balance brought forward from the year 1865 is £58 5s. 2d. as a receipt. That is on account of the General Municipal Fund. That balance is correct, and agrees with the Ledger,—which I produce. There was a Police Fund in existence up to October, 1865, which was closed by the operation of the Municipal Act, 1865. There was a sum of £209 6s. to the debit of the fund. I made a transfer of that amount to the Municipal Account on the 31st December, 1866. There was a balance in favour of the General Municipal Fund on the 1st January, 1866, of the sum of £58 5s. 2d., and a balance against the old Police Fund of £209 6s. The amount transferred from Police to Municipal Fund, £204 6s., in the account now before me is correct. That amount appears in the Ledger to the debit of the Municipal Fund on the 31st December, 1866. With regard to debts owing by the Clarence Municipality, I placed the sum of £189 13s. 6d. to the credit of expenditure at the express desire of the late Warden, Mr. Abbott. The reason why he insisted upon it was this, that as the over-draft was occasioned by our not having in hand the sum of £266 13s. 6d. then due by the Government, this item appearing as a receipt in the accounts the other should appear as a debit. In my opinion, as an Accountant, that item should have been shown at the foot of the account as a liability. If that amount had been left out as an expenditure, the balance to the credit of the fund would have been £161 7s. 1d. I have looked at the accounts for the year 1867. All the items except the balance brought forward are correct. If I bring the item £161 7s. 1d. forward, the balance to the credit of the fund would be £349 1s. 4d. at the end of the year 1867. I see the Accounts as published in the *Gazette* for the year 1868. All the items in that account, with the exception of £14 8s. 6d., are correct, leaving out the balances. I put that amount, £14 8s. 6d., available for Risdon Road, in the list of the expenditure, because the other Road Accounts having been closed, it was simply to show it as a liability and not as an expenditure,—that amount, if expended in 1869, would not be shown in the accounts again. If I bring forward £349 1s. 4d. to the credit of the Account for 1868, and leave out the £14 8s. 6d.,—already referred to in the expenditure,—the balance to the credit of the fund on the 31st December, 1868, will be £123 5s. 1d. Looking at the Bank Book for the year 1868, I find that the balance was £131 7s. The sum of £56 3s. 9d. was paid afterwards on account of 1868. The sum of £61 13s. 11d. was received and paid into the Bank on account of 1868 in 1869. If I add the £131 7s. 0d. to the £56 3s. 9d. it will make 187 10s. 9d., from which deduct £61 13s. 11d., a balance of £125 16s. 10d. due to the Bank on account of 1868 will be left. The liabilities of the Municipality to the Bank on the 31st December, 1868, were £125 16s. 10d., and to the Risdon Road £14 8s. 6d. The total liabilities were £140 5s. 4d. If I deduct the amount to the credit of the Municipal Fund, £123 5s. 1d., from the sum of £140 5s. 4d., it will leave a balance of £17 0s. 3d. against the Municipality on the 31st December, 1868. That is the actual state of affairs. Mr. Councillor Strachan was never at any time to my knowledge refused access to the Books of the Municipality; on the contrary, he has been urged to go into the accounts repeatedly by the Warden and several of the Councillors.

Mr. Thomas withdrew.

JAMES YOUNG, Esq., *states.*

I am a Councillor of the Municipality of Clarence, and the elected Treasurer of the Municipality. Scarce any of the money received and paid passes through my hands. As Treasurer I have constant supervision over the receipts and expenditure of the Municipality, as other Councillors have. All Councillors have the same access to the Accounts as I have. I do not receive the moneys due to the Municipality as provided by the 169th Section of the Act 29 Vict. No. 8. I do not keep an Account at the bank in my name called the Municipal Fund in accordance with that Section. I do not get any money. I have been about seven years Treasurer, and I have only had money handed to me three or four times. Sometimes a cheque is handed to me by the Council Clerk or the Warden. I think the Colonial Treasurer sent me a cheque once. I mentioned this departure from the law once to the Colonial Treasurer. He said it was customary to send the money to the Warden. When Mr. Abbott was Warden he took almost everything on himself, and I have not interfered since. The same irregularities exist at this moment. I think I am only liable for what I receive. I am not aware that I am liable to the Municipality for deficiencies should such arise in consequence of irregularities. I forget the Section under which I was appointed Treasurer. I have read it. I understand it. It means that all moneys ought to go through my hands, and that I should account for them, and that I am responsible for them. I think it is my duty to carry out the provisions of that Section of the Act. As far as I know the Warden and the Clerk have received the money belonging to the Municipality. I have objected more than once, but have not received any support. I do not receive any salary, nor have I given any security for the performance of my duties as Treasurer. Within my knowledge Mr. Councillor Strachan has not been refused access to the Books of the Municipality. He appointed a day before Mr. Abbott's death to inspect the Books and the Accounts, but he did not attend. The late Warden and Council Clerk and myself were in attendance at Mr. Strachan's request. The balance to the debit of the Municipal Account on the 31st December, 1868, I make £22 10s. 5d. I have not added the amounts received and expended in 1869 on account of 1868. I have refused to sign cheques until I was satisfied that the money was due.

Mr. Young withdrew.