

(No. 119.)



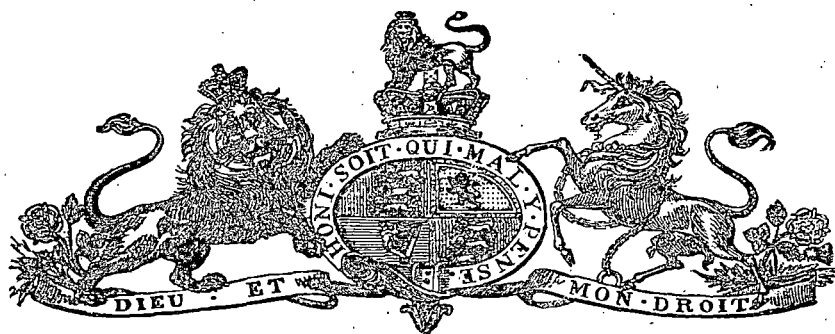
1884.

PARLIAMENT OF TASMANIA.

REAL ESTATES DUTIES DEPARTMENT:

CORRESPONDENCE.

Laid upon the Table by the Treasurer, and ordered by the House to be printed
September 3, 1884.



Audit Office, 2nd September, 1880.

MEMORANDUM.

REFERRING to a Memorandum of the 31st ultimo, received this day from the Commissioner, the Auditor begs to inform Mr. Henry that he has requested Mr. R. M. Johnston, at present attached to the Launceston and Western Railway Department, to wait upon him for the purpose of reporting upon the system of check proposed. Will the Commissioner be so good as to give Mr. Johnston the necessary facilities for investigating the same.

W. LOVETT.

The Commissioner for Collecting Real Estates Duties, Launceston.

Launceston, 28th September, 1880.

SIR,

IN accordance with your instructions, dated 2nd September, I have waited upon the Commissioner of the Real Estates Duties, Launceston, and have examined the system of Accounts at present in use, with special reference to sufficiency of check, and have the honor to report as follows.

In order to place clearly before your mind the nature of the system now in use and the necessity for amendment, I have drawn a plan or diagram, wherein, by related forms and figures, I have sketched out the outline of a proper system of accounts suited to this special form of revenue. The figures in sequence show the order in which certain books and forms are related to each other for the purpose of securing specific debits and credits, check, and ready reference and information. The basis of charge under the Real Estates Act is the Assessment Roll, and therefore the plan begins with the Roll (authorised), thus:—

- I. Individual Entry Assessment Roll.
- II. Abstract of Duties Payable Book.
- III., IV., V. Triplicate Block Demand Book.
- VI. Abstract Book Cash Received.
- VII. Cash Book.
- VIII. Weekly Statement of Cash Collected.
- IX. Treasury Bank Account.
- X. Payment of Demand Check Book.
- XI. Weekly Statement to Audit Office.

The sufficiency of the system indicated depends upon the exact form of the entries; and in order to make this clear to you in writing, I have drawn out forms corresponding to the index numbers to represent the various books, and have in one column given brief descriptions of their use and relation to other books, while in the other I give a description, with comment, of the method at present adopted by the Commissioner in Launceston.

| PROPOSED SYSTEM. | SYSTEM AT PRESENT IN USE. |
|------------------|---------------------------|
|------------------|---------------------------|

I. ASSESSMENT ROLL.

Should be carefully prepared and checked by the Commissioner. Each item in Rent Roll should be consecutively numbered, first column, irrespective of Districts. If a separate series of running numbers be desired for each district, then the distinctive character should be given to each series, *e.g.*, A1, A2, A3, B1, B2, B3. The former, however, would be the better plan for reference purposes.

The present Assessment Roll is printed without a running reference number. The Commissioner has, therefore, to write the series of consecutive reference numbers on the margin of each roll.

II. ABSTRACT OF DUTIES PAYABLE BOOK.

This book is most important, and should be carefully constructed as regards the form of entry.

It should contain all the necessary information to be entered upon the "Demand" for duty, and the latter has to be determined by reference to Abstract of Duties Payable. The entries are taken direct from the Roll, and in the order therein given. The rates and extensions to be carefully checked prior to the preparation of the "Triplicate Block Demand" form, which will be referred to hereafter.

When the Triplicate Block Demand form is being prepared, the number of the latter should be inserted in the column for that purpose in No. II. It will be observed that only the first half of the book, or debit side, is filled up prior to the actual payment of demand.

When the demands are actually paid they are posted to the column "paid" on credit side of this book, from the "Abstract Book of Cash Received," No. VI. The order of item should be the same as upon Roll. There is a column provided for clearing off authorised abatements, &c.* These, with the provision Outstandings at close of period, will enable the accountant to make a complete discharge of the debit side, while the form will provide the readiest means for reference and information. See Form II. for further particulars regarding this, the most important book of the system.

There is no book at present used by the Commissioner which supplies the important requirements stated in opposite column, Book No. II.

The block book (duplicate) now in use is prepared direct from the printed roll. The latter, by the addition on the margins in writing of a couple of columns—one for the roll number, and the other for the extension, in ink, of the amount of duty demanded—is made to do service at present merely for the preparation of the duplicate block demand forms. There is no provision for the following most essential requirements:—

1. Date of demand.
2. Reference to block demand.
3. Date of payment.
4. Amount ditto.
5. Column for abatement or other forms of credit for clearing off wrong charges.
6. Column for outstanding at close of period.
7. Reference column connecting the actual receipt of cash. Abstract of cash received.
8. Remarks.

There are other important reasons why a common printed Assessment Roll should not be patched up to do service for such a book as No. II. The printed paper is not suited for writing, as it becomes tattered from frequent reference; and it must be very disheartening to the clerks to write in the additional matter in the cramped space sufficient for printer's type.

I would recommend that the information contained in these loose printed records be at once transferred to a properly prepared book, such as No. II., even though extra labour be necessary.

* There should be a book or register kept specially for this purpose, and a special printed form used as a credit voucher, which book should contain full information why the credit or abatement is allowed. These should be attached to original demand when presented for payment.

Granting applications for the credit or abatement of any rent should be regulated by rules agreed upon, and no amount should be allowed unless the credit voucher accompanies demand.

III. BUTT COPY DEMAND. } IV. RECEIPT FORM. } TRIPPLICATE BLOCK DEMAND AND V. DEMAND. } RECEIPT BOOK.

This book is prepared in triplicate—III., IV., V.—with corresponding large printed numbers; each folio to be numbered in regular consecutive order, say, 350 folios in each book, with a running number series terminating at, say, 9999. Should it be necessary to distinguish each separate series, the letters A., B., C. might also be used.

Nos. III. and V. are identical in form with No. IV. Middle to be prepared in the form of receipt. Separate books may, if necessary, be used for the various districts. The three forms to contain similar information as regards roll particulars and amount. They should all be filled in and checked prior to issue of Demand. The Block, less Demand V., should then be deposited in the hands of the cashier, and the total amount, as ascertained

A duplicate demand book is only used at present. The receipt is given in writing across demand form when presented. When there is a crush of people this occasions delay and much unnecessary labour to the cashier.

The method is also objectionable, because the demand should be retained by cashier for check purposes, and for convenience in enabling him to enter demands paid into cash books at leisure.

There is a block receipt form printed, but to be of use it should have been prepared by Commissioner simultaneously with the block demands. It would take up too much of the cashier's time to prepare the printed receipts just at the moment when people are hurriedly presenting demands for payment. In point of fact the cashier should not be troubled with the preparation of these receipts.

| PROPOSED SYSTEM. | | SYSTEM AT PRESENT IN USE. |
|---|--|---|
| by No. II., debited to his account. In this the cashier may show a complete discharge at any time ; thus :— | | Even were the duplicate demand and receipt forms prepared, as they should be, simultaneously, there would be four forms to fill up instead of three as by the method proposed in opposite column. |
| Debit. | Credit. | |
| Duties payable. | Cash banked. Ditto on hand. Block receipt forms still on hand. | |
| As the receipt form must be prepared simultaneously with demand, no delay need take place when payments are made. The receipt only requires to be torn from block and dated, say with a "paid" date stamp prepared for the purpose. The butt should also be stamped at the same time, as a record. It would be advisable to make a separate demand for each item on the roll as a practice: the receipts may have to be produced as vouchers between tenant and owner. | | |

VI. ABSTRACT BOOK OF CASH RECEIVED.

As it may be a convenient matter to keep an account with districts as well as with individual names as per roll number, the form of No. VI. is prepared to secure, with the least expenditure of labour, this desired result.

When "demands" stamped by check clerk are presented for payment, they should at once be entered; the amount to be twice entered, as once under the heading of district, and once in total column.

At close of day the totals of districts column need only be entered in cash book proper. The credit side of "District Duties Payable" may be posted direct from abstract book of cash received. This, at least, halves the work performed by the Commissioner according to existing arrangements.

The present arrangements are as follows :—

A separate subsidiary cash book is kept for each of the 15 Northern Districts, in which are entered full particulars, names, amounts, &c. as they are received. All this information is again daily transferred to the cash book proper in detail. This repetition of detail involves an amount of unnecessary labour which might be more advantageously used, while there is no direct reference or proper means for discharging the individual debits charged in the "duty" column written up on the roll. Of course the latter can be ticked off or scratched out, as, I believe, is now done, but such a method for clearing off specific debits is most unbusiness-like, and certainly most objectionable so far as any proper system of check is concerned.

There is a book in use provided for posting the debits and credits with respect to particulars, but in my opinion the method is extremely cumbrous, and involves unnecessary labour.

This end is secured by the method proposed by me with at least half the trouble.

VII. CASH BOOK.

The present book in use might be modified to suit the proposed system. All that is necessary is to post the daily totals of No. VI. to the debit of cash book.

If deemed desirable, the total of amounts under each district might serve as sub-detail.

The present cash book simply reproduces in fullest detail the entries contained in the 15 subsidiary cash books.

VIII. WEEKLY STATEMENT TO COLONIAL TREASURER.

The ordinary weekly statement, showing a daily detail of cash deposited in bank, is all that is necessary.

Same as at present.

XI. WEEKLY STATEMENT TO AUDIT OFFICE.

An abstract in all respects similar to entries in "Payment of Demand Check Book" should be prepared and sent to the Audit Office per evening post on the last day of every week or portion of week, at the end of each month. This statement should also contain a summary of the cash checked daily during the week, supported by Bank vouchers. The demand forms should also be neatly bound and sent to Audit Office at the same time.

The summary of this statement should be certified by check clerk and Commissioner.

Monthly Statement.

In all respects the same form as weekly, but containing as detail the totals of the former statements sent during the month.

This monthly form to be sent not later than the time specified in Audit Act, and to be accompanied by the usual declaration forms.

It is most desirable that the triplicate form should at once be adopted."

| PROPOSED SYSTEM. | SYSTEM AT PRESENT IN USE. |
|---|--|
| X. PAYMENT OF DEMAND CHECK BOOK. | |
| <p>This book, the roll, and the demand form the base of Audit check.</p> <p>When demands are presented for payment they should first be received, examined, and entered in check book by a clerk told off for that special office.</p> <p>This may speedily be done, as it is only necessary to enter number of demand and the amount. A "check" date-stamp may be used with advantage, and after entering and stamping the demand, can at once be passed on to cashier, who can only receive payment upon demands stamped by check clerk.</p> <p>At the close of each day the totals of check book and cash books are to be compared and verified.</p> | <p>The present system provides no check whatever.</p> <p>If cashier should fail to make an entry of any moneys received during the day, there would be no means of tracing the particular items with certainty, and the surplus cash would alone indicate that some entries might have been omitted, or that some one had overpaid an amount.</p> <p>When the cashier is in this position any attempt to audit the accounts would be extremely unsatisfactory.</p> <p>It is most essential that the demands presented for payment should be retained for immediate use and for ultimate check by Audit Office.</p> |

The Audit check would be still more complete if, in addition to the statement already referred to, the amounts and the names of persons in arrears were published in the *Gazette* at the expiry of the periods allowed for the payment of duty.

I have in the second column of the foregoing statement sketched out the method and principal defects of the system now in use in Real Estates Office in Launceston. In the first column I have shown how the system may be improved. Some such plan as that suggested by me in the first column should be adopted at once, irrespective of the small cost which an immediate change may involve in respect of temporary extra assistance. So long as the present method is maintained, a proper audit of account, in my opinion, would be an impossibility.

In conclusion, I have much pleasure in stating that the Commissioner and the officers of the Department in Launceston have very courteously given me every assistance while engaged in the present enquiry.

I have the honor to be,
Sir,

Your obedient Servant,

R. M. JOHNSTON.

The Colonial Auditor.

Colonial Audit Office, Hobart Town, 28th September, 1880.

SIR,

I HAVE the honor to submit for your approval an improved system of Accounts specially prepared for the Real Estates Department. The essential features of the system, as illustrated by the accompanying forms, are, economy of labour and time, combined with sufficiency of check.

As it is most desirable that the method should be adopted as soon as it is practicable, may I request that you will issue the necessary authorities with respect to the adoption of the prescribed forms and the printing of the same.

I have, &c.

W. LOVETT, *Colonial Auditor.*

The Honorable W. R. GIBLIN, Colonial Treasurer.

APPROVED.

W. R. GIBLIN, *Colonial Treasurer.*
29. 9. 1880.

Launceston, 9th September, 1880.

DEAR SIR,

At your request I herewith forward you a list of the several Districts under "The Real and Personal Estates Duties Act" comprised within the Northern Division of the Island. The totals are only given as approximately correct, but will be sufficient for your purpose. You will be able to obtain a similar return from my colleague for the Southern side.

Yours truly,

R. M. JOHNSTON, Esq.

SAMUEL HENRY.

NORTHERN DIVISION.

| No. of District. | Name of District. | Number of items upon District Roll. | Amount of Duty receivable from each District. |
|------------------|---------------------|-------------------------------------|---|
| | | | £ s. d. |
| 1 | Campbell Town | 414 | 978 18 9 |
| 2 | Deloraine | 915 | 1091 15 3 |
| 3 | Evandale | 410 | 1048 12 7½ |
| 4 | Emu Bay | 743 | 400 10 9 |
| 5 | Fingal | 706 | 988 15 0 |
| 6 | Glamorgan | 263 | 216 8 8 |
| 7 | George Town | 643 | 330 7 1½ |
| 8 | Longford | 759 | 1382 17 0 |
| 9 | Launceston | 2189 | 3195 0 6 |
| 10 | Portland | 497 | 492 19 9 |
| 11 | Port Sorell | 2447 | 1086 1 6 |
| 12 | Ross | 137 | 521 18 6½ |
| 13 | Russell | 325 | 235 7 0 |
| 14 | Selby | 936 | 783 12 6 |
| 15 | Westbury | 1134 | 1273 2 6 |
| | | 12,518 | 14,021 7 5½ |

THE amount of Duty still uncollected is so large that I am compelled to request that some active measures be at once taken for collecting it.

J. S. DODDS.
8th March, 1883.

INSTRUCTIONS noted, and Mr. Henry informed thereof.

FRANCIS BUTLER, Commissioner.
13th March, 1883.

The Hon. the Treasurer.

THE amount still outstanding is much too large, and immediate steps must be taken to collect it. Failing other means, resort must be had to legal proceedings.

J. S. DODDS,
18th September, 1883.

The Commissioner Real Estate Duties.

INSTRUCTION noted, and Mr. Henry informed thereof.

FRANCIS BUTLER,
19th September, 1883.

The Hon. the Treasurer.

ON 8th March last I drew attention to the large amount of Duty still outstanding, and requested that active measures should be taken to collect it. The Commissioner then made a Memo. as follows: "Instructions noted, and Mr. Henry informed thereof." A like Memo. is now endorsed on these papers, and as there has been little practical result from Mr. Henry's being informed in March last, I must request the Commissioner to give definite instructions for the immediate collection of the Duty still unpaid.

J. S. DODDS.
20th September, 1883.

Real Estates Duties Office, Launceston, 20th September, 1883.

MEMO. FOR F. BUTLER, ESQ., *Commissioner.*

I NOTE the instructions of the Honorable Treasurer *re* outstanding Duty are the same in tenor as I received some time back, and I have now to inform you that I am carrying out those instructions with all convenient dispatch. The amount in default at the date of the Treasurer's Memo. is very much reduced.

SAMUEL HENRY, *Collector.*

THE amounts outstanding on the different dates were as follows:—8th March, £4035 3s. 10d.; 9th June, £1424 5s. 11d.; 15th September, £720 19s. 6d.—FRANCIS BUTLER, *Commissioner.*

[TELEGRAM.]

Launceston, 21st September, 1883.

DISTRAINT notices have been issued to all defaulters except those in the District of Port Sorell.

F. BUTLER, *Esq.*

S. HENRY.

No amount having been collected for the past week, will the Commissioner be good enough to inform me whether proceedings have been taken against all Defaulters?

J. S. DODDS.
10th October, 1883.

*Real Estates Duties Office, Hobart,
10th October, 1883.*

MEMORANDUM FOR S. HENRY, ESQ., *Collector.*

THE Honorable the Treasurer has endorsed the following Memo. on your Return of Real Estate Duty collected for the week ending 6th October, 1883:—"No amount having been collected for the past week, will the Commissioner be good enough to inform me whether proceedings have been taken against all Defaulters?"

Be good enough to inform me if Notices of Distraint have been sent out to all Defaulters, and if the Distraints have been enforced in those cases where the days of grace have expired without payment being made? or if any other proceedings have been taken to enforce payment?

FRANCIS BUTLER, *Commissioner.*

MEMO.

NOTICES have been posted to Defaulters in all the districts, except Port Sorell. No Distraints have been enforced. Launceston, Campbell Town, Evandale, Ross, and Westbury are in the hands of local Collectors.

Certificates under the 57th Clause, 43 Vict. No. 12, have been furnished to the Crown Solicitor, for the Districts of Deloraine, Emu Bay, Fingal, George Town, Longford, and Russell; those for the remaining districts are in course of preparation, and will be forwarded as soon as they are ready.

SAMUEL HENRY, *Collector.*
12. 10. '83

F. BUTLER, *Esq., Commissioner, Hobart.*

FORWARDED for the information of the Honorable the Treasurer. On the 21st September Mr. Henry had issued Notices to all Defaulters except those in the District of Port Sorell; and I then wrote that I saw no reason why Distraint should not be enforced in those cases in which the notice had expired without payment being made. I have no doubt that the reason why the Distraints have not yet been enforced is that Mr. Henry is fully employed issuing the Demands for Real Estate Duty for 1883.

FRANCIS BUTLER, *Commissioner.*

WHAT is delaying the recovery of the outstanding duty on account of the year 1882? I have drawn attention to this matter before, but up to the present time very little energy appears to be used to make Defaulters pay their duty.

W. R. GIBLIN, *for the Treasurer, absent.*
14. 11. '83.

Real Estates Duties Office, Launceston, 16th November, 1883.

MEMO. FOR F. BUTLER, ESQ., *Commissioner, Hobart.*

YOUR Memo. of the 15th instant came to hand in due course; also copy of Memo. from the Honorable Treasurer *re* collection of balance of the Duty outstanding for the year 1882. I have to state for the information of the Honorable Treasurer, the total amount unpaid for that year is set down in the weekly return at £631 1s. 9d.; but this amount is incorrect, and consequently misleading. The Duty for 1882 was made payable on the District Rolls, and they have proved to be very inaccurate. I estimate that fully £300 will have to be deducted for errors and items irrecoverable from other causes. The Crown Solicitor has been furnished with certificates under the 57th Clause 43 Vict. No. 12, with nearly all the recoverable items in the Districts of Deloraine, Emu Bay, Fingal, George Town, Longford, Portland, Russell, and Selby. Campbell Town, Glamorgan, Launceston, and Ross, are all paid, *i.e.*, all recoverable. Evandale and Westbury are in the hands of local Collectors; in the latter district the provisions of Section 58, 43 Vict. No. 12, are being enforced where necessary. In reference to Port Sorell, £203 6s. 9d. is outstanding. Of this sum I estimate about £120 to £130 may be recovered, and I will furnish the necessary certificates next week to the Crown Solicitor for about one-fourth of the items in default in that district; the remainder will be prepared with all convenient dispatch. Distraint Notices have not been issued to Defaulters in the District of Port Sorell, as I considered the powers under the 57th Clause were preferable, and time be saved thereby.

SAMUEL HENRY, *Collector.*

FORWARDED for the information of the Honorable the Treasurer.

FRANCIS BUTLER, *Commissioner.*
19. 11. '83.

I REGRET having to again draw the attention of the Commissioner to the small returns from Launceston. In the case of Rural Police Rate for the year 1882, with £942 0s. 2d. outstanding, the collections are *nil*; and for 1883, though a large sum is still due, the operations for the week amounted to the insignificant return of £24 10s. 6d., and the collections of Real Estate Duty to £216 10s. 3d. In the face of the definite instructions given to recover all unpaid Duty or Rate, I shall be glad to know what is the cause of the apathy shown in pushing forward the work of completing the collections more speedily. Whatever the cause of delay is, it must be removed.

J. S. DODDS, *Treasurer.*
29. 12. 83.

Real Estates Duties Office, Launceston, 3rd January, 1884.

MEMO. FOR F. BUTLER, *Esq., Commissioner.*

I HAVE the honor to state for the information of the Hon. Treasurer, in reply to his Memo. to the Commissioner under date the 29th December, 1883, and received on the 2nd inst., that I did not receive the 5000 Police Rate Demands for the years 1882 and 1883 until the end of November. Mr. Walklate and Mr. Johnston are engaged on the work after office hours, and two other persons out of the office are also employed in preparing them for issue. The greater part, if not all the 5000, will be made out and posted in about a week from this date. Those for 1882 for the Districts of Emu Bay, Port Sorell, Russell, and Selby were posted on the 20th December, those for George Town on the 21st, and those for Portland on the 31st; for 1883, those for Selby on the 28th December, and the others I hope to have finished and posted in about a week. I feel confident if the Hon. Treasurer had a correct conception of the amount of work which *must* be attended to day by day so as to keep the office in creditable working order, he would not have considered it necessary to use the word "apathy" in connection with the discharge of my official duties, or "indifference" in endeavouring to give effect to his instructions. *More work cannot be done by the present staff.* I have from time to time pointed out that the work is increasing enormously year by year, and the staff has been reduced in number and efficiency. The returned demands for duty, arising from changes of occupancy, ownership, and errors on the Roll, number close upon 2800. In Launceston alone they amount to over 800. These numbers signify a large addition to the usual work—in seeking out the required information, making the necessary alterations on the office rolls, and preparing, in many cases, fresh or duplicate demands. As I have before stated, the staff is not equal to the requirements of the office, and since the resignation of Mr. King it has become every day more and more apparent. Mr. M'Queen, who succeeded him, is not able to discharge his duties satisfactorily, and consequently nearly the whole time of the junior (Mr. Johnston) is occupied in assisting him. Mr. M'Queen is willing, but he had no previous training, and no knowledge whatever of keeping books or accounts, and he is therefore sadly deficient. I respectfully request that this Memorandum may be brought under the notice of the Hon. Treasurer for his information.

SAMUEL HENRY, *Collector.*

FORWARDED for the information of the Hon. the Treasurer.

The whole of the work of preparing and issuing duplicate Demands for Police Rate for the Southern Division has been done in office hours, while the staff in the two offices is the same.

FRANCIS BUTLER, *Commissioner*.
4. 1. 84.

The Hon the Treasurer.

THE amount still outstanding is much too large, and a radical change must be made in the mode of collection. The Commissioner will therefore be good enough to visit Launceston and make such arrangements as will ensure the collection of the Rate and Duty unpaid, or report that he is unable to do so.

J. S. DODDS.
29. 1. 84.

Real Estates Duties Office, Hobart, 5th February, 1884.

MEMORANDUM FOR THE HON. THE TREASURER.

I HAVE the honor to report that, in obedience to your instructions, I proceeded to Launceston on Thursday last, and conferred with Mr. Henry on that and subsequent days as to the best means of ensuring the early collection of the balances of Real Estate Duty and Police Rate outstanding.

The balance of Real Estate Duty for 1882 shown by Mr. Henry's Return of 26th January as due, is £445 3s. 6d.; of this amount the sum of £119 11s. 3d. is in the hands of the Solicitor-General for recovery, about £300 is irrecoverable, consisting of Duty on properties exempt either from being Crown land, land purchased on credit, or errors in roll. The balance, £26 12s. 2d., consists entirely of small amounts. The amount said by Mr. Henry to be irrecoverable is an estimate only. As it would have taken four days to have the amount in each District taken out in detail, I did not think it advisable to have it done, as it would have delayed the issue of certificates to the Solicitor General for the recovery of the Duty for 1883, which is now being proceeded with. I believe Mr. Henry's estimate will be found fairly accurate, as of the amount said to be due by defaulters in Launceston—£38 19s. 8d.—the sum of £8 8s. only is recoverable.

No steps have yet been taken to enforce the payment of the recoverable balance of 1881, as Mr. Walklate's time (the only assistant available for that purpose) has been entirely taken up in preparing certificates for the Solicitor-General for Duty, 1883, or the balances of Rural Police Rate for 1882 or 1883, as the issue of the duplicate demands, which it was necessary to send out in order that the Department might have power to enforce payment, was only completed on the 24th January last. Mr. Henry informs me that he has been unable to obtain the services of collectors in any of the Districts, as the individual amounts are so small, and the persons by whom they are payable are so scattered, that no amount of commission would afford sufficient remuneration.

If proceedings are taken under Clause 58, 43 Vict. No. 12, to compel payment, it would be necessary for Mr. Henry to execute the distrains in person, as he has found it almost impossible to get the local authorities to act as agents of this Department in enforcing distrains. This course would entail heavy expenses on this Department, which would not be recouped by the total amount recovered; it would also cause grave inconvenience by necessitating Mr. Henry's absence from his office duties for a considerable time.

To issue summonses against defaulters in the outlying Districts to attend a Court at Launceston would entail great hardship and expense to the defaulters, and in any cases in which there was a good defence, would probably entail heavy expenses on the Government.

If it can be legally done, I would recommend that summonses be issued to attend the local Courts. Mr. Henry could attend to prove the default, and if the whole of the summonses for one District were issued to be heard on the same and following days, the expense to the Department would not be excessive, although even in that case it would probably prove a heavy percentage on the amount recovered.

The amounts of Real Estate Duty for 1881 and 1882 due by each person are from 9d. to 5s., and would average about 2s. 6d.; the expense to the defaulter of enforcing payment would therefore under any process be considerably in excess of the amount recovered.

Whatever course may be adopted to ensure prompt payment of the arrears extra clerical assistance will be required for the whole of the necessary office work, as Mr. Henry informs me that the present staff, even with the aid of the clerical assistant (who has been continuously employed during 1883), is barely sufficient to keep the daily work of the office from getting into arrear.

Mr. Henry says that, from Mr. M^cQueen not being able efficiently to discharge his present duties, Mr. Johnston's time is nearly all taken up in assisting him.

The amount of work done by the two branches of the Department should be fairly represented by the number of items with which each has to deal; these were, for 1883, as follows:—The Southern branch, 15,329; the Northern ditto, 21,155,—an excess of a little more than one-third.

The amounts paid for clerical assistance (exclusive of Mr. Walklate's salary) for 1883 was, for the Southern branch, £22 10s.; for the Northern, £93 1s. 10d. Mr. Henry accounts for this by the supposition that the dealings in property are much more extensive in the Northern than the Southern Districts, and the consequent reissues of demands much larger; this is in some degree confirmed by the fact that 260 demands, principally for Police Rate, had been returned during the last ten days.

I was unable to make any arrangements for the more rapid collection of the Real Estate Duty and Police Rate, as previous to so doing it was necessary to obtain authority for the employment of extra clerical assistance, as well as the decision of the Hon. the Treasurer as to the process to be used to enforce payment.

FRANCIS BUTLER, *Commissioner*.

Real Estates Duties Office, Launceston, 7th January, 1884.

MEMO. FOR F. BUTLER, ESQ., *Commissioner*.

In addition to the particulars contained in my telegram of the 4th instant *re* Ford's cheque for £32 16s. 11d., I have now further to state for the information of the Hon. Treasurer, that the Postmaster at Stanley has informed me that three registered letters left his office to my address on the 8th October; one of them was registered by F. W. Ford. On the 11th (the date of delivery at Launceston), Mr. Johnston has entered in his receiving book 78 registered and 103 unregistered letters on that date. The record at the Post Office of registered letters for that date shows 79 as being received by Mr. Johnston. He cannot account for the discrepancy. He had over 200 letters that morning, and he states he counted the number of each, registered and unregistered, and made the usual record of the respective numbers as soon as he reached the office. I must conclude, therefore, that the letter did not reach this office. If the 79 registered letters were delivered to Johnston, and he only had 78 when he counted them, he must have dropped one in the interval. Then again, if Mr. Ford enclosed the 16 demands mentioned in his letter to the Hon. Treasurer the packet must have been a large one, and therefore less likely to be lost, either on the way between the offices or in the office. It is also remarkable that Mr. Ford's letter of enquiry dated the 8th December has also miscarried. I am positive it did not come under my view, and the December records have been searched but no letter from Mr. Ford has been found. I have arranged with the bank manager to refer the cheque to me if presented for payment, and I have advised Mr. Ford of the miscarriage of his letters. I am in communication with Messrs. Edwards and Lyons, of Stanley, and hope to arrive at a satisfactory elucidation of their apparent causes of dissatisfaction.

SAMUEL HENRY, *Collector*.

Real Estates Duties Office, Hobart, 16th January, 1884.

MEMORANDUM FOR THE HON. THE TREASURER.

I HAVE the honor to report that I referred Mr. F. W. Ford's letter of the 31st December to Mr. Henry on the 3rd of this month, for his report. Mr. Ford's letter, registered, was forwarded from Stanley on the 8th October; Mr. Johnston gave a receipt on the 11th (the date of delivery at Launceston) for 79 registered letters, but has only entered in the receiving book 78, and can give no account of the discrepancy. There is no record of Mr. Ford's letter of enquiry of the 8th December, and Mr. Henry is positive that it did not come under his notice.

The cheque for £32 16s. 11d. has not been presented at the bank, and Mr. Henry has made arrangements with the bank manager to refer the cheque to him (Mr. Henry) if presented for payment. I have no information from Mr. Henry that the letter or cheque has been found.

Mr. Edwards sent a Post Office order for 15s. on the 3rd September, in payment of Police Rate, for Thos. Murray. This amount was received and entered in the abstract cash book on the 6th September, but through the pressure of work at that time, the Office being short-handed and issuing the rates for 1883, forwarding the receipt was overlooked. The receipt was forwarded on the 7th January. None of the *four* letters of enquiry came under Mr. Henry's notice.

Mr. Lyons sent a registered letter on the 23rd November, containing 15s. in cash for Police Rate, on account of Mary or Letitia Carroll. There is no doubt that this letter was received, as the number of registered letters at the Post Office agrees with the entry in the receiving book.

Mr. M'Queen believes that the amount must have been forwarded without the demand, and (owing to the pressure of work at that time) the letter was put aside and overlooked. The letter has not been found, but a receipt was sent on the 14th January.

Reports from Mr. Henry, Mr. M'Queen, and Mr. Johnston, and information from Mr. Edwards and Mr. Lyons, herewith.

FRANCIS BUTLER, *Commissioner.*

As the Colonial Auditor is about to visit Launceston, will he be good enough to investigate this matter? Papers herewith.

J. S. DODDS, *Treasurer.*
18. 1. 84.

Audit Office, Hobart, 7th February, 1884.

SIR,

I HAVE the honor to inform you that in compliance with your request I have investigated the matters of complaint connected with the Real Estate Duties Office, Launceston, and now beg to forward my report thereon.

In carrying out the investigation it became necessary to inquire into the mode adopted by the Head of the Office at Launceston for receiving and accounting for Duties, and I regret to find that the arrangements proposed by me when the Books and Forms of Account were prepared and forwarded through the Treasury have not been carried out. The system proposed and forwarded was as follows substantially, I think, in writing, but if not, certainly conveyed verbally by the Chief Clerk of my Department to Mr. Henry; viz.—

1. The Cashier or Counter Clerk to receive all money, but the duty of entering in the Cash Book was to be performed by another Clerk, to whom the demand was to be handed by the Cashier, and who was to initial the receipt and hand it to the payor, or in case of receipt by post forward it to its destination. Every endeavour was made to impress upon the Head of the Office the undesirability of allowing the Cashier to act as Accountant, the object being to guard against fraud.
2. Books containing printed forms of receipt demands, and butts for record, to be used in each case; before the demand was issued the receipt and butt forms were to be filled in, and the receipt was to be immediately issued to the payor upon receipt of the Duty.
3. An Abstract Cash Book, arranged specially for the purpose, was to be used for immediate record of Duty when received.
4. The subsequent disposal and accounting for cash received to be carried out in the usual manner by payment to the Bank and Treasury, and forwarding attested returns to the Audit Office, for which the Head of the Office was held responsible.

The system adopted by Mr. Henry is as follows :—

1. The Cashier receives all cash, also the demand handed in at the time of receipt, and if no demand is produced enters on a slip of paper the particulars of the amount received; in both cases he then simply files the document and enters from it subsequently, generally the next morning, in the Abstract Book, and in every respect acts as Accountant and Receiver.
2. The Receipt and Demand Book is not strictly used as originally proposed, excepting for the issue of Demands and recording in the butt before such issue.
3. The Abstract Book is not used for immediate entry, but is posted up from loose documents subsequently.
(*Memo.*—This book had not the totals permanently filled in, simply pencil figures, from September, 1883.)
4. The subsequent disposal and accounting for cash appears to have been arranged according to rule.

It will be seen that the intentions of the Audit Department in proposing arrangements for securing prompt check have been frustrated by the loose and unsatisfactory manner in which the duties of the Office have been allowed to drift, the excuse made to me by Mr. Henry being that the Government would not afford sufficient clerical strength, although he had frequently applied.

With respect to the matters of complaint specially referred to, it appears to me, after carefully considering the evidence taken, that there has not been any intention of fraud on the part of the

officers of the Department concerned, but that the irregularities have arisen through carelessness and the looseness of the arrangements of the Launceston Office. On referring to the evidence it will be noticed that all letters received by post are opened and dealt with by the Receiver and Accountant, the Head of the Office acting in a secondary capacity in this respect. It would be better in my opinion if this were reversed. With regard to the irregularities complained of, Mr. M'Queen appears to have been the one in fault, and there cannot be much doubt that the missing letters of complaint had been in his possession, and were put aside or destroyed by him for the purpose of hiding the irregularities from the Head of his Office, showing a want of moral courage highly culpable. The greatest mystery is the disappearance of Mr. Farrel's original cheque. In this case I am inclined to think, although it has not been so stated in the evidence, that the cheque has been destroyed, with Mr. Ford's letter of complaint, for the purpose of destroying the evidence of the irregularity. Mr. Johnston, the Junior Clerk, gave his evidence in a straightforward manner, and appears to be efficient and trustworthy.

Original documents received and evidence enclosed.

I have, &c.

W. LOVETT, *Colonial Auditor.*

The Hon. the Treasurer.

INVESTIGATION of matters of complaint connected with the Real Estate Duties Office, Launceston, at Launceston, 2nd February, 1884.

Present—The Colonial Auditor, the Commissioner of Real Estate Duties, and Collector of Real Estate Duties Launceston.

MR. STUART M'QUEEN, *Senior Clerk, examined.*

I receive all letters addressed to the Real Estate Duties Office, Launceston, arriving by Post, partly from Mr. Johnston and partly from the Post Office Messenger; I open all letters; all cash enclosed is counted and checked with the stated amount, placed in the till, and afterwards paid into the bank; letters after having been opened accompanied by remittances, as well as those not containing remittances but referring to payment of rates, are dealt with by myself as a rule, but matters of difficulty or serious complaint are always referred to the head of the office. Cash received over the counter is not immediately entered in the Abstract Book, but the demand or memo. of particulars (when the demand is not forwarded) is placed on the file, and the entries are made in the Abstract Book next morning. I do not make an immediate entry of cash received in any book. I am responsible to the head of my office for all cash received. Mr. Johnston acts for me sometimes during pressure of work whilst I am in the office; on these occasions I do not check the cash received by him, but when I am absent for a whole day and he acts I do check the cash on my return.

With reference to Mr. Ford's complaint, I have not seen the original letter of 8th October, or cheque or demands referred to by him. I have not to the best of my recollection seen any letter from Mr. Ford of December 8th complaining of non-receipt of acknowledgment of remittance with letter of 8th October. I have not seen, to the best of my belief, any letters from Mr. Edwards, of Stanley, complaining of non-receipt of letters of complaint referred to in Mr. Ford's letter of 21st December. The amount forwarded by Mr. Lyons (see my reply 14th January) was not entered previously to the 14th January. I have no recollection of having received the letter or the amount stated to have been forwarded. I had a surplus of cash on hand which I could not account for, and therefore Mr. Lyons was credited with the amount, under instructions from the head of my office. The amount of surplus cash was 16s. 4d.

If a clerk, who would not have to receive the cash, should be employed, there would not be any difficulty in making immediate entries in the Abstract Book of cash as received, but with the present strength of the office it would be impossible to carry this out.

I do not check the number of letters received by Mr. Johnston from the Post Office and handed to me, either registered or others.

No information has been received from the Bank of Mr. Farrel's original cheque for £32 16s. 11d. having been presented; a duplicate cheque for this amount has been received through Mr. Ford, and deposited in the Bank for credit of the public account.

A thorough search has been made for the missing letters of complaint referred to above, and said to have been forwarded, and no trace of them can be found.

[Mr. S. Henry handed in correspondence with reference to a complaint from Mr. W. D. Harris, of Deloraine, of non-receipt of acknowledgment for rates forwarded by him on 26th November, 1883, amounting to £1 17s., and stated that from enquiries he had made he is confident the letter and cheque must have been received at his office. Mr. M'Queen re-called and examined with reference thereto.]

I had no recollection of having received a remittance of £1 17s. for rates from Mr. Harris, of Deloraine before the matter of the complaint was brought under my notice by Mr. Henry. I then found, on referring to the Bank deposit slip of the 13th December, that a cheque for the stated amount had been received and paid into the Bank. I cannot account for the non-entry in the abstract, but suppose the vouchers or demands must have been mislaid; search has been made but they cannot be found. According to Mr. Harris' statement the cheque was forwarded from Deloraine on 26th November, and should have reached this office on 27th November, but upon referring to copy of the deposit slip I find the cheque was forwarded to the Bank on 13th December. I cannot account for the cheque having been held so long, except under the supposition that the letter had been mislaid and found subsequently in the office. Through pressure of work I have kept letters unopened for some time.

4th February, 1884.—Mr. F. Butler, Commissioner, absent. Mr. M'Queen's examination continued.

I endorse on the back of cheques received the particulars of the amount on all occasions. I cannot account for the non-entry of the amounts, under these circumstances, in the Abstract Cash Book. I have no recollection of keeping back this particular cheque. I sometimes keep back money and cheques for more than one day, because it is impossible from pressure of work to pay into the Bank promptly on all occasions.

I have read Mr. Mark Mitchell's letter of complaint of 30th January, which has been handed to me by the Colonial Auditor. The post card referred to by Mr. Mitchell was received by me on the 1st February; I then referred

to the Abstract Book and found that the duties due by Mr. M. Mitchell, amounting to £8 2s. 6d., were entered in the Abstract Cash Book on 25th September; I also found that the amount had been entered in the Bank deposit slip of 25th September. I did not refer the complaint forwarded by post card by Mr. Mitchell to Mr. Henry, because I did not think it of sufficient importance. After referring to the Abstract Book I found on looking at the Receipt Book that the receipts had not been forwarded. It is not my duty to forward receipts, it is the duty of the Junior Clerk to do so. I have no doubt in this case that the demands were handed to Mr. Johnston. The plan is to forward receipts upon reference to the demands or receipts forwarded by the payor, and not by reference to the Abstract Book. The reminder to Mr. M. Mitchell was sent because the receipt had not been forwarded, the custom being to refer to the Receipt Book for the purpose of sending reminders, and not to the Abstract Book. With regard to an entry in the Abstract Book, E. Mitchell, No. 148, £5, 23rd September, the receipt for this amount was forwarded at the same time Mr. M. Mitchell's were, viz., on 1st February. I think Mr. E. Mitchell had sent a complaint before the receipt of Mr. M. Mitchell's post card: if the complaint was received by me I did not refer it to Mr. Henry. I have searched for the letter of complaint but cannot find it. A reminder was sent to Mr. E. Mitchell on 25th January, when receipts to all the above payments were forwarded; they had not been referred to Mr. Henry for his signature; I signed for them on his behalf. As a rule Mr. Henry's signature is obtained to all receipts to be forwarded by post. There would not have been any difficulty in obtaining Mr. Henry's signature to the receipts for the particular duties referred to.

STUART M'QUEEN.

MR. M'QUEEN'S *Department.*

Receive and account for all money.
Bank same every day.
Open all letters containing money.
Keep Cash Ledger and other Account Books.
Make out all returns and abstracts.
Get out receipts.
Assist in making out demands and preparing rolls.

(Signed) SAMUEL HENRY.
8. 9. 83.

MR. P. L. JOHNSTON, *Junior Clerk, examined.*

I call and receive all letters from the Post Office that arrive by 10 o'clock in the morning; those arriving afterwards are delivered by the Post Office Messenger to Mr. M'Queen, Senior Clerk. I sometimes open the letters addressed to the head of the office (but not frequently) when requested to do so by Mr. Henry; when I open the letters containing cash, I place the cash in the till and file the demands. I assist only during pressure of work. I do not make an entry in the Abstract Book or any other book of the amount, nor do I afterwards reconcile the amount with Mr. M'Queen. I am not responsible to the head of my office for cash received by me excepting through Mr. M'Queen. Money orders are paid to the bank as part of deposits. On one occasion I acted for Mr. M'Queen during his absence for one day, and on that occasion I checked the cash when handing it over to him the next day.

I have not seen any letters of complaint from Mr. Edwards, of Stanley, or from Mr. Ford, of Circular Head. When handing the letters received by me from the Post Office to Mr. M'Queen I have not been in the habit of counting the number with him.

4th February.—Mr. F. Butler, Commissioner, absent. Examination of Mr. Johnston continued.

I have read the letter of complaint from Mr. M. Mitchell, dated 30th January, which has been handed to me by the Colonial Auditor.

I do not know why the receipts for the duties forwarded by Mr. M. Mitchell were not forwarded immediately after the receipt of his cheque. I find that the amount of duty was entered in the Abstract Cash Book on 25th September, and also in the deposit slip on 25th September. It was my duty to issue these receipts, the plan being for Mr. M'Queen to enter the amounts in the Abstract Book and hand the demands or vouchers to me for the purpose of forwarding the receipts: this refers to all receipts when persons paying in do not wait personally for them; in the latter case Mr. M'Queen issues the receipts himself. It is my duty to forward all receipts that have to be sent by post. I have not seen any complaint from Mr. E. Mitchell, brother of Mr. Mark Mitchell. Mr. M'Queen handed me Mr. Mark Mitchell's post card of 30th January, on 1st February, in order that I might get out the receipts, which I did and handed them to Mr. M'Queen. It is usual to get Mr. Henry to sign receipts. The receipts for Mr. M. Mitchell's duties were not handed to me afterwards. I did not ask for them because Mr. M'Queen told me he would attend to them. I received Mr. M. Mitchell's post card from the Post Office and handed it over to Mr. M'Queen as usual with the other letters. I did not consider it my duty to refer the card to Mr. Henry.

Since the above statement was made I have discovered that the receipts for the duties received on 25th September, 51 in number, had not, by accident, been issued at the proper time; 20 of them have been forwarded to-day.

P. LORD JOHNSTON.

MR. JOHNSTON'S *Department.*

Attend Post Office.
Attend Bank.
Prepare receipts and compare vouchers.
Keep defaulter's books.
Write off payments on rolls.
Prepare all letters for Post Office.
Arrange all vouchers.
Sort and endorse all correspondence and records.
Attend to all copying of letters and other documents.
Index, letter, and return books.
Assist in making out demands and preparing rolls.

(Signed) SAMUEL HENRY.
8. 9. 83.

1st April, 1884.

WITH reference to the accounts of the Launceston Branch Office, I have to direct that the Commissioner of Real Estates will be good enough to instruct Mr. Henry to introduce forthwith the system of keeping the accounts now in operation at the Hobart Office, which is based upon an arrangement recommended by the Colonial Auditor. If the Commissioner thinks it necessary at any time to visit Launceston to satisfy himself that the work is being properly done, I shall be glad if he will do so, as I hold the Commissioner responsible for the working of the department. The Colonial Auditor's last Report speaks in unfavourable terms of the way in which the work is now being done, therefore I hope the Commissioner will see that the change I have directed to be made shall be carried out at once.

J. S. DODDS, *Treasurer.**The Commissioner Real Estates Office.**Audit Office, Hobart, 7th April, 1884.*

SIR,

I HAVE to request you will adopt the following system for accounting for the cash received by you as Collector of Real Estate Duties:—

1. The Cashier or Counter Clerk to receive all moneys brought to the office, but the entry in the cash or abstract book must be made by another clerk, to whom the Cashier is to hand the demand brought by the ratepayer before issue of the receipt; the receipt to be initialled by the clerk who makes the entry, and handed to the payor. When money is received by post the entries also to be made in the same manner, and receipts initialled before being signed and posted.
2. Books containing demands, receipts, and butts for record to be used, the butt record to be filled in, and the receipt to be issued to the payor immediately upon receipt of the duty.
3. The Abstract Cash Book is to be used for immediate record of duties upon receipt in the columns provided for the purpose.
4. The cash to be accounted for by payment to the Bank for account of the Treasurer, and by forwarding the usual attested returns to the Audit Office and Treasury.

I have, &c.

W. LOVETT.

S. HENRY, *Esq., Collector Real Estates Duties, Launceston.**Audit Office, Hobart, 15th April, 1884.*

SIR,

REFERRING to my letter of 7th instant respecting the accounts of the Real Estate Duties Office, Launceston, and your reply thereto of the 10th instant, I have the honor to inform you that the unimportant modifications referred to as introduced by the Commissioner have the effect of unnecessarily doubling the work of recording the receipt of duty; it is hoped, therefore, that the simple arrangement proposed by me, which provides all that can possibly be necessary, will not be interfered with.

Respecting the inspection of the accounts of the Launceston Office, I have the honor to inform you that after the clerk deputed by me to perform the work had been employed three days endeavouring to prove the correctness of Mr. Henry's returns, it was found that his labour was of no avail owing to the irregular manner in which the books had been kept, and because the object of the system introduced had been entirely ignored, although it had been fully explained to Mr. Henry, both in the first instance and subsequently; for instance, the Demand and Receipt Book was purposely framed to prove that certain amount of duty had or had not been paid, but the record is of no value for this purpose, because, in numerous cases, rates have been received but no receipts issued or amount recorded in the butt; in other cases the amount of duties for several properties owned by one individual have been made out in one demand, and also in separate demands for each property; this being also repeated on the receipt and butt forms. Oddly enough only one receipt for the whole amount has been issued, the other receipts remaining in the book. No more effectual mode of frustrating the check which the book was supposed to secure could have been adopted, although I think it has been unintentional in this case.

The following additional irregularities were also noticed:—

1. The number of the demand and receipt has frequently been omitted in entering in the Abstract Cash Book.
2. The names of persons paying duty have in numerous instances been omitted in the Abstract Cash Book.

3. In the Abstract Cash Book for 1883 an extra sheet has been introduced, and numerous erasures occur in the books without explanation of any kind ; totals are also frequently in pencil only.
4. Receipt forms (blank) have been taken out of different unused parts of the books, and no explanation recorded as to the purpose for which they have been used, except in one case. This very serious irregularity should not have been permitted, and for the future a duplicate form should be provided for use when necessary.

Upon asking the Collector verbally for an explanation as to the above irregularities, he could give none.

Owing to the irregularities referred to, it will be impossible to arrive at any conclusion as to the correctness or otherwise of the accounts of the Launceston Office in any other way than by comparing the entries in the Cash Book with the Rolls and Receipt Books. This will require time and care, and cause considerable expense, all of which might have been avoided if ordinary attention and intelligence had been exercised by the officers of the Launceston Office.

I have, &c.

The Honorable the Treasurer.

W. LOVETT, *Colonial Auditor.*

MEMORANDUM.

Audit Office, Hobart, 5th May, 1884.

RESPECTING the examination of the books of the Collector of Real Estate Duties at Launceston referred to in my letter of the 7th February, the Honorable the Treasurer is informed that up to 30th April it has been discovered that the items of receipt named in the following list have not been brought to account or paid over to the Treasury :—

| <i>No. of Property.</i> | <i>Date paid.</i> | <i>District.</i> | <i>Name of Ratepayer.</i> | <i>Amount.</i> |
|-------------------------|-------------------|------------------|---------------------------|----------------|
| | | | | £ s. d. |
| 698 | 22 January, 1883 | Deloraine | — | 0 12 0 |
| 648 | 12 January, 1883 | Emu Bay | — | 0 11 3 |
| 654 | 12 January, 1883 | ditto | — | 1 6 3 |
| 553 | 3 September, 1883 | Launceston | William Manners | 0 9 9 |
| 658 | 2 January, 1883 | ditto | William Dally | 0 4 6 |
| 911 | 20 August, 1883 | ditto | Janet Dean | 1 13 9 |
| 1059 | 23 January, 1883 | ditto | John Webb | 0 12 9 |
| 2178 | 3 August, 1883 | ditto | Miss F. M. Gaunt | 0 15 0 |
| 2235 | 20 July, 1883 | ditto | Edward Bailey | 0 15 0 |
| 2246 | 23 April, 1883 | ditto | Mrs. Chamberlain | 1 6 3 |
| 2840 | 2 January, 1883 | ditto | M. Welsh | 0 9 9 |
| 2841 | 2 January, 1883 | ditto | ditto | 0 9 9 |
| 2847 | 19 July, 1883 | ditto | William Dally | 0 6 0 |
| | | | | £9 12 0 |

The examination is still proceeding, and will take some time to complete.

The Honorable the Treasurer.

W. LOVETT.

REFERRED to the Commissioner of Real Estates, who will be good enough to take an early opportunity of informing the Collector at Launceston, Mr. Henry, that he is held responsible for the deficiencies reported, and will be required to adjust the Duty account with the Treasury. To be returned.

J. S. DODDS, *Treasurer.*
6. 5. '84.

Mr. Henry has been so informed.

FRANCIS BUTLER, *Commissioner.*
7. 5. '84.

The Honorable the Treasurer.

MEMO.

8th May, 1884.

THE Commissioner will be good enough to direct the Collector at Launceston to close his Office for the receipt of moneys tendered by the public at 3 p.m. daily, excepting Saturdays, on which days the hour will be 12 o'clock noon, which will enable Mr. Henry to clear up each day's work and bring all moneys finally to account before the clerks leave the Office.

I understand from the Auditor that during the time his clerk is engaged examining the accounts of the Launceston Office it will be necessary to provide assistance, so that Mr. Hogg may continue to work with the Audit Clerk after Mr. M'Queen retires from the service. For this reason I approve of assistance being obtained for the period during which Mr. Hogg is engaged with the Audit Clerk after Mr. M'Queen's retirement, and I shall be glad to know the name of the Assistant recommended by the Commissioners.

J. S. DODDS, *Treasurer.*

The Commissioner Real Estates Department.

*Real Estates Duties Office, Launceston,
13th May, 1884.*

MEMO. FOR FRANCIS BUTLER, *Esq., Commissioner, Hobart.*

I HEREWITH enclose a letter for the information of the Hon. Treasurer, which please to have placed before him with as little delay as possible.

SAMUEL HENRY, *Collector.*

FORWARDED to the Hon. the Treasurer as requested.

FRANCIS BUTLER. *Commissioner.*
14. 5. 84.

*Real and Personal Estates Duties Office, Launceston,
13th May, 1884.*

SIR,

I HAVE the honor to address you in reference to a letter received by me from the Commissioner dated the 7th inst., wherein he says: "I have to draw your attention to the copy of the Auditor's memorandum attached, and by instructions of the Hon. the Treasurer to inform you that you are held responsible for the deficiencies reported, and will be required to adjust the Duty Account with the Treasury." Accepting this as a correct statement of your instructions to the Commissioner, I think it very likely they were issued hastily, and that you may not have been fully acquainted with the facts of the case when you arrived at the conclusion referred to, but being drawn aside by your annoyance at the announcement of deficiencies in the Department, the only course which probably appeared to you to meet the case was to hold me responsible in the matter; and I freely concede that, under ordinary circumstances, the Head of the Office should be looked to and held responsible in such cases, and it is only because in my case there happens to be several reasons why I could not at all times exercise that oversight necessary to prevent inaccuracies, and because I could hardly expect one so busily engaged in public business as yourself to know of these reasons without your attention being directed to them, that I ask the liberty of being allowed to make the following statement:—

1. On referring to the Auditor's list of deficiencies it will be observed that they all occurred during the time Mr. King was the Head Clerk. Having found that gentleman so prompt and precise generally, I cannot think that the errors referred to arose from any other cause than the pressure of business in the Office. At times this pressure of business continues throughout the whole of the day, and there is almost an incessant stream of callers either to pay rates or duty. The work in the Office has been and is increasing year by year, and the pressure became so heavy that Mr. King was compelled to resign his appointment about August, 1883.

2. On such occasions I would also be more than usually occupied in dealing with the numerous matters which occur daily in the Office; as, you will permit me to remark, that almost every question arising at the counter is referred to the Collector, in addition to the innumerable matters by post that have to be attended to day by day, besides the many other duties pertaining to my Office.

3. You will probably remember that the inadequacy of my staff to do the work of the Office was referred to by me on more than one occasion. When the reduced Estimates were printed I protested, as I considered them altogether insufficient, and calculated to mislead both the Parliament and the Country.

4. The nature of my duties at that time rendering it necessary that I should sometimes be absent from the Office, it became imperative that the Chief Clerk should have sole charge of the cash and should open all letters, and, indeed, I am not aware that any other course was contemplated by the Government.

5. During the greater portion of the period over which the deficiencies extend I find that my duties in connection with the preparation of the new rolls, and subsequently the somewhat numerous appeals which were made against the assessments, and the other efforts put forth against the then new impost, rendered it impossible for me to follow any other course than that which I adopted for carrying on the onerous duties of the office. During my enforced absence, which sometimes extended for days and even weeks, several thousands of pounds would perhaps pass through the

clerks' hands, and be quite beyond my control. Any extra attention or enquiry one would be wishful to give on returning to ordinary duties would probably become impossible by the accumulation which would have arisen in the meantime; but I had not time to devote to such a review even if I had deemed such necessary.

I feel that it is unnecessary, as it would be unfair, to occupy you longer on this subject, more especially as I never for a moment looked upon the instructions stated in Mr. Butler's Memo. as your deliberate decision, and consequently I felt persuaded from the beginning that it would only be necessary for me to bring under your notice a few facts connected with my duties (which, of course, I could not expect you to know or fully realise without suggestion from me) to lead you to reconsider the conclusions arrived at on first being acquainted with the inaccuracies of my clerk. I cannot, however, leave the subject without expressing to you my great annoyance and regret that anything of the kind referred to should have occurred in my office; and I think the new mode of check initiated by the Auditor, coupled, I hope, with an increase in the staff both in numbers and efficiency, will prevent its recurrence.

I may say, in conclusion, that I have not yet communicated with Mr. King in reference to the deficiencies in his account, but will do so as soon as the audit is completed, and I have no doubt the account will ultimately be adjusted to your satisfaction.

I have, &c.

The Hon. the Treasurer, Hobart.

SAMUEL HENRY, *Collector.*

I HAVE laid this letter before the Cabinet, and my colleagues concur with me that the Collector at Launceston is responsible for the deficiencies reported by the Auditor. I am fully aware of the Minute written upon the Auditor's first report, and in which I notified that Mr. Henry would be required to adjust the account with the Treasury, to which I adhere; and I have now to request that you will intimate to Mr. Henry that further deficiencies amounting to £9 12s., making in all £19 4s., have been brought under my notice dated 13th May, 1884, and that he will be expected to make good the same. I shall be glad to have these papers, and the Auditor's report of 5th instant, noted and returned to the Treasury.

J. S. DODDS, *Treasurer.*
26. 5. 84.

The Commissioner Real Estates Duties, Hobart.

MEMORANDUM.

Audit Office, Hobart, 13th May, 1884.

REFERRING to my communication of the 5th instant, respecting deficiencies in the accounts of the Collector of Real Estates Duties at Launceston, I now beg to say that the examination of the 1882 accounts has been completed, and the under-mentioned further deficiencies have been discovered:—

| <i>No. of Property.</i> | <i>Date when paid.</i> | <i>District.</i> | <i>Name of Payee.</i> | <i>Amount.</i> |
|-------------------------|------------------------|------------------|-----------------------|----------------|
| | 1883 | | | £ s. d. |
| — | Jan. 12 | Russell | Alfred M'Kay | 0 13 6 |
| 71 | Dec. 5 | Selby | Exors. of T. Burnett | 0 4 6 |
| 130 | Dec. 23 | Selby | W. Beauchamp | 0 1 6 |
| 380 | Dec. 29 | Selby | M. Howard | 0 18 9 |
| 438 | Dec. 15 | Selby | M. Lee (?) M. Hogan | 0 5 3 |
| 489 | Oct. 25 | Selby | D. Powell | 0 6 9 |
| 490 | Oct. 25 | Selby | D. Powell | 0 9 9 |
| 491 | Oct. 25 | Selby | D. Powell | 0 9 9 |
| 663 | Oct. 25 | Selby | D. Powell | 1 2 6 |
| 808 | Mar. 29 | Selby | W. Shaw | 0 16 6 |
| 870 | Mar. 29 | Selby | Robert Ayre | 0 6 9 |
| 876 | Oct. 3 | Selby | Robert Taylor | 0 16 6 |
| | 1884 | | | |
| 958 | Jan. 30 | Selby | J. Thomason | 0 2 3 |
| | 1883 | | | |
| 973 | Jan. 5 | Selby | Geo. H. Wills | 0 6 9 |
| | 1882 | | | |
| 234 | Dec. 28 | Westbury | G. H. French | 0 17 3 |
| 241 | Dec. 28 | Westbury | G. H. French | 1 13 9 |
| | | | | 9 12 0 |

making the ascertained deficiency to date, £19 4s.

W. LOVETT, *Colonial Auditor.*

The Hon. the Treasurer.

A copy of the Treasurer and Auditor's Memorandum has been sent to Mr. Henry. The documents noted and returned.

FRANCIS BUTLER.
29. 5. 84.

The Hon. the Treasurer.

Real Estates Duties Office, Launceston, 25th June, 1884.

MEMORANDUM FOR F. BUTLER, Esq., Commissioner, Hobart.

HEREWITH I enclose a letter to the Honorable the Treasurer. Will you please have the same forwarded to him at your earliest convenience? Herewith I also enclose the correspondence asked for by you.

SAMUEL HENRY, Collector.

LETTER to the Hon. the Treasurer forwarded at Mr. Henry's request.

On perusal of Mr. Henry's letter, I note nothing therein to call for any comment from me.

FRANCIS BUTLER, Commissioner.
30th June, 1884.

The Hon. the Treasurer.

Real Estates Duties Office, Launceston, 3rd June, 1884.

SIR,

I HAVE the honor to acknowledge the receipt (through Mr. F. Butler) of a copy of your Memo. upon my letter of the 13th ult., in which you state that your colleagues concur with you that the Collector at Launceston is held responsible for the deficiencies reported by the Auditor. Judging from this I am afraid I have not made myself thoroughly understood. Your decision places me in this position—

(1st.) I am held responsible for errors (it may be frauds) of officers in whose appointment I have had no voice, and who are in no way bound to me, nor can (so far as I can at present understand) be made accountable to me, and to one of whom I actually objected when his appointment was first made.

(2nd.) Such responsibility is fixed upon me without distinguishing between deficiencies occurring during my attendance at my office and those arising during periods of necessary absence while performing my duties.

Before addressing myself further to this subject, I beg respectfully to inquire whether there is any provision or regulation dealing with such matters as the present, and to which you can direct my attention, as, not having understood this hitherto, I am anxious to become fully acquainted with my position for future guidance?

I have, &c.

SAMUEL HENRY, Collector.

The Hon. J. S. DODDS, Esq., Treasurer, Hobart.

REFERRED to the Commissioner for his report and recommendations.

J. S. DODDS.
5 June, 1884.

Real Estates Duties Office, Hobart, 9th June, 1884.

MEMORANDUM FOR THE HON. THE TREASURER.

I HAVE perused Mr. Henry's statements of the 3rd June as to the deficiencies in the accounts of the Launceston branch of this Department, and have the honor to make the following observations thereon:—

I do not consider that Mr. Henry's statements are conclusive as against his responsibility; at the same time I think it would be unjust to hold him responsible for moneys received by his clerk but not accounted for, unless the deficiencies are clearly traceable to neglect of duty on his part.

The Collector cannot be personally cognizant of the moneys that are paid in the office to the chief clerk. If the receipts are not given and the entry of the money is neglected, Mr. Henry would have no means of discovering such error.

When the moneys are duly entered or the receipts given, the deficiencies should be discovered within a reasonable time. In the first case the amounts paid into the Bank during the week would be a means of discovering the error; in the second case the value of the receipts in the Demand Books would be a means of showing if the amount of receipts issued had been accounted for: although this means is always available in case of any deficiency being suspected, yet, practically, it would only be adopted when the bulk of the money was collected. The knowledge that such a test would be applied by the Collector would induce greater care in the clerks.

I note that the amounts unaccounted for were received from December, 1882, to the end of January in the present year. I consider that many of these deficiencies would have been discovered by the Collector if the test I have mentioned had been applied.

I have, &c.

FRANCIS BUTLER, *Commissioner.*

FORWARDED for the perusal of the Colonial Auditor. The responsibility incurred by officers in the position of the Commissioner or Collector is that they are required in the management of their offices to use every means in their power to protect the revenue, and introduce such a system of account as will accurately record the work of the office. It is for the Launceston Collector to show that he has done this.

J. S. DODDS, *Treasurer.*
10. 6. 84.

My report of investigation recently held as to the arrangements in the Real Estates Duties Office at Launceston, already in the hands of the Treasurer, saves the necessity of now entering into detail in the matter, and it is thought enough has been said to show that a proper system of check against errors and omissions in the accounts had not been introduced by the Collector, who, while failing in this respect, appears also to have entirely ignored the means provided for securing such a check, and forwarded for his adoption. This, to a great extent, is, in my opinion, the cause of the tardy discovery of the serious irregularities brought under notice. The Commissioner clearly states the value of the receipt record in the fifth paragraph of his letter; but why the butts should not be compared until after the bulk of the money is collected seems questionable. There is nothing, as far as I can see, to hinder a weekly comparison by the Collector or his clerks.

The Hon. the Treasurer.

W. LOVETT,
Audit Office, 11th June, 1884.

From the Auditor's reply it appears that a proper system of check against errors and omissions in the Launceston accounts had not been introduced by the Collector in charge, who, while failing in this respect, appears also to have entirely ignored the means provided for securing such a check, and forwarded for Mr. Henry's adoption. In previous reports the Auditor complains of the want of system, and attributes the irregularities he found to the want of proper supervision and an intelligent administration of the work of the office. In these circumstances Mr. Henry cannot be relieved of the responsibility which attaches to all officers entrusted with the collection of revenue. If officers of the kind have occasion to be absent at any time, the Government expects of them that they will leave the working of the office in such a state as to prevent confusion in the receipt of moneys and loss to the revenue either through neglect to adopt the authorised system of account or an improvement thereon.

J. S. DODDS, *Treasurer.*
12th June, 1884.

*Real and Personal Estates Duties Office,
Launceston, 25th June, 1884.*

SIR,

I HAVE the honor to acknowledge the receipt of your Memo. dated the 10th instant, endorsed on one by Mr. F. Butler, *in re* present deficiencies which have been found in the accounts kept by Mr. R. King, and also those of Mr. S. M'Queen. I note the Memo. endorsed by the Auditor as to a misapprehension which appears to have arisen in his mind in reference to the way I have introduced, and am working, the new check system of keeping the accounts suggested by him. You will have observed by my letter to you, through Mr. Butler, of the 10th instant, I wrote fully on this strange misapprehension, and I doubt not that the impression which may have been caused in the first instance has now been removed, as you will see by my remarks. Far from being disinclined to carry out the system I greatly coincide in it, and anticipate that by this mode of keeping the accounts, I shall be relieved in the future from the unpleasantness arising from deficiencies in the cash accounts of the office. As the crossing of letters in their transit between this office and Hobart has brought about some misunderstanding in reference to the matter under consideration, I write now to say, that I fully concur in your Memo. that "the responsibility incurred by officers in the position of the Commissioner or Collectors is that they are required in the management of their offices to use every means in their power to protect the revenue, and introduce such a system of accounts as will accurately record the working of the office." I am prepared to show that I have used every means within my power to do so, but, inasmuch as the impression that I have not done this may have arisen from the misapprehension above referred to, perhaps it may not now be necessary for me to explain further, in view of the letter written by me to you on the 10th instant.

I have, &c.

SAMUEL HENRY.

The Hon. J. S. DODDS, Esq., Treasurer, Hobart.

Audit Office, Hobart, 26th May, 1884.

MEMORANDUM.

THE under-mentioned deficiencies have been discovered in the accounts of the Collector of Real Estate Duty at Launceston on account of Rural Police Rate, 1883, in addition to £19 4s. already reported on account of Real Estate Duty for the year 1882:—

| <i>No. of Property.</i> | <i>Date when paid.</i> | <i>District.</i> | <i>Name of Payee.</i> | <i>Amount.</i> |
|-------------------------|------------------------|------------------|---------------------------|----------------|
| | 1883. | | | £ s. d. |
| 311 | July 25 | Emu Bay | James Smith | 0 1 6 |
| 320 | July 25 | Emu Bay | Ditto | 0 0 9 |
| 323 | Dec. 5 | Emu Bay | Adye Douglas | 0 15 0 |
| 536 | July 25 | Emu Bay | James Smith | 0 2 3 |
| 878 | July 25 | Emu Bay | Ditto | 0 4 6 |
| 885 | July 25 | Emu Bay | Ditto | 0 2 3 |
| 951 | June 20 | Emu Bay | James Thorne | 0 1 6 |
| 952 | June 13 | Emu Bay | F. Alford | 0 0 9 |
| 954 | July 16 | Emu Bay | W. Coventry, sen. | 0 11 3 |
| 959 | June 29 | Emu Bay | Ditto | 0 3 9 |
| 960 | May 31 | Emu Bay | H. W. F. Kayser | 0 7 6 |
| 963 | July 3 | Emu Bay | James Grady | 0 7 6 |
| 964 | June 11 | Emu Bay | C. H. Hall | 0 15 0 |
| 965 | June 23 | Emu Bay | W. Coventry, sen. | 0 7 6 |
| 34 | May 30 | George Town | W. Bullen | 0 7 6 |
| 65 | May 30 | George Town | H. Coplestone, sen. | 0 11 3 |
| 102 | Nov. 29 | George Town | — Grant | 2 5 0 |
| 245 | No date given | George Town | Mrs. Rutley | 0 7 6 |
| 335 | Dec. 15 | George Town | Executors of C. J. Weedon | 0 0 9 |
| 361 | May 30 | George Town | H. Coplestone, sen. | 0 2 3 |
| 376 | June 20 | George Town | R. P. Allridge | 0 7 6 |
| 498 | June 2 | George Town | R. Evans | 0 5 3 |
| 128 | Jan. 25 | George Town | J. Davies | 0 5 8 |
| re-issue | | | | |
| | 1883. | | | |
| 151 | May 7 | Russell | Jas. Jacobs | 0 5 3 |
| | 1884. | | | |
| 11 | Jan. 14 | Russell | L. Carroll | 0 15 0 |
| re-issue | | | | |
| | 1883. | | | |
| 120 | June 16 | Selby | W. Baker | 0 1 6 |
| 685 | June 19 | Selby | H. Ross | 0 7 6 |
| 688 | June 16 | Selby | James Robertson | 0 8 3 |
| 168 | Dec. 4 | Ringarooma | Alex. Gill | 1 10 0 |
| 224 | June 25 | Ringarooma | A. J. Jessop | 0 11 3 |
| 303 | June 15 | Ringarooma | D. M'Gillp | 0 18 9 |
| 304 | June 16 | Ringarooma | Ditto | 0 5 3 |
| 305 | June 16 | Ringarooma | J. M'Gillp | 0 2 3 |
| 313 | June 18 | Ringarooma | J. J. Matthewson | 0 7 6 |
| 318 | June 9 | Ringarooma | Thomas M'Gregor | 0 2 3 |
| 348 | Nov. 18 | Ringarooma | David Pinner | 1 6 3 |
| 370 | July 20 | Ringarooma | Robert Rainbow | 0 11 3 |
| 385 | June 16 | Ringarooma | John Roberts | 0 10 6 |
| 261 | July 25 | Port Sorell | James Smith | 0 6 0 |
| 836 | July 25 | Port Sorell | Ditto | 0 0 9 |
| 924 | June 26 | Port Sorell | H. Blair | 0 15 0 |
| 1178 | July 25 | Port Sorell | James Smith | 0 0 9 |
| 1585 | July 20 | Port Sorell | William Steer | 0 3 9 |
| 1628 | Dec. 20 | Port Sorell | J. Henry & Co. | 0 2 3 |
| 1681 | June 16 | Port Sorell | Thomas Stephens | 0 7 6 |
| 1759 | Dec. 15 | Port Sorell | Executors of C. J. Weedon | 0 4 6 |
| 1783 | Dec. 11 | Port Sorell | Thomas Burgess | 1 4 9 |
| 1854 | July 23 | Port Sorell | R. Rogers | 0 7 6 |
| 1855 | Dec. 11 | Port Sorell | B. Sykes | 0 6 0 |
| 1932 | May 30 | Port Sorell | James Dick | 1 4 0 |
| 2023 | June 16 | Port Sorell | Thomas Ray | 0 12 0 |
| 2222 | June 16 | Port Sorell | J. Lehman | 0 15 0 |
| 2225 | June 16 | Port Sorell | Ditto | 0 1 6 |

| <i>No. of Property.</i> | <i>Date when paid.</i> | <i>District.</i> | <i>Name of Payee.</i> | <i>Amount.</i> |
|-------------------------|------------------------|------------------|-----------------------|-------------------|
| 2277 | July 20 | Port Sorell | W. Steer | £ s. d. 0 15 0 |
| 2302 | June 16 | Port Sorell | R. Wright | 0 15 0 |
| 2375 | July 10 | Port Sorell | H. Douglas | 1 2 6 |
| 2559 | July 20 | Port Sorell | James Bennett | 3 15 0 |
| | | | | 29 15 2 |

W. LOVETT, *Colonial Auditor.*

The Honorable the Treasurer.

FORWARDED to the Commissioner of Real Estates Duty, who will be good enough to communicate at once with Mr. Henry in regard to his being held responsible for the amount of these deficiencies.

J. S. DODDS.
27. 5. 84.

MR. Henry has been so informed. A copy of the Auditor's Memorandum has been sent to him. Documents noted and returned.

FRANCIS BUTLER, *Commissioner.*
29 5. 84.

The Hon. the Treasurer.

Real and Personal Estates Duties Office, Launceston, 26th May, 1884.

SIR,

IN your letter of the 23rd instant, you say, "The Hon. the Treasurer has been informed that the system of keeping the accounts recommended by the Auditor in his letter of the 7th April has not been carried out in the Launceston Office."

I have to say, in reply to the above, that the Hon. the Treasurer has been most grossly misinformed. The system of keeping the accounts recommended by the Auditor has been carried out in every respect since the Auditor's last visit to this office; but I deem it my imperative duty to inform the Treasurer through you that in order to comply with the wishes of the Auditor, the other every-day work of the office has got behind to a considerable extent. The official receipts for the rates and duty received day by day have been accumulating, although every effort has been made to keep up the issue of the vouchers in due course. The public have a right to a prompt acknowledgment of the receipt of their money, and this, I regret to say, I have not been able to do. Again, the preparation of the notices for enforcing the payment of the duty still uncollected for the years 1881, 1882, and 1883, and the unpaid police rates for the two latter years, have ceased since the 28th April. The Crown Solicitor has yet to be furnished with the necessary certificates for the defaulters for the following districts for the year 1883; viz., Portland, Port Sorell, Russell, Selby, and Westbury. Distraint notices for the recovery of all small amounts of duty still unpaid for the years 1881, 1882, and 1883 have yet to be prepared for all the districts except Deloraine and Portland. Coercive measures have been successful in the two districts named, and, I have no doubt, would be equally so in the other districts if I were placed in a position, by additional clerical assistance, to enable me to prepare the necessary official documents. It is utterly impossible to carry on the business of the office in a satisfactory manner without additional assistance. The returned letters alone would be sufficient to keep one person almost constantly employed in entering the information upon the rolls, making out fresh demands, and correcting errors in reference to changes of ownership and occupancy.

This is a most important part of the work, and if done in a proper manner would assist most materially towards the collection of duty and rate within a reasonable time of the issue of the demands.

I am, &c.

SAMUEL HENRY, *Collector.*

F. BUTLER, *Esq., Commissioner, Hobart.*

FORWARDED to the Hon. the Treasurer.

FRANCIS BUTLER, *Commissioner.*
27. 5. 84.

REFERRED to the Auditor with regard to the first portion of Mr. Henry's explanation relating to the system of keeping the accounts in the Launceston Office.

J. S. DODDS, *Treasurer*.
27. 5. 84.

NOTWITHSTANDING the assertion of the Collector to the contrary, it appears by the report herewith from the Inspector of Accounts, dated 27th May instant, that the system recommended by me has not been carried out in every respect. The necessity of strictly adhering thereto having been pointed out in former communications, it is unnecessary now to say any more on the subject.

Mr. Henry's statement, "that in order to comply with the wishes of the Auditor the other every-day work of the office has got behind to a considerable extent," and the attempt thereby to make it appear that this is the cause of the arrears and irregularities in his office, is most unfair and unwarrantable; for the system referred to actually reduces instead of increasing the work of his office, and only requires to be dealt with loyally and intelligently to secure its proper and efficient working.

The Hon. the Treasurer.

W. LOVETT.
Audit Office, 29th May, 1884.

FORWARDED to the Commissioner for his perusal. The Auditor is very much dissatisfied with the position taken up by the Collector at Launceston, as will be seen from the Memo. hereon.

J. S. DODDS, *Treasurer*.
30. 5. 84.

Real Estates Office, Launceston, 27th May, 1884.

SIR,

I HAVE the honor to report that the system of accounting for cash which you requested the Collector of Real Estates Duties at Launceston to have adopted is not being properly carried out as regards paragraph No. 1. The mode adopted is as follows:—

1. With regard to moneys arriving by post, the Counter Clerk or Cashier (Mr. Johnston) receives all letters from Post Office, takes them to Collector, who opens and enters them in Memo. Book, after which he hands the demands, cash, &c. to the Counter Clerk, who then enters them in Abstract Cash Books, and forwards money to Bank. Consequently there is no proper check, as the Counter Clerk is the only check upon himself.

2. With regard to moneys paid at the counter, the second clerk is so often absent from his position for short periods that the value of the check is interfered with.

When moneys are remitted by Post Office Order the charge for the Order is deducted from the amount of duty or rate, as the case may be, by the Post Office. The custom in this office is to bring only the amount actually received to account. Thus, A remits 7s. 6d. by P. O. Order, but only 7s. 3d. is paid by Post Office to Collector, and the same amount, 7s. 3d., is brought to account with a remark, "Poundage 3d." The Collector informs me this is according to the instructions he received from the Hon. the Treasurer through the Commissioner, Mr. Butler. If this mode is allowed to continue it will be a very troublesome matter to reconcile the amounts collected and outstanding in each district with the total of each roll.

It was, I think, arranged that a small advance should be obtained from Treasury to meet these small deductions, and then accounts forwarded to Treasury as occasion required, and the amount made a charge against the Real Estates Department.

The Colonial Auditor.

I have, &c.

CHAS. MITCHELL.

Real Estates Duties Office, Hobart, 2nd June, 1884.

MEMORANDUM.

CORRESPONDENCE perused and returned. The following paragraph in Mr. Mitchell's letter—"The Collector informs me this is according to the instructions he received from the Hon. the Treasurer through the Commissioner (Mr. Butler)," is not in accordance with fact. I gave no instructions as to the amounts which were to be brought to account, but the last paragraph of my instructions,—“An account will have to be made out every three months for the poundage fees abated for Police Rate and for Real Estate Duty to be charged against Collection of Rates, and paid into the different accounts,” would show that the full amount of Duty or Police Rate was to be brought to account. The full amount of Duty or Police Rate is brought to account in this office.

The Hon. the Treasurer.

FRANCIS BUTLER, *Commissioner*.
2. 6. 84.

I HOPE the Collector at Launceston understands that the full amount of duty in the cases referred to is to be brought to account in the Abstract Cash Book, and that the instructions of the Commissioner as to the recovery of the poundage are to be strictly carried out.

J. S. DODDS, *Treasurer*.
2. 6. 84.

I WROTE to Mr. Henry to that effect yesterday.

The Hon. the Treasurer.

FRANCIS BUTLER, *Commissioner*.
3. 6. 84.

I SHALL be glad to hear what explanation Mr. Henry has to make after perusal of the Auditor's Minute, which is clear, and indicates that this office is being misled to a certain extent.

J. S. DODDS, *Treasurer*.
4. 6. 84.

MR. Henry's explanation forwarded herewith.

The Hon. the Treasurer.

FRANCIS BUTLER.
12. 6. 84.

Real Estates Duties Office, Launceston, 10th June, 1884.

SIR,

IN compliance with the request contained in your Memo. of the 6th inst., I now beg to forward for the information of the Hon. Treasurer the following explanatory remarks in reference to the Colonial Auditor's letter of instructions of the 7th April, (copy herewith.) Also a reply to his complaint to the Treasurer "that the system of keeping the accounts recommended by the Auditor in his letter of the 7th April has not been carried out in the Launceston office." The above extract is taken from your letter of the 23rd May. On the 26th May I penned the following paragraph in reply, as (I then thought) a sufficient answer to a complaint of such an indefinite character:—"The system of keeping the accounts recommended by the Auditor has been carried out in every respect since the Auditor's last visit to this office." I consider it most unfair, as it is most unusual, to have complaints of this nature made in general terms. In fairness I think details should be given, so as to enable me to understand in what respect I have failed in carrying out instructions. I now most emphatically reiterate the statement that since the last interview with the Auditor in my office the system recommended by him in his letter of the 7th April (modified in some degree by his verbal instructions at the time) have been given effect to in every possible way.

I desire to draw the attention of the Hon. Treasurer to the following facts in connection with the correspondence:—The Auditor's letter of instructions is dated the 7th April. On the 23rd May I am informed by Memo. from Mr. Butler of the Auditor's complaints. On the 26th May I sent my reply; then, on the 6th June, I am again called upon for an explanation to the following Memo. from the Auditor dated the 29th May. The Auditor writes, "Notwithstanding the assertion of the Collector to the contrary, it appears by the report herewith from the Inspector of Accounts, dated 27th May instant, that the system recommended by me has not been carried out in every respect. The necessity of strictly adhering thereto having been pointed out in former communications, it is unnecessary now to say any more on the subject." For the information of the Hon. Treasurer I have to say, in reply to the above, that the remarks of the Inspector of Accounts to the Auditor, dated 27th May, have reference to the mode hitherto followed of entering in the Abstract Book the poundage allowed upon Post Office Orders. My reply is that I never received any instructions whatever from the Auditor upon the subject; and I consider it most unfair that a complaint of this nature (without any foundation) should be made to appear as if it were contained in the former communication from the Auditor, as per Memo. of the 23rd May, and that I had consequently misled the Treasurer in my reply of the 26th May. The Auditor's Memo. is calculated to mislead, and I have no doubt has misled the Hon. Treasurer, and I therefore trust my explanation will be satisfactory that I penned my remarks of the 26th May in good faith, and they are true and correct in every particular. And, moreover, I have to say that I commenced the new mode of keeping accounts with every desire to give full effect to the wishes of the Auditor; and I am free to admit the system of keeping the books as contained in the instructions is a great check and safeguard against ordinary fraud, inasmuch as the counter clerk who receives the money does not make the entry in the Abstract Book, and therefore two persons are cognizant and have to complete the transaction, instead of one as heretofore. But I cannot understand how the Auditor can so persistently assert that the system referred to reduces, instead of increasing, the work of the office.

In his Memo. to the Honorable the Treasurer dated the 27th May, after again stating that the new system reduces the work of the office, he further states it "only requires to be dealt with loyally and intelligently to secure its proper and efficient working." Granted. There is no difficulty whatever in giving effect to the wishes of the Auditor if the requisite staff necessary for its efficient working be allowed me. No amount of intelligence and loyalty can overcome the requirements in this direction.

It must also be remembered that each year adds to the work of the office two-fold. The mode of procedure under the Auditor's system of accounts will be found in his letter to me of the 7th April, and, stated shortly, is as follows:—The Cashier or Counter Clerk receives the Duty or Rate tendered at the counter and hands the demand to another clerk to make the entry in the Abstract Cash Book. The voucher is then returned to the Counter Clerk, whose duty it is to get the Demand Book, detach the receipt, give it its proper date, then return it to the Booking Clerk again to be initialled, and then again returned to the Counter Clerk, who signs and delivers it to the payor. All receipts other than those delivered over the counter at the time of payment are signed by me after the before-mentioned necessary formula have been complied with. Moneys received by post are dealt with as follows:—I open all letters and enter the several amounts in a book kept for the purpose, indicating the particulars of each remittance, name of district, and number of demand, with an abbreviated Memo. on the demand of the particulars of the amount received. When cheques or P.O.O. are received, the number of demand, name of district, and amount of duty are endorsed upon them. The money and demands are then given to Mr. Johnston, who enters the several particulars in the Abstract Cash Book and checks the cash. The receipts are then taken from the Demand Books by another clerk. Mr. Johnston then initials them, they are then signed by me and are afterwards enclosed and posted.

The above is a correct description of the work done under the Auditor's system. Previously the mode was as follows:—The money tendered at the counter was received by Mr. King, the amount and number of demand entered in District Cash Book kept on the counter for each district. The demand or voucher was then filed, and subsequently entered in the Abstract Cash Book either by him or by another clerk. All letters were opened by Mr. King and the money taken to account as before stated. After entry the receipts were taken out and attached to the demand and compared by me and signed, and then enclosed and posted.

I very much regret to have thus to trouble the Honorable Treasurer with these details, but I do not know how otherwise I could have so forcibly demonstrated the difference in the amount of office work involved in the two systems. The old is as near the mode followed in the Banks here as was found practicable. The Abstract Cash Book was entered up from the vouchers, after the pressure of the day's work had been overcome, by Mr. King, but at times when he was prevented by extra pressure of work at the counter, the work of entering was done by another clerk.

The above is a correct description of the modes of carrying out the two systems. The Auditor's mode is no doubt the best check, but I maintain that one clerk could carry out the old plan in less time than two can complete the various details of the new one.

If the Honorable Treasurer has any doubts as to the quantity of work, I would respectfully suggest that he take the opinion of any banker, merchant, or accountant as to the clerical work involved in the respective modes of keeping the accounts. I hope the Honorable Treasurer will excuse the long detailed remarks I have thought it necessary to enter into, but without giving the particulars of the separate systems I could not otherwise refute to my own satisfaction the statement of the Auditor that the system referred to actually reduces instead of increasing the work of the office.

I have, &c.

SAMUEL HENRY, *Collector.*

F. BUTLER, *Esq., Commissioner, Hobart.*

*Real Estates Duties Office, Hobart,
21st January, 1884.*

MEMO. FOR S. HENRY, *Esq., Collector.*

IN reference to Money Orders sent under the provisions of Clause 5, 47 Vict. No. 5, in payment of Real Estate Duty or Police Rate, the Honorable the Treasurer has instructed me to allow the poundage fees charged as an abatement of the Real Estate Duty or Police Rate so remitted.

The Postmasters have received instructions in this matter, a copy of which I enclose.

The poundage fee must be shown in the "Payment of Demand Check Book" as an authorised abatement and "Money Order" written in the column for remarks. An account will have to be made out every three months for the poundage fees abated for Police Rate and for Real Estate Duty, to be charged against Collection of Rates, and paid into the deficient accounts.

FRANCIS BUTLER, *Commissioner.*

Real Estates Duties Office, Launceston, 13th June, 1884.

MEMORANDUM FOR FRANCIS BUTLER, *Esq.*, *Commissioner*.

I DESIRE to inform the Treasurer that Mr. M'Queen, when clearing out his desks, drawers, &c. used by him, preparatory to giving up his keys, found about 20 packets, containing postage stamps to the value of about £50; also a number of letters, most of them covering remittances in payment of duty or rates, amounting in the aggregate to nearly £20. I have not seen M'Queen since, but have been informed by Mr. Johnston that he expressed himself as much pleased and seemed surprised at the lucky find. I will have the amounts duly taken to account as soon as time will permit. Could you exchange the stamps for cash either in the Treasury or Post Office? If so, I will forward them to you. I cannot make the exchange in the Post Office here; they have not funds. I understand from Mr. Johnston that M'Queen left by the last steamer for Melbourne.

SAMUEL HENRY.

FORWARDED for the information of the Hon. the Treasurer.

FRANCIS BUTLER, *Commissioner*
16. 6. 84.

FORWARDED for the information of the Auditor. This discovery discloses a most extraordinary state of affairs in regard to the work of the Launceston Office. It seems almost incredible that so large a sum of money should be in the office unknown to the officials until so late a period.

J. S. DODDS, *Treasurer*.
17. 6. 84.

Audit Office, Hobart, 18th June, 1884.

MEMO. FOR THE HONORABLE THE TREASURER.

THE accompanying report, taken in connection with other irregularities brought under notice, certainly discloses the fact that ordinary care has not been exercised by the officers of the Launceston Office in carrying on their work. Further explanation should be obtained from the Collector, especially as to the bearing of the so-called lucky discovery on the recently ascertained deficiencies. A return also should be furnished of the names of the ratepayers whose remittances are covered in the letters, the several amounts, and whether any of them had been previously accounted for.

W. LOVETT.

MEMO.

I HAVE more than once verbally requested the Commissioner to take his position as head of the Department over which he now only exercises nominal control. I refer to the Launceston Branch Office, which has been a source of considerable trouble to the Treasury and Audit Office for some time past, and drawn forth severe reports from the Colonial Auditor condemnatory of the way in which the office is conducted. Many of the questions sent on to me by the Commissioner are really matters connected with the internal management of the Department, and such as ought not to engage my attention in the shape in which they reach the Treasury. I am reluctantly compelled to say that up to the present time the Commissioner has not asserted and maintained his position as regards the Launceston Office. I have therefore to request that he will no longer permit the Collector in charge to treat the Commissioner simply as a medium of communication with this office, but will at once assume the responsibility attached to the position of head of the Department, and exercise proper control over the Branch Office in the interests of the Public Service.

I have now before me a requisition asking for clerical assistance to prepare the demands for issue in October next, which reaches me without comment by the Commissioner, beyond the endorsement that it is submitted for authority, but I find upon enquiry that the whole of this work is to be performed by assistance from outside the Department, because it is asserted that the whole of the time of the permanent staff will be occupied in attending to work on account of former issues, notwithstanding that the staff has lately been increased. I now require to be informed whether this requisition is made by the Commissioner as absolutely necessary, and is in his judgment the most economical way in which the work of the office can be done. If clerical assistance is to be obtained, I hope that care will be taken to have the demands issued in a creditable state, as I have received complaints with regard to the writing, &c. I have no fault to find with the work of the Hobart Office; and in addressing the Commissioner I desire that he will see that the Launceston Office is worked equally satisfactorily.

I am very much surprised at the extraordinary discovery of £70 in the desk of one of the Northern officials, and have to request that the Commissioner will make the fullest investigation, as it seems incredible that the sum could be in the office without the knowledge of some one connected

with the Department, apart from the serious blame which apparently rests with the Collector in charge in neglecting to satisfy himself that the daily receipts were properly brought to account, whether in cash or stamps.

Papers returned herewith—Mr. Henry's letter 10th June, requisition 16th June, report 13th June.

The Commissioner Real Estates Office.

J. S. DODDS, *Treasurer.*
23. 6. 84.

RETURN made up to the 14th June, 1884, for the information of the Honorable Treasurer, showing the Number of Items and Amounts of Duty still unpaid in the Northern Division for the years 1881, 1882, and 1883; also similar Return for Police Rates for the years 1882, 1883, and 1884.

| | Period. | No. of Items unpaid for each year. | Total No. unpaid on 14th June, 1884. | Amount unpaid for each year. | Total Amount unpaid on the 14th June, 1884. |
|---------------------------------|---------|------------------------------------|--------------------------------------|------------------------------|---|
| | | | | £ s. d. | £ s. d. |
| Real Estates Duty | 1881 | 634 | | 144 10 3 | |
| Ditto | 1882 | 2605 | | 410 11 3 | |
| Ditto | 1883 | 3671 | | 1288 15 9 | |
| Duty Totals, 14th June, 1884 .. | .. | .. | 6910 | .. | 1843 17 3 |
| Rural Police Rate | 1882 | 1759 | | 818 1 10 | |
| Ditto | 1883 | 1980 | | 1197 15 3 | |
| Ditto | 1884 | 4421 | | 2339 2 2 | |
| Rate Totals, 14th June, 1884 .. | .. | .. | 8160 | .. | 4354 19 3 |
| Rate and Duty Totals | .. | .. | 15,070 | .. | £6198 16 6 |

SAMUEL HENRY, *Collector.*

Estates Duties Office, Launceston,
16th June, 1884.

Real Estates Duties Office, Hobart, 28th June, 1884.

SIR,

I HAVE the honor to report that, in obedience to your instructions, I proceeded to Launceston on the 25th instant, and attended at the Real Estates Duties Office on the 26th and following day to investigate the circumstances attending the finding of the stamps and unopened letters alluded to in Mr. Henry's Memorandum of the 13th June.

I examined Mr. Johnston and Mr. Hogg, and obtained such other information from Mr. Henry as he was enabled to afford.

As to the postage stamps found—

The stamps were found on the evenings of Friday, the 6th, by Mr. Johnston, and Saturday, the 7th, by Mr. M'Queen and Mr. Hogg, and the circumstance was reported to Mr. Henry on the following Monday, the 9th.

Mr. Henry did not report the matter to me until the 13th—received on 16th—as he waited to see Mr. M'Queen to obtain his explanation before reporting the matter; in the meantime Mr. M'Queen had gone to Melbourne on the 12th. Mr. M'Queen left the office on the 2nd June, but returned occasionally, at Mr. Henry's request, to finish the search for any letters that might have been mislaid or unaccounted for, but never returned after the 7th. Mr. Henry considered he had reason to expect Mr. M'Queen would call, as he had left his last month's salary in his hands towards the deficiencies reported. The stamps found on the 6th were of the value of £13 6s. 10d. The total value of the stamps found is £49 3s. 7d.

The stamps were (with one exception) contained in 20 envelopes, some fastened, some unfastened, containing different amounts, from a value of a few shillings to £2 or £3, the exception being a loose lot in a piece of newspaper. They were in various numbers, from small stamps to a half sheet of 1d. or 2d.

The first lot were found in a cupboard under Mr. M'Queen's desk, of which he kept the key while he was in charge; the bulk of the rest were found in a private cupboard in which Mr. M'Queen kept private articles only, and of which he had the key up to the 7th. The value of these stamps will be applicable in the reduction of the deficiencies in the accounts of the Launceston branch recently reported by the Auditor.

It is to be regretted that Mr. Henry did not report the matter at an earlier date, as, if it had been thought advisable, Mr. M'Queen might have been compelled to give an explanation of the circumstance.

As to the letters covering remittances—

The letters were found in two lots; the first (12) by Mr. M'Queen on the 2nd or 3rd June, reported to Mr. Henry the next day; the others (11) by Mr. Johnston on the 6th, at the same time and in the same place as he found the first lot of stamps, and reported to Mr. Henry on the 9th (Memo. of letters attached.) Eight of the first lot and four of the second lot contained either money, cheques, or stamps.

The postmarks on the letters found by Mr. Johnston are (with one exception) dated November 8th; the exception is dated 30th October. The post marks on those found by Mr. M'Queen were dated 14th December. Several of the Real Estates Duties enclosed in these letters have been remitted a second time and the receipts returned since the first despatch by the payor. In all such cases the money has been returned. One of the letters was from Mr. William Jones, enclosing the cheque which had been missing, and one was Mr. Ford's letter of complaint.

Mr. Henry also brought under my notice the fact that registered letter (No. 435) containing 11s. 6d. had been received by Mr. M'Queen on or about 30th March, who gave the receipt for the letter, but did not account for the money or send a receipt for the same. Mr. Henry has since paid the amount, and the receipt has been sent.

I have, &c.

FRANCIS BUTLER, *Commissioner*.

The Hon. the Treasurer.

MEMORANDUM of Amounts and Letters that came to hand on or about the 8th November and 14th December, 1883, and found on or about the 4th and 7th June, 1884.

| No. | District. | Account. | Name. | How sent. | Amounts. | Remarks. |
|------|--------------|-----------|-------------------|---|------------------|---|
| 251 | Port Sorell | Duty 1883 | C. Riggs | Stamps | £ s. d. 0 4 0 | Returned, previously paid. |
| 1258 | ditto | Rate 1883 | J. Campbell | Stamps 3s. 9d. | 0 2 3 | Taken to account. |
| 1258 | ditto | Duty 1883 | ditto | | 0 1 6 | ditto. |
| 102 | Launceston | ditto | M. S. Westcombe | Stamps 1s., cash 1s. 6d., together with Receipt account 1881, 3s. 9d. | 0 4 6 | Returned. |
| 319 | Russell | ditto | M. Medwin | Cheque £1 5s. 6d. | 0 0 6 | Taken to account. |
| 177 | ditto | ditto | ditto | | 1 5 0 | ditto. |
| 665 | Deloraine | ditto | J. Scott | Stamps | 0 1 0 | ditto. |
| 678 | ditto | ditto | G. Scott | ditto | 0 3 0 | Returned, previously paid. |
| 664 | ditto | ditto | ditto | ditto | 0 1 6 | ditto. |
| 666 | ditto | ditto | W. Scott | ditto | 0 1 0 | Taken to account. |
| | Oatlands | .. | Wm. Jones | Cheque | 14 1 6 | Returned, second cheque given. |
| | Russell | .. | F. W. Ford | Letter of enquiry | .. | Attended to. |
| | Torquay | .. | Exors. C. Oldaker | Letter of complaint | .. | ditto. |
| | George's Bay | .. | J. C. M'Michael | Letter of information | .. | ditto. |
| | Forth | .. | R. Hall | ditto | .. | ditto. |
| 937 | Selby | Duty 1883 | W. Penman | Stamps | 0 2 6 | Taken to account. |
| 305 | Ringarooma | ditto | T. Campbell | | 0 3 0 | ditto. |
| 77 | ditto | ditto | J. Campbell | | 0 12 6 | ditto. |
| 78 | ditto | ditto | J. Rutherford | Cheque £1 13s. | 0 5 0 | ditto. |
| 79 | ditto | ditto | T. Campbell | | 0 12 6 | ditto. |
| 674 | Westbury | ditto | J. Stewart | Stamps | 0 4 0 | ditto. |
| | ditto | .. | F. J. Bowden | Cash | 1 1 9 | Amount of collection held over for information. |
| | New Ground | .. | T. S. Thomas | Letter of complaint | .. | Attended to. |

*Real Estates Duties Department, Launceston,
27th June, 1884.*

REFERRED to the Colonial Auditor for his perusal, and I should like to know how this discovery will affect the deficiencies reported by the Auditor.

J. S. DODDS, *Treasurer*.
3. 7. 84.

THE deficiency will be reduced by the value of the stamps, £49 3s. 7d., which can be taken as cash in hands of the Collector.

The Hon. the Treasurer.

W. LOVETT.
3rd July, 1884.

Audit Office, 28th June, 1884.

SIR,

REFERRING to my letters to you of the 7th February, the 7th and 15th April last, respecting the accounts of the Collector of Real Estates Duties at Launceston, I have the honor to inform you that further investigation has brought to light such serious irregularities that it becomes my duty, under Section 48 of the Regulations under the Audit Act, to report the circumstances for the information of the Governor in Council.

Complaints having reached the Treasury from several individuals of the non-receipt of the usual acknowledgment from the Real Estates Duties Office at Launceston for duties forwarded, I visited that office at your request with the Commissioner of Real Estates Duties, for the purpose of investigating the matter, early in February last, and, although much irregularity and carelessness in the mode of keeping the accounts was noticed and reported, it was not supposed that moneys received had not been accounted for. In addressing you on the subject I had the honor to bring under your notice the fact of the Collector at Launceston having entirely ignored the object and intention of the system of account introduced for his guidance—viz., the securing of a prompt accounting for and check of cash receipts. Subsequently it was found necessary to despatch an officer of this Department (Mr. Mitchell) to Launceston for the purpose of further investigation, and owing to the very irregular manner in which the books had been kept, and the failure of the Launceston Office to make use of the check provided, it became necessary to compare the whole of the entries in the cash book with the butts of the receipt books in order to arrive at any conclusion as to the correctness or otherwise of the cash account. This was a work requiring considerable time and labour, which might have been avoided if ordinary care had been exercised by the Launceston Office in carrying out a proper system. As a matter of fact, Mr. Mitchell has been employed, at considerable inconvenience to this Department and himself, from 7th April to 28th June on this work, and in addition to the usual office hours, has been employed 159 hours overtime. A clerk in the Launceston Office has also been employed in helping him for 12 weeks ordinary working days and 159 hours overtime.

I regret to inform you that the accounts show an apparent deficiency of £183 8s. 6d.; viz.—

| | | | | | | |
|---|-----|----|----|------|----|----|
| <i>Real Estates Duties, 1882.</i> | £ | s. | d. | £ | s. | d. |
| Receipts issued not entered in cash book..... | 17 | 5 | 9 | | | |
| A. Heazlewood's cheque dishonored and deducted, subsequently recovered, but not taken to account | 3 | 15 | 0 | | | |
| | 21 | 0 | 9 | | | |
| Less errors in posting | 1 | 12 | 9 | | | |
| | | | | 19 | 8 | 0 |
| <i>Real Estates Duties, 1883.</i> | | | | | | |
| Receipts issued not entered in cash book..... | 125 | 2 | 4 | | | |
| Errors in posting | 3 | 9 | 0 | | | |
| Errors in addition | 27 | 14 | 3 | | | |
| | 156 | 5 | 7 | | | |
| Less accounts twice entered on 3 October, 1883.... | 24 | 1 | 6 | | | |
| | | | | 132 | 4 | 1 |
| <i>Rural Police Rates, 1883.</i> | | | | | | |
| Receipts issued not entered in cash book..... | 29 | 15 | 2 | | | |
| Errors in addition | 3 | 10 | 6 | | | |
| | 33 | 5 | 8 | | | |
| Less errors in posting | 1 | 9 | 3 | | | |
| | | | | 31 | 16 | 5 |
| | | | | £183 | 8 | 6 |

Detailed returns are forwarded herewith.

In addition to the above the following irregularities are noticed :—

1. The entries of cash received, instead of being immediately effected, were delayed as a rule for a day, and frequently for considerable periods, in direct opposition to the instructions forwarded.
2. The number of the demand and receipt has frequently been omitted in entering in the abstract cash book.
3. The names of persons paying duty have, in numerous instances, been omitted in the abstract cash book.
4. Numerous erasures occur in the cash book, the totals are frequently in pencil only, and in the 1883 book an extra sheet has been introduced without explanation.
5. Receipt forms have been taken out of the unused parts of the books and no explanation recorded as to the purpose for which they have been used, except in one instance.
6. The whole of the forms in different parts of the receipt and demand books in many instances have been torn out, and no explanation given.

It is quite possible that further omissions to account for receipts may eventually be discovered, as the accounts of the Real Estates Duties for 1880 and 1881, and the Rural Police Rates for 1882, have not been so minutely scrutinised, because it was found that the examination of the whole of these accounts in the same manner would take up so much time as to seriously delay this report; it was thought better therefore to request the Collector to forward returns of non-collections for those years, it being also considered that most of the amounts that could be collected would have been received; moreover, such returns will eventually be required to prove the due collection of the amounts payable or otherwise. Up to the present, however, Mr. Henry has not complied with this request.

As you are aware, a report from Mr. Henry of the discovery of about £70 in cash and stamps in a drawer of his office with letters covering remittances, has been referred to me and returned with remarks; but how this will affect the apparent deficiency has not yet been shown.

There appears to be a large amount of Real Estates Duty and Police Rate for 1882 still uncollected by the Launceston Office—viz., Duty, £422 13s. 6d., and Rates, £808 1s. 10d.

Trusting that prompt attention will be given to the matters brought under notice,

I have, &c.

The Hon. the Treasurer.

W. LOVETT, *Colonial Auditor.*

REAL ESTATES, LAUNCESTON.

LIST of Rates, payment for which cannot be traced in Abstract Cash Books, and for which Receipts have been issued.

REAL ESTATES DUTY, 1882.

| <i>Date.</i> | <i>No. on Roll.</i> | <i>Name.</i> | <i>Amount.</i> | <i>District.</i> |
|----------------|---------------------|---|----------------|------------------|
| 1883. | | | £ s. d. | |
| January 12 | 648 | John Ling | 0 11 3 | Emu Bay. |
| | 654 | James Lucas | 1 6 3 | Ditto. |
| January 22 | 698 | John Williams | 0 12 0 | Deloraine. |
| September 3 | 553 | Wm. Mariner | 0 9 9 | Launceston. |
| January 2 | 658 | Wm. Dally | 0 4 6 | |
| August 20 | 911 | Janet Dean | 1 13 9 | |
| January 23 | 1059 | John Webb | 0 12 9 | |
| August 3 | 2178 | F. M. Grant | 0 15 0 | |
| July 20 | 2235 | Edward Bailey | 0 15 0 | |
| April 23 | 2246 | Mrs. Chamberlain..... | 1 6 3 | |
| January 2 | 2840 | M. Welsh..... | 0 9 9 | |
| | 2841 | Ditto | 0 9 9 | |
| July 19 | 2847 | Wm. Dally | 0 6 0 | |
| January 23 | 947 | W. H. Cann | 0 1 6 | Port Sorell. |
| | 1192 | W. Bloomfield..... | 0 1 6 | |
| | 2322 | A. Ellis | 1 2 6 | |
| | 172 | A. M'Kaige | 0 13 6 | Russell. |
| December 5 | 71 | Executors of T. Barnett | 0 4 6 | Selby. |
| 1882. | | | | |
| December 23 | 130 | W. Beauchamp | 0 1 6 | |
| 1883. | | | | |
| December 15 | 438 | M. Lee or, M. Hogan | 0 5 3 | |
| October 25 | 489 | D. Powell | 0 6 9 | |
| | 490 | Ditto | 0 9 9 | |
| | 491 | Ditto | 0 9 9 | |
| | 663 | Ditto | 1 2 6 | |
| 3 | 876 | Robert Taylor | 0 16 6 | |
| 1884. | | | | |
| January 20 | 958 | J. Thomason | 0 2 3 | Selby. |
| 1883. | | | | |
| January 5 | 973 | George H. Wills..... | 0 6 9 | |
| October 16 | 27 | Thos. Briggs | 0 7 6 | George Town |
| Date not given | 206 | J. Quiggin | 0 10 6 | Port Sorell |
| Ditto | 868 | John Williams | 0 1 6 | Ditto |
| Ditto | 39 | John Casey | 0 9 9 | Deloraine |
| | | | 17 5 9 | |
| | | Less errors in posting | 1 12 9 | |
| | | | 15 13 0 | |
| | | A. Heazlewood's cheque dishonored and deducted. Subsequently amount was recovered, but not taken to account | 3 15 0 | |
| | | | £19 8 0 | |

In several instances receipts have been taken out of books and butts marked "void," "pauper," "buildings pulled down," &c.—W. LOVETT, 28th June, 1884.

REAL ESTATES DUTY, 1883.

| <i>Date.</i> | <i>No. on Roll.</i> | <i>Name.</i> | <i>Amount.</i> | <i>District.</i> |
|--------------|---------------------|--|----------------|------------------|
| 1883. | | | £ s. d. | |
| December 13 | 317 | T. H. Power | 1 15 0 | Campbell Town |
| 8 | 256 | Geo. Collins | 0 9 0 | Deloraine |
| 1884. | | | | |
| January 28 | 403 | J. Field | 0 4 6 | |
| 1883. | | | | |
| December 22 | 445 | S. Higgs | 0 6 0 | |
| 20 | 802 | A. Fowler | 4 10 0 | |
| 20 | 803 | A. Fowler | 2 2 6 | |
| 20 | 804 | G. W. Fowler | 1 2 6 | |
| 22 | 35 | S. Rogers | 0 3 0 | Evandale |
| 22 | 112 | Ditto | 0 10 0 | |
| 22 | 228 | J. Littlejohn | 1 11 6 | |
| 22 | 255 | J. Rogers | 0 7 6 | |
| 8 | 227 | Adye Douglas | 0 5 0 | Emu Bay |
| 8 | 323 | Ditto | 0 10 0 | |
| 20 | 149 | H. Fitzgerald | 7 10 0 | Fingal |
| 3 | 255 | A. Harrap | 0 1 0 | |
| 3 | 256 | Ditto | 0 6 0 | |
| 27 | 374 | Exors. Solomon | 0 2 6 | |
| 27 | 84 | John Gibson | 0 6 0 | George Town |
| November 29 | 89 | — Grant | 1 10 0 | |
| December 20 | 166 | Geo. Lockwood | 2 0 0 | |
| 3 | 221 | W. Ritchie | 0 15 0 | |
| 8 | 269 | Adye Douglas | 0 7 6 | |
| October 25 | 293 | A. M. Milligan | 0 0 6 | |
| December 7 | 300 | D. Murray | 0 10 0 | |
| 8 | 17 | Adye Douglas | 0 9 6 | Longford |
| Not given | 203 | H. S. Hutchinson | 1 0 0 | |
| December 11 | 278 | W. G. Newton | 0 11 0 | |
| 22 | 437 | Chas. Burton | 0 15 0 | |
| 22 | 573 | A. M'Bain | 3 12 0 | |
| 22 | 29 | Alf. Burbury | 0 10 0 | Portland |
| 22 | 187 | Ditto | 0 5 0 | |
| 22 | 109 | Thos. Raunsley | 0 12 9 | Ross |
| 22 | 110 | Ditto | 0 1 3 | |
| 22 | 111 | Ditto | 0 6 0 | |
| 22 | 112 | Ditto | 0 0 7½ | |
| 22 | 113 | Ditto | 0 1 9 | |
| October 25 | 13 | A. M. Milligan | 0 10 0 | Selby |
| December 19 | 109 | L. Bardenhagen | 0 17 6 | |
| October 25 | 182 | W. Fawcett (A. M. Milligan Agent) | 0 6 6 | |
| December 22 | 186 | H. Chugg | 0 3 6 | |
| 19 | 228 | W. Cheeseman | 0 0 6 | |
| 20 | 346 | G. Giddons | 0 5 0 | |
| 20 | 347 | Ditto | 0 2 6 | |
| 22 | 386 | R. Hall | 0 15 0 | |
| 20 | 417 | D. Hely | 0 6 0 | |
| 28 | 420 | Smith & Hutchinson | 0 4 6 | |
| 22 | 442 | James Hart | 0 6 6 | |
| 13 | 532 | P. Dargan | 0 7 6 | |
| 20 | 658 | G. Giddons | 0 6 0 | |
| 27 | 730 | J. Skipper | 0 17 0 | |
| 1884. | | | | |
| January 25 | 787 | B. Shaw | 0 5 0 | |
| 1883. | | | | |
| October 25 | 854 | A. M. Milligan | 0 0 6 | |
| December 20 | 901 | J. Wilsey | 0 2 0 | |
| 20 | 909 | Ditto | 0 2 6 | |
| 17 | 2 | John Adams | 0 4 6 | Westbury |
| 18 | 40 | Denis Breen | 0 13 6 | |
| 27 | 58 | Chas. Best | 0 17 6 | |
| 27 | 59 | Ditto | 0 1 0 | |
| 27 | 60 | Ditto | 1 6 0 | |
| 27 | 61 | Ditto | 1 0 0 | |
| 27 | 80 | Ditto | 1 12 6 | |
| 8 | 143 | George Collins | 0 6 0 | |
| 8 | 186 | Adye Douglas | 2 0 0 | |

REAL ESTATES DUTY, 1883—continued.

| <i>Date.</i> | <i>No. on Roll.</i> | <i>Name.</i> | <i>Amount.</i> | <i>District.</i> |
|--------------|---------------------|-----------------------------|----------------|------------------|
| 1883. | | | £ s. d. | |
| December 27 | 193 | Edward Dando | 0 12 6 | Westbury. |
| 27 | 195 | Estate late J. Taylor..... | 0 4 0 | |
| 20 | 198 | Caleb Smith | 0 3 6 | |
| 20 | 208 | Ditto | 0 2 6 | |
| 4 | 227 | M. Flaherty | 0 1 6 | |
| 4 | 245 | William Flaherty | 0 1 0 | |
| 27 | 253 | H. Gamble..... | 0 1 0 | |
| 20 | 339 | John Hamton | 0 15 0 | |
| 20 | 359 | Caleb Smith | 0 2 6 | |
| 22 | 369 | James Jolly | 0 5 0 | |
| 22 | 371 | A. Rose | 0 6 6 | |
| 27 | 409 | E. Dando | 0 2 6 | |
| 20 | 418 | J. Kerkham | 0 9 6 | |
| 20 | 419 | Caleb Smith | 0 2 6 | |
| 20 | 421 | J. Kerkham | 0 5 0 | |
| 1884. | | | | |
| January 25 | 442 | H. Land..... | 0 2 6 | |
| 1883. | | | | |
| December 18 | 496 | D. M'Kenzie..... | 0 4 6 | |
| 28 | 551 | J. Maloney | 0 5 0 | |
| 13 | 639 | James Rose..... | 0 8 6 | |
| 18 | 652 | Josh. Robinson | 0 5 0 | |
| 20 | 693 | Caleb Smith | 1 10 0 | |
| 20 | 694 | Ditto | 1 5 0 | |
| 27 | 722 | George Best | 0 6 0 | |
| 27 | 760 | Estate of J. Taylor | 0 7 6 | |
| 1884. | | | | |
| January 25 | 766 | H. Laird | 0 6 0 | |
| 1883. | | | | |
| December 20 | 781 | Clarence Walters | 1 11 6 | Port Sorell. |
| 20 | 802 | Charles Best | 0 4 6 | |
| 22 | 873 | George Easton | 1 7 0 | |
| November 14 | 784 | D. Phillips | 0 5 0 | |
| December 20 | 1442 | John Mitchell | 0 2 6 | |
| 1884. | | | | |
| March 11 | 114 | W. Silver | 0 15 0 | Launceston. |
| 1883. | | | | |
| December 20 | 142 | Mrs. Fowler | 0 15 0 | |
| 7 | 159 | A. M'Donald's trustees..... | 0 15 0 | |
| October 25 | 207 | A. M. Milligan..... | 4 10 0 | |
| December 4 | 319 | E. H. Reading | 0 7 6 | |
| 4 | 338 | James Dally | 0 1 6 | |
| 8 | 377 | Douglas & Collins | 3 5 0 | |
| 8 | 379 | Ditto | 0 10 0 | |
| 7 | 386 | George Richards | 1 17 6 | |
| 7 | 387 | G. J. French..... | 1 12 6 | |
| 8 | 455 | Adye Douglas ... | 2 0 0 | |
| 8 | 456 | G. Collins..... | 2 15 0 | |
| 4 | 585 | James Dally | 0 9 0 | |
| 4 | 586 | Ditto | 0 9 0 | |
| 1884. | | | | |
| March 11 | 587 | W. Mariner | 0 6 6 | |
| 11 | 588 | Ditto | 0 7 0 | |
| 1883. | | | | |
| December 8 | 604 | G. T. Collins..... | 0 8 6 | |
| November 19 | 697 | M. Bruce | 1 17 6 | |
| 19 | 698 | E. Murphy..... | 1 5 0 | |
| 7 | 714 | Alice Cox | 0 8 6 | |
| 7 | 715 | Ditto | 0 13 0 | |
| 7 | 716 | Ditto | 0 10 0 | |
| 17 | 783 | Agnes Whiting | 0 15 0 | |
| 18 | 983 | D. C. Neal | 0 15 0 | |
| 27 | 1028 | Jas. Walbourne..... | 0 7 6 | |
| 13 | 1081 | D. Rundle's Estate | 0 8 6 | |
| 13 | 1082 | Ditto | 0 6 6 | |
| 4 | 1127 | Alex. Young | 0 13 0 | |
| 4 | 1128 | John Winter | 0 13 0 | |
| 4 | 1251 | Jas. Dally | 0 8 0 | |

REAL ESTATES DUTY, 1883—continued.

| Date. | No. on Roll. | Name. | Amount. | District. |
|--------------|--------------|---|----------|-------------------------|
| 1883. | | | £. s. d. | |
| December 4 | 1252 | Jas. Dally | 0 8 0 | Launceston. |
| 4 | 1270 | F. Pryor | 0 11 0 | |
| 8 | 1313 | W. Cousins | 0 2 6 | |
| 20 | 1373 | J. Richards | 0 1 6 | |
| 20 | 1374 | Ditto | 0 10 0 | |
| October 25 | 1544 | A. M. Milligan | 1 10 0 | |
| 1884. | | | | |
| March 11 | 1668 | W. B. Dean | 3 15 0 | |
| 1883. | | | | |
| December 1 | 1729 | S. Smith | 0 10 0 | |
| 4 | 1752 | R. Evans | 0 17 6 | |
| 28 | 1757 | J. Fletcher | 0 13 0 | |
| 1884. | | | | |
| March 13 | 1847 | Babington & Irwin | 1 0 0 | |
| 1883. | | | | |
| December 20 | 1853 | A. H. Fowler | 1 2 6 | |
| 13 | 1936 | Mrs. Windsor | 0 15 0 | |
| 4 | 2001 | Jas. Dally | 0 8 6 | |
| 4 | 2002 | Ditto | 0 17 6 | |
| 4 | 2004 | Ditto | 0 17 6 | |
| 4 | 2005 | Ditto | 0 17 6 | |
| 28 | 2048 | John Maloney | 1 6 0 | |
| 22 | 2165 | Mrs. Rose | 0 8 6 | |
| 22 | 2166 | Ditto | 0 8 6 | |
| 4 | 2172 | Jas. Dally | 0 11 0 | |
| 20 | 36 | M. Breheny | 1 2 6 | Russell. Launceston. |
| 4 | 2173 | Jas. Dally | 0 11 0 | |
| 18 | 2263 | J. Fryer | 1 4 0 | |
| 1884. | | | | |
| April 21 | 2264 | M. Grant | 0 7 6 | |
| 1883. | | | | |
| December 13 | 2313 | B. West | 1 15 0 | |
| 19 | 2409 | H. Clarke | 0 13 0 | |
| November 20 | 2491 | W. Ritchie | 1 2 6 | |
| December 7 | 2539 | Jas. French | 0 15 0 | |
| 7 | 2540 | Ditto | 2 0 0 | |
| 7 | 2541 | A. S. Jourdain | 0 11 0 | |
| 13 | 2568 | Oscar Binder | 0 9 0 | |
| September 20 | 2714 | H. Cowell | 1 0 0 | |
| December 7 | 2752 | Mrs. Bonney | 1 2 6 | |
| September 24 | 2804 | Mrs. Rutter | 0 7 6 | |
| November 14 | 2850 | D. Phillips | 0 15 0 | |
| December 18 | 2937 | Adye Douglas | 0 7 6 | |
| 17 | 2989 | M. Cahill | 0 7 6 | |
| September 27 | 3058 | D. Callaghan | 0 4 0 | |
| December 18 | 3066 | P. Dargan | 0 17 6 | |
| | | | 125 2 4 | |
| | | Errors in posting | 3 9 0 | |
| | | In additions, 1882 & 1883.... | 27 14 3 | |
| | | | 156 5 7 | |
| | | Less amounts twice entered on 3 Oct., 1883 | 24 1 6 | |
| | | | £132 4 1 | |

RURAL POLICE RATE, 1883.

| | | | | |
|------------|-----|--------------------|--------|----------|
| July 25 | 311 | J. Smith | 0 1 6 | Emu Bay. |
| 25 | 320 | Ditto | 0 0 9 | |
| December 5 | 15 | Adye Douglas | 0 15 0 | |
| July 25 | 536 | Jas. Smith | 0 2 3 | |
| 25 | 878 | Ditto | 0 4 6 | |
| 25 | 885 | Ditto | 0 2 3 | |
| June 20 | 951 | Jas. Thorne | 0 1 6 | |
| 13 | 952 | F. Alford | 0 0 9 | |

RURAL POLICE RATE, 1883—continued.

| Date. | No. on Roll. | Name. | Amount. | District. | |
|------------------------------|--------------|-------------------------------|----------------------|--------------|-------------|
| | | | £ s. d. | | |
| July 16 | 954 | W. Coventry, sen. | 0 11 3 | Emu Bay. | |
| June 29 | 959 | Ditto | 0 3 9 | | |
| May 31 | 960 | H. W. F. Kayser | 0 7 6 | | |
| July 3 | 963 | Jas. Grady | 0 7 6 | | |
| June 11 | 964 | C. H. Hall | 0 15 0 | | |
| | 965 | W. Coventry, sen. | 0 7 6 | George Town. | |
| May 23 | 34 | W. Bullen | 0 7 6 | | |
| May 30 | 65 | H. Coplestone, sen. | 0 11 3 | | |
| | 102 | — Grant | 2 5 0 | | |
| November 29 | 245 | Mrs. Rutley | 0 7 6 | | |
| Not given | 335 | Exors. of late C. J. Weedon.. | 0 0 9 | | |
| December 15 | 361 | H. Coplestone, sen. | 0 2 3 | | |
| May 30 | 376 | R. P. Allridge | 0 7 6 | | |
| | 498 | R. Evans | 0 5 3 | | |
| June 20 | | | | | |
| 1884. | | | | | |
| January 25 | 128 | J. Davies | 0 5 8 | Russell. | |
| | 11 | L. Carroll | 0 15 0 | | |
| 14 | | | | | |
| 1883. | | | | | |
| May 7 | 151 | J. Jacobs .. | 0 5 3 | Selby. | |
| June 16 | 120 | W. Baker | 0 1 6 | | |
| | 685 | H. Ross | 0 7 6 | | |
| | 19 | 688 | J. Robertson | 0 8 3 | Ringarooma. |
| | 16 | 688 | Alex. Gill | 1 10 0 | |
| December 4 | 168 | A. J. Jessop | 0 11 3 | | |
| June 25 | 224 | D. M'Gilp | 0 18 9 | | |
| June 15 | 303 | Ditto | 0 5 3 | | |
| | 304 | J. M'Gilp | 0 2 3 | | |
| | 16 | 305 | J. Matthewson | 0 7 6 | |
| | 18 | 313 | Thos. M'Gregor | 0 2 3 | |
| | 9 | 318 | D. Pinner | 1 6 3 | |
| November 18 | 348 | R. Rainbow | 0 11 3 | | |
| July 20 | 370 | John Roberts | 0 10 6 | Port Sorell. | |
| June 16 | 385 | Jas. Smith | 0 6 0 | | |
| July 25 | 261 | Ditto | 0 0 9 | | |
| | 836 | H. Blair | 0 15 0 | | |
| June 25 | 924 | Jas. Smith | 0 0 9 | | |
| July 25 | 1178 | W. Steer | 0 3 9 | | |
| | 20 | 1585 | J. Henry & Co. | | 0 2 3 |
| December 20 | 1628 | Thos. Stephens | 0 7 6 | | |
| June 16 | 1681 | Exors. C. J. Weedon | 0 4 6 | | |
| December 15 | 1759 | Thos. Burgess | 1 4 9 | | |
| | 11 | 1785 | R. Rogers | | 0 7 6 |
| July 23 | 1854 | B. Sykes | 0 6 0 | | |
| December 11 | 1855 | Jas. Dick | 1 4 0 | | |
| May 30 | 1932 | Thos. Ray | 0 12 0 | | |
| June 16 | 2023 | J. Lehman | 0 15 0 | | |
| | 16 | 2222 | Ditto | 0 1 6 | |
| | 16 | 2225 | W. Steer | 0 15 0 | |
| July 20 | 2227 | R. Wright | 0 15 0 | | |
| June 16 | 2302 | H. Douglas | 1 2 6 | | |
| July 10 | 2375 | Jas. Bennett | 3 15 0 | | |
| | 20 | 2559 | | | |
| | | | 29 15 2 | | |
| Less errors in posting | | | 1 9 3 | | |
| | | | 28 5 11 | | |
| Add errors in addition | | | 3 10 6 | | |
| | | | 31 16 5 | | |

W. LOVETT.
28th June, 1884.

Audit Office, Hobart, 30th June, 1884.

SIR,

REFERRING to my letter of the 28th instant, reporting apparent deficiencies in the accounts of the Collector of Real Estates Duties at Launceston, I have the honor to inform you that upon comparing the stated collections of that office with the amounts paid over to the Treasurer, a further deficiency of £9 9s. 4d. occurs, thus—

Rural Police Rate Account, 1882 and 1883.

| | £ | s. | d. |
|---|-------|----|------|
| Cash on hand, April 14th, 1883..... | 2 | 17 | 9 |
| Ditto ditto, May 24th, 1884 | 0 | 3 | 6 |
| | <hr/> | | |
| | 2 | 14 | 3 |
| | <hr/> | | |
| Also short banked compared with additions of books .. | 10 | 5 | 7 |
| Less amount reported already as errors in addition | 3 | 10 | 6 |
| | <hr/> | | |
| | | 6 | 15 1 |
| | <hr/> | | |
| | £9 | 9 | 4 |
| | <hr/> | | |

Making the apparent deficiency to 24th May, £192 17s. 10d.

I have, &c.

W. LOVETT.

The Hon. the Treasurer.

BEFORE bringing the Auditor's original and supplementary reports on the state of the accounts of the Launceston Branch Office under the notice of the Governor in Council, I shall be glad to have the observation of the Commissioner as soon as possible.

J. S. DODDS, *Treasurer.*
1. 7. 84.

Real Estate Duties Office, Hobart, 8th July, 1884.

To the Hon the Treasurer.

IN obedience to your instructions, I have the honor to make the following observations relative to the Auditor's Reports on the Launceston Branch of this Department.

When Mr. Henry was appointed Commissioner of Real Estate Duties he had responsibilities and position equal to mine, and was in no degree under my supervision and control.

As Commissioner he organised his office and introduced the system of accounts he considered advisable.

At a subsequent date (while Mr. Henry was still Commissioner) a system of accounts was introduced by the Auditor for our adoption, and certain books provided for carrying out that system. The system was carried out in Hobart, and, I believed, also at Launceston.

In 1883, from considerations of economy, the office of Commissioner at Launceston was abolished and the Department placed under my charge, Mr. Henry being appointed Collector, and having the management of the Launceston branch.

Having regard to the independent position previously held by Mr. Henry, I did not consider it courteous, or even expedient, to interfere with the detail of his office work until I knew of some reason calling for such interference; and I am quite satisfied that the harmonious working of the Department was promoted by that course.

Until my visit to Launceston to attend the investigation by the Auditor in February last, I had no reason to suppose that any departure from the system of keeping the accounts as proposed by the Auditor had occurred.

At that time the Auditor gave Mr. Henry verbal instructions as to the method of keeping the accounts, and has subsequently, on the 7th April, given him written instructions thereon.

With four exceptions, the whole of the deficiencies are referable to a period previous to my visit in February, a considerable portion are referable to the time during which Mr. King had, as Chief Clerk, the charge of the cash, but the large majority have occurred during the time Mr. McQueen acted in that capacity, from the 8th August, 1883, when Mr. King left.

If the instructions I have given to Mr. Henry are carried out a repetition of the irregularities complained of by the Auditor cannot occur without coming under his notice.

I forwarded a copy of the Auditor's reports to Mr. Henry on the 4th, but have not yet received any explanation.

FRANCIS BUTLER, *Commissioner*.

MEMO.

I HAVE perused the Commissioner's observations of the 8th instant on the reports of the Auditor respecting the deficiencies discovered in the accounts of the Collector at Launceston, the general mismanagement of the work of the office, and neglect to carry out instructions given from time to time to ensure a complete check in dealing with the receipt of moneys. The Commissioner is not entirely free from blame, inasmuch as he has failed to assume the responsibility inseparable from his position as head of the Department, and exercise proper control over the working of the branch office. I have been informed by the Commissioner, verbally, that the Collector has been supplied with copies of the reports to which I refer; and I have now to request that the Commissioner will be good enough to require Mr. Henry to pay over to the Treasury by the 25th July instant, £143 14s. 3d., the balance of the ascertained deficiency, after deducting the sum of £47 3s. 7d. which was discovered in the Launceston Office, and to which I have referred in a previous Memo. I have also to request that I may be furnished with an immediate report as to why the Collector in charge has permitted the work of his office to be conducted in such a manner as to bring about the irregularities complained of. These papers to be returned to the Treasury.

J. S. DODDS, *Treasurer*.
10th July, 1884.

Launceston, 23rd July, 1884.

FRANCIS BUTLER, *Esq.*, *Commissioner*.

WILL you take the earliest opportunity of laying the enclosed letter before the Hon. Treasurer, together with the accompanying letters and Memos., numbered from 1 to 25, which I have enclosed for his information, and as an addendum to my letter of yesterday's date.

SAMUEL HENRY, *Collector*.

Launceston, 22nd July, 1884.

SIR,

I HAVE the honor to acknowledge the receipt per Mr. Butler of your Memo. of the 10th inst. in reference to the alleged deficiencies in the Launceston branch of the Real Estates Duties Office, penned by you on perusing the Report of the Auditor "respecting the deficiencies discovered in the accounts of the Collector at Launceston, the general mismanagement of the work of the office, and neglect to carry out instructions given from time to time to ensure a complete check in dealing with the receipt of money," and wherein you request "that the Commissioner will be good enough to require Mr. Henry to pay over to the Treasury by the 25th instant £143 14s. 3d., the balance of the ascertained deficiency, after deducting the sum of £49 3s. 7d. which was discovered in the Launceston office, * * * and that you may be furnished with an immediate report as to why the Collector has permitted the work of his office to be conducted in such a manner as to bring about the irregularities complained of." In connection with your Memo. I have carefully perused and considered the Auditor's Report of the 28th ultimo giving rise to it.

I have delayed my observations upon your Memo. and the Report in order that the irritation caused by such undeserved charges as "general mismanagement,"—"neglect to carry out instructions,"—"permitting the work to be conducted so as to bring about the irregularities"—might be toned down before I entered upon my defence.

Fortunately the facts are so incontrovertible that I shall have little difficulty in entirely clearing myself from blame: but irrespective of this, I beg respectfully to say that neither by the Audit Act or Regulations connected with it, nor by any precedent connected with the Civil Service of the Colony, can responsibility be fixed upon the head of an office under circumstances similar to those in the present case. The position is this:—I am the Collector, with a great many important and No. 1. onerous duties to attend to quite beyond the receipt of money; so much so that I am sure you will allow that I am not necessarily required to handle a single shilling that comes to my office; and some of which duties formerly not infrequently called me for days together to other parts of the Colony. An Accountant is appointed without any reference to myself, and whose duties connected with the right of disposal of money are such that he is required to pay into the bank daily—not to pay to me—and this receipt and disposal goes on day by day, whether I am in my office or elsewhere. Under such circumstances, to hold that I am personally responsible for robbery, inability,

carelessness, or whatever else may cause deficiencies, is to say this : " We will give you distinct duties, and place your clerk beyond your control ; we will supply you with such clerks as we please, and keep them efficient or inefficient so long as we please ; yet, although your hands are thus tied, we shall hold you responsible for what may happen, just because you are the head of the office." The Collector of Customs, the Manager of the L. & W. Railway, and several other Heads of Departments are just in this position. The Cashier or Accountant receives all moneys, and the head of the office never handles a single shilling of it. Can such be held responsible? I respectfully say no regulation or precedent can be found for such a theory. Besides, I have very grave doubts as to whether the amount mentioned by you represents really losses to the Treasury. Many, if not all, may be mere omissions of entry. The money may be there, but the clerk, under pressure of business, may have failed to make the necessary record. The butt of the Receipt Book is not to be depended upon as a true record of the amount in all cases where the receipt has been removed. The demand, the receipt, and the butt are all prepared before the demand is issued. If afterwards deductions and allowances are made, the butt will not necessarily show such deductions.

No. 2. The staff of the office has been insufficient as well as inefficient for the past two years. The work has more than doubled. That errors and irregularities are the result should surprise no one ; it is but the natural and to be expected outcome of the circumstances. I find by a reference to my letter-book that so far back as July, 1882, I was drawing attention to delays and inconveniences caused by the want of clerical assistance in the office. I was so continually urging my clerks to greater diligence that I feel sure, indeed I know, I often created feelings of dissatisfaction and discontent, yet we could never keep up with the work.

On the 13th November, 1882, I wrote Mr. Butler : " With my present staff it is not possible to have the work finished before the time named in my Memo." Again, in a letter to him of the 5th July, 1883, particularising increase in work, I say : " I need not, I am sure, add any remarks to the above facts to show that the work of the office has increased, and is increasing daily, whilst the staff has been reduced." Then, on the 17th May, 1883, (not to refer to minor references in other letters), I wrote to him thus almost prophetically foreshadowing the unfortunate events which have now happened.

I have only to reiterate the substance of my remarks to the Hon. Treasurer on this subject when the Estimates for the current year were under consideration ; viz., " that this office cannot be carried on satisfactorily without another assistant to replace Mr. Atkinson, or, in the absence of another clerk, additional provision must be made for extra clerical assistance, otherwise the routine work of the office must eventually get into a backward state, and the natural consequences of an insufficient staff must follow." * * " The work of the office has increased and is on the increase daily on this side of the island, more particularly in the mining districts." Again, on the 25th of the same month I wrote : " Clerical assistance an actual necessity ; I see no prospect of dispensing with it." Although I complained as above, and also at other times (for particulars see copies of my letters now enclosed) no increase to the staff was made, and the result was that there was a continual hurry and rush in the office. The books will show that hundreds of payments were made daily for weeks together ; every man's hands were too full of work,—more than could be done,—yet correctness and regularity were expected ; and I—whilst pointing out the only remedy for this state of things by letter after letter, but without any result, being denied it—was still expected to be a guarantee against loss. Matters were thus from the time of Mr. Atkinson leaving the office until the retirement of Mr. King from overwork, in August of that year—admittedly the best clerk I have had—and deficiencies were even found in his work. Affairs became much worse afterwards. Although I pointed out that his successor should be a competent accountant and possessed of a thorough knowledge of accounts and ledger keeping (*vide* my letters to Mr. Butler of the 9th and 15th July, 1883), yet no such qualified person was nominated. Mr. King went away when his month's notice had expired, and matters were getting into confusion for want of a fitting person to do his work ; but delay after delay occurring, as my letters will show, I was at last forced to the expediency of suggesting a junior, Mr. M'Queen, in Mr. King's place, on approval, the work increasing and accumulating meanwhile. At this time things had become such that I was writing to Mr. Butler : " Please inform the Hon. Treasurer that the present staff is totally inadequate to the daily requirements of the office, and unless additional assistance is immediately granted the accounts and books will, I fear, get into confusion and disorder. Every day's delay adds to the difficulties arising from an insufficient staff"—(see my letter 17th August, 1883). My anxiety at this time is exhibited in my letters. Mr. M'Queen now showed himself quite incapable of discharging the duties hitherto performed by Mr. King. So early as the 7th January, 1884, I wrote : " More work cannot be done by the present staff" * * " I have from time to time pointed out that the work is increasing enormously year by year, and that the staff has been reduced in number and efficiency. The returned demands for duty arising from changes of occupancy, &c. number close upon 2000. As I have before stated, the staff is not equal to the requirements of the office, and since the resignation of Mr. King it has become every day more and more apparent that Mr. M'Queen, who succeeded him, is not able to discharge his duties satisfactorily, and consequently nearly the whole time of the junior is occupied in assisting him. Mr. M'Queen is willing, but he had no previous training and no knowledge whatever of keeping books or accounts, and he is sadly deficient." Notwithstanding my complaints, however,

I am still left with an insufficient and incapable staff to carry on an enormously increasing business. On the 21st March, 1884, I again write: "In fact Mr. M'Queen ought to be removed from his present position as soon as possible, as he has shown himself totally incapable of carrying out the very important duties of his office, and, consequently, part of his work has to be done by others; and this state of things does not conduce to the public interest, but rather the reverse. I therefore wish the matter brought under the immediate attention of the Hon. Treasurer, with a hope that an efficient accountant may be appointed as soon as practicable; and I would desire to bring under the notice of the Hon. Treasurer that, whilst doing all I possibly can towards the proper and efficient discharge of the duties of the office, it is utterly impossible that I can do so to my own satisfaction under present circumstances, and I most respectfully request that my responsibility may be held in abeyance until a thoroughly competent clerk is appointed and the books examined and a balance brought out."

In the face of the above is anything more required to explain "why the Collector has permitted the work of his office to be conducted in such a manner as to bring about the irregularities complained of?" The numerous quotations show conclusively that there has been no "permission" on my part, but that I have been absolutely denied the means of preventing the "irregularities" continually pointed out. I thought my letter of the 10th June last would have removed any impression that I had "neglected to carry out instructions." How such an impression arose I cannot think, but that it should continue after that letter leads me to fear that my remarks have not been carefully perused. To avoid repetition, I would refer to that letter again. When I took office there was no system of accounts for my guidance, and I had to introduce one based upon that carried out in the banking institutions of the Colony. That continued to be used until the admirable check system as suggested by the Auditor (*vide* his letter of the 7th August, 1884.) Previous to No. 4. the receipt of the Auditor's instructions, the Commissioner had on the 19th March, 1884, sent an account book, "Demand Check Book," with instructions to enter all moneys when received. The book was opened on the 22nd March in accordance with such instruction. Again, on the 3rd April, 1884, the Commissioner writes calling my attention to a Memo. by the Hon. Treasurer, dated 1st April, 1884, with instructions for me to keep the accounts in the same way as those at the Hobart office. The Commissioner writes: "I understand the instructions of the Hon. Treasurer to refer particularly to keeping the "Demand Check Book," which was originally suggested by the Auditor." The system, as I before stated, I adopted in conformity with the directions of the Commissioner two days after the book reached my hands. The "Demand Check Book" was condemned by the Auditor on the 7th April, 1884, and I ceased to use it after that date, and adopted the new system of the Auditor as before stated. Being at a loss to know what instruction *re* accounts had been received from the Auditor, I wrote to Mr. King, and beg to enclose a copy of his reply for your information. I now ask, can any instructions either from the Auditor or the Commissioner, from the opening of the office up to this date, in reference to keeping the accounts, be pointed out which I have disregarded or failed to give effect to? Mr. King was Chief Clerk from the opening of the office until the 7th August, 1883. He proved himself a most efficient clerk, but even during his term of office deficiencies have been found, but no one, I think, will for a moment consider they were anything else than omissions during the press of business; and had the staff not been reduced, and had been increased as I was continually asking, these errors would not have occurred. Then, during Mr. M'Queen's term, was it the disregard by me of any instructions No. 5. that can be named which brought about his defalcations, or did it arise from the fact that a mere office lad was performing duties requiring the skill of a clever and experienced accountant? The whole of Mr. M'Queen's defalcations, at least, would have been avoided had my suggestion in the first instance for the appointment of an efficient accountant been carried out.

I by no means think it improbable that the hypothesis of Mr. King that receipts may have No. 6. been issued in error, and, if so, would partly account for apparent deficiencies, especially when the great number of them is taken into consideration, and I still think that an opportunity should be afforded Mr. King to check over the vouchers asked for through the Commissioner. With respect to the discovery of money and stamps in the office, I would say that, from the time of the missing letters from Circular Head and other places, I have repeatedly urged Mr. M'Queen to turn out his desk and drawers, and ultimately the bulk of the money and stamps referred to was found in a private cupboard exclusively used for keeping the volunteer's uniform, &c. used by him.

If I have not succeeded in entirely removing from the mind of the Hon. Treasurer the impression of mismanagement and neglect so repeatedly brought against me by the Auditor, I beg respectfully to invite a thorough investigation into the working and management of the office since it was opened, and I will be prepared to make good all deficiencies if such enquiry shows that the deficiencies have arisen from any cause other than the incapacity and insufficiency of my staff. All the irregularities named by the Auditor are traceable to these causes, and have arisen notwithstanding my best efforts to prevent them, and my repeated warnings that such would be the result of a too close regard to the economical working of the Department.

I have, &c.

The Hon. the Treasurer.

SAMUEL HENRY, Collector.

No. 1.

Real Estates Duties Department, Launceston, 24th July, 1882.

Sir,

I DEEM it my duty to place before you the enclosed estimates for the service of this Branch of the Estates Duties Department for the year 1883.

They are based on the assumption that no rolls will have to be prepared in the office. This alteration has been determined since I prepared the former estimates which you received some time back.

I have been induced to revise my former estimates in consequence of the decision of the Government, but more particularly because I feel confident that the work of the office cannot be carried on in a satisfactory manner with the inadequate staff provided by the printed estimates for next year.

In order to bring this matter more forcibly before you, I have prepared the enclosed returns. A perusal will, I think, at once convince you that the printed Estimates are erroneous, and calculated to mislead you, and through you the Parliament and the country.

The Return, No. 3, shows the total amount to be collected for 1883 will be £19,694, and the cost of the office for the same period at £950, which is under 5 per cent. upon the amount before named.

On the 16th June I enclosed a letter to you bearing upon this matter, to which I have had no reply or acknowledgment, and thinking it not improbable that it may have been mislaid or overlooked, I now have the honor to enclose a copy.

I have, &c.

SAMUEL HENRY, *Northern Commissioner.**The Hon. Colonial Treasurer.*

No. 2.

Real Estates Duties Office, Launceston, 13th November, 1882.

DEAR SIR,

YOUR letter of the 10th instant came to hand on Saturday, and the contents are duly noted.

I will use the utmost despatch in the issuing of the demands, but with the present staff it is not possible to have the work finished before the time named in my Memo. *re* this matter.

In order to give effect to the wishes of the Hon. the Treasurer *re* collection of duty, I will with his approval first issue the demands for all properties of the assessed value of, say, £80 and upwards. By this means the demands for the whole of the large items would be issued in a short time, and with a reasonable hope of having such duty collected before the end of the year.

I have, &c.

SAMUEL HENRY, *Northern Commissioner.*F. BUTLER, *Esq., Commissioner.*

No. 3.

F. BUTLER, *Esq., Hobart.*

Re your letter of 24th. Staff not prepared to accept proffered remuneration for overtime. Have appointed an assistant at 6s. per day. Please advise Hon. Treasurer.

SAMUEL HENRY.

Launceston, 27th November, 1882.

No. 4.

Real Estates Duties Office, Launceston, 5th February, 1883.

DEAR SIR,

HEREWITH to hand you have the list of properties in the George Town District, in conformity with your letter of the 1st instant. Also information papers Nos. 75, 76, 106, 141 for the District of Ross.

I also send you addresses (as far as practicable) for the several persons in the Longford and Ross Districts in accordance with your letter before named. I think you will find they contain all the information you require.

I think it right to point out to you, for the information of the Hon. the Treasurer, that this additional work absorbs a great deal of time which ought to be given to the daily increasing routine work of the office. I would like you to lay the following facts before the Treasurer for his consideration :—

There are now outstanding for 1882 (see weekly return) 2177 items, representing £1149 14s. 8d. for police rates, and 6593 items, showing £5138 3s. 1d. for duty for the same period.

Preparatory to the issue of these 8770 defaulters' notices, the whole of the payments for 1882 have to be written off and the names entered in the Defaulter's Book. In addition to the above the Police Rate Demands, numbering 7625, ought to be ready for issue by the early part of April.

I need not, I am sure, add any remarks to the above facts to show that the work of the office has increased, and is increasing daily, whilst the staff has been reduced.

I remain, &c.

SAMUEL HENRY, *Collector.*

F. BUTLER, *Esq., Commissioner.*

No. 5.

Real Estates Duties Office, Launceston, 22nd March, 1883.

DEAR SIR,

YOURS of the 20th instant duly to hand. I am having prepared the information *re* properties in districts named.

I have also made arrangements for making out Police Rate demands for 1883.

In reference to that part of the Hon. the Treasurer's letter anent the amount of duty outstanding, I may mention in explanation that everything has been and is being done to increase the earnings so far as practicable with the present staff and the time at our disposal. You are, of course, aware that the preparation of the papers required by you in connection with appeals consumes a very considerable deal of time. I have, however, been issuing notices to defaulters, and will continue to do so until that means of effecting payment is expended, if not disapproved of by the Hon. Treasurer.

The takings since January have averaged about £400 per week, which seems to me to be a reasonable return. Kindly acquaint the Hon. Treasurer with these particulars.

I have, &c.

F. BUTLER, *Esq., Commissioner.*

SAMUEL HENRY.

No. 6.

Real Estates Duties Office, Launceston, 17th May, 1883.

DEAR SIR,

YOUR telegram yesterday is to hand *re* Estimates for 1884.

I have only to reiterate the substance of my remarks to the Hon. Treasurer on this subject when the Estimates for the current year were under consideration,—viz., that this office cannot be carried on satisfactorily without another assistant to replace Mr. Atkinson, or, in the absence of another clerk, additional provision must be made for extra clerical assistance, otherwise the routine work of the office must eventually get into a backward state, and the natural consequences of an insufficient staff must eventually follow. I consider it necessary that the pay of the clerical assistant be increased to 8s. He now receives 6s., which is far too low,—indeed it is not equal to the pay of a laborer, and mechanics are receiving from 12s. to 16s. per day. The work of the office has increased and is on the increase daily on this side of the island, more particularly in the mining districts. I estimate the number of items on the Rolls for 1884 Police Rate and Estate Duty will be about 22,000, whilst the re-issues consequent upon changes of occupancy and ownership will bring the number up to 30,000, if not more. The number of items I had to deal with for 1880 (see Report) was 12,985. In reference to the reduction of my salary from £400 to £300, it is a subject which I must confess I experience a difficulty in discussing in this letter, and I would not even allude to it but for the impression upon my mind that the Hon. Treasurer had consulted you upon the proposed reduction in my salary, whilst at the same time you, I presume, recommended an increase to Mr. King. The circumstances are singular, and I think, unique, in the annals of the Civil Service. I have no doubt the Hon. Treasurer considered his proposals the best way of meeting the outside pressure; but that emergency, if it had any existence, does not lessen the sense of injustice I

experience in being reduced in status, my salary also reduced by one-fourth, whilst the work of my office has increased enormously. Will you have the kindness to lay this letter before the Hon. Treasurer for his consideration?

F. BUTLER, *Esq.*, *Commissioner*.

I am, &c.

SAMUEL HENRY.

No. 7.

23rd May, 1883.

DEAR SIR,

IN reply to yours of the 19th instant, I have to inform you that the whole of the Police Rate demands will be issued this week, except those for the Ringarooma District, which are detained pending a reply to my letter of the 26th instant, in which I point out that Section 3, 45 Vict. No. 19, had not been complied with.

The Clerical Assistant.—The staff of the office consists of Mr. King, Mr. M'Queen, and Mr. Walklate. The latter is on the estimates prepared for the Hon. Treasurer as clerical assistant, at 6s. per diem.

I am, &c.

F. BUTLER, *Esq.*, *Commissioner*.

SAMUEL HENRY.

No. 8.

25th May, 1883.

CLERICAL assistance an actual necessity; I see no prospect of being able to dispense with it—see my letter to you 17th instant, and letter to Hon. Treasurer with estimate, 24th July, 1882. Should further detail be required will be happy to furnish it.

F. BUTLER, *Esq.*, *Commissioner*.

SAMUEL HENRY.

No. 9.

Real Estates Duties Office, Launceston, 9th July, 1883.

DEAR SIR,

MUCH to my regret I have herewith to enclose the resignation of my Chief Clerk, Mr. King, which you will please bring under the notice of the Hon. Treasurer as soon as convenient, with a view of his successor being appointed as speedily as possible. A thorough knowledge of accounts and ledger-keeping is absolutely necessary to the efficient discharge of the duties of the office, and I therefore trust this indispensable qualification will be considered in making the appointment.

I am, &c.

FRANCIS BUTLER, *Esq.*, *Commissioner*.

SAMUEL HENRY.

No. 10.

Real Estates Duties Office, Launceston, 13th July, 1883.

DEAR SIR,

I AM in receipt of your letter of the 12th, intimating the approval of the Hon. Treasurer to the resignation of Mr. King.

I beg again to urge the advisability of appointing a successor to Mr. King as soon as possible, in order that he may be instructed in the routine of the work. I need not mention that this is very essential, as it differs from the usual business of Government or other offices.

I am, &c.

FRANCIS BUTLER, *Esq.*, *Commissioner*.

SAMUEL HENRY.

No. 11.

PLEASE see Hon. Treasurer *in re* appointment in this office.

FRANCIS BUTLER, *Esq.*, *Hobart*.

SAMUEL HENRY.

23. 7. 83.

No. 12.

7th August, 1883.

WILL you please obtain the authority of the Hon. Treasurer so as to enable me to employ the necessary extra clerical assistance requisite to have the duty demands made out by the end of September. The payment will, I suppose, be 6s. per 100 as before.

FRANCIS BUTLER, *Esq.*, *Commissioner*.

SAMUEL HENRY.

No. 13.

Real Estates Duties Office, Launceston, 9th August, 1883.

DEAR SIR,

YOURS of the 8th instant to hand. In reply I beg to state it is not possible to have the Estates Duties demands ready for issue, within any reasonable time, without outside assistance. Our defaulters' lists are both in amount and number much too large. This is partly to be accounted for by the indifferent health of Mr. King, and his occasional enforced absence from the office. Mr. King's successor will be fully occupied for some time in learning the routine of the office and having to be coached in the mode of keeping the various books, &c., and I do not anticipate any assistance from him towards preparing the demands or the necessary work in connection with the defaulters. Further information bearing upon your letter to the Hon. the Treasurer I have to refer you to my letters and Memo. under date the 17th, 23rd, and 25th May last; also my letter to the Hon. Treasurer dated 24th July, 1882.

I am, &c.

SAMUEL HENRY, *Collector.*F. BUTLER, *Esq., Commissioner.*

No. 14.

17th August, 1883.

PLEASE inform the Hon. Treasurer that the present staff is totally inadequate to the daily requirements of the office, and unless additional assistance is immediately granted to replace Mr. King the accounts and books will, I fear, get into confusion and disorder. Every day's delay adds to the difficulties arising from an insufficient staff, and I therefore trust the matter will at once be attended to.

If a permanent appointment *vice* Mr. King cannot be made at once, I hope a temporary assistant will be allowed, as I cannot carry on the work of the office satisfactorily without additional assistance.

SAMUEL HENRY.

FRANCIS BUTLER, *Esq., Commissioner.*

No. 15.

Real Estates Duties Office, Launceston, 31st August, 1883.

SIR,

I HAVE the honor to inform you, in reply to your telegram *re* vacancy in this office, that I have made enquiries in the Customs, Railway, and other Departments here, and cannot name any person eligible for the position who would consent to fill it at the salary on the Estimates for next year, *i.e.*, £150. On the 9th July I wrote in reference to this appointment "that a thorough knowledge of accounts and ledger-keeping is absolutely necessary to the efficient discharge of the duties." Since that date several applications have been forwarded, amongst them are the names of Mr. Stanfield, of the Telegraph Office, and Mr. Weetman, of the Post Office. I now find that the latter gentleman has not the slightest knowledge or experience of the work to be done, and I am constrained to say that he would not be equal to the duties. In reference to Mr. Stanfield, he has acquired some insight into accounts as counter clerk in the Telegraph Office, but he has no knowledge whatever of ledger-keeping, and it would take a long time to initiate him into the work. In fact, if you have not an *efficient* clerk to fill the appointment, I would prefer that Mr. M'Queen, the junior, have the position provisionally, say for one or two months. He has been well coached by Mr. King before he left the office, and since that date the bulk of the work has been done by Mr. M'Queen. I think if he continues to improve (and he seems anxious to do so), in a month or six weeks he will be up to the work. If you approve of this suggestion, I will be able to recommend, for your approval, an assistant to take the place of Mr. M'Queen.

I am, &c.

The Hon. the Treasurer, Hobart.

SAMUEL HENRY.

No. 16.

WILL you urge the Hon. Treasurer to authorise the employment of extra clerical assistance for this office until the present vacancy is filled? As the person responsible, I consider my repeated representations on this subject deserve more consideration than they have hitherto received.

SAMUEL HENRY.

FRANCIS BUTLER, *Esq., Hobart.*

No. 17.

*Real Estates Duties Office, Launceston, 7th January, 1884.*MEMO. FOR FRANCIS BUTLER, *Esq., Commissioner.*

I HAVE the honor to state for the information of the Hon. Treasurer, in reply to his Memo. to the Commissioner under date the 29th December, 1883, and received on the 2nd inst., that I did not receive the 5000 Police Rate Demands for the years 1882 and 1883 until the end of November.

Mr. Walklate and Mr. Johnston are engaged on the work after office hours, and two other persons out of the office are also employed in preparing them for issue. The greater part, if not all, the 5000 will be made out and posted in about a week from this date. Those for 1882 for the Districts of Emu Bay, Port Sorell, Russell, and Selby were posted on the 20th December; those for George Town on the 21st; and those for Portland on the 31st; for 1883, those for Selby on the 28th December, and the others I hope to have finished and posted in about a week. I feel confident if the Hon. Treasurer had a correct conception of the amount of work which must be attended to day by day so as to keep the office in creditable working order, he would not have considered it necessary to use the word apathy in connection with the discharge of my official duties, or indifference in endeavouring to give effect to his instructions. More work cannot be done by the present staff. I have from time to time pointed out that the work is increasing enormously year by year, and the staff has been reduced in number and efficiency. The returned demands for Duty, arising from changes of occupancy, ownership, and errors on the roll, number close upon 2800. In Launceston alone they amount to over 800. These numbers signify a large addition to the usual work, in seeking out the required information, making the necessary alteration on the office rolls, and preparing in many cases fresh or duplicate demands. As I have before stated, the staff is not equal to the requirements of the office, and since the resignation of Mr. King it has become every day more and more apparent. Mr. M'Queen, who succeeded him, is not able to discharge his duties satisfactorily, and consequently nearly the whole time of the Junior (Mr. Johnston) is occupied in assisting him. Mr. M'Queen is willing, but he had no previous training, and no knowledge whatever of keeping books or accounts, and he is therefore sadly deficient. I respectfully request that this Memorandum may be brought under the notice of the Hon. Treasurer for his information.

SAMUEL HENRY, *Collector.*

No. 18.

22nd January, 1884.

It will be necessary to obtain the consent of the Hon. Treasurer to enable me to employ the necessary clerical assistance to make out the Police Rate Demands for 1884. The number of items for each district are as follows:—

Emu Bay, 1050; George Town, 1200; Portland, 600; Port Sorell, 2800; Ringarooma, 750; Russell, 400; and Selby, 1200. Total, 8000.

SAMUEL HENRY, *Collector.*

F. BUTLER, *Esq., Commissioner, Hobart.*

No. 19.

Real Estates Duties Office, Launceston, 21st March, 1884.

SIR,

I HEREBYWITH enclose copy of my Memo. of the 19th inst. (*re* Mr. Jones' letter) to Mr. M'Queen, and the reply thereto, which in my opinion is very unsatisfactory in many respects.

The miscarriage of so many letters (six since the Auditor's visit) covering cheques is utterly beyond my comprehension, and, what is still more remarkable, all the letters of enquiry are likewise missing. In fact Mr. M'Queen ought to be removed from his present position as soon as possible, as he has shown himself totally incapable of carrying out the very many important duties of his office, and consequently part of his work has to be done by others, and this state of things does not conduce to the public interest, but rather the reverse. I believe Mr. M'Queen to be thoroughly honest, but in all other essentials necessary to insure the efficient discharge of his duties he is, I regret to say, sadly deficient. In fact he has deteriorated, and I no longer have that confidence in him which induced me to recommend him as Mr. King's provisional successor. I therefore wish the matter brought under the immediate attention of the Honorable Treasurer, with a hope that an efficient accountant may be appointed as soon as practicable; and I would desire to bring under the notice of the Honorable Treasurer that whilst doing all I possibly can towards the proper and efficient discharge of the duties of the office, it is utterly impossible that I can do so to my own satisfaction under present circumstances, and I most respectfully request that my responsibility as head of the Estates Duties Office, Launceston, may be held in abeyance until a thoroughly competent clerk is appointed and the books examined and a balance brought out.

Yours, &c.

F. BUTLER, *Esq., Commissioner, Hobart.*

SAMUEL HENRY, *Collector.*

No. 20.

27th March, 1884.

I THINK P. L. Johnston would probably be equal to the duties if he had, say, six months more experience in the general work and routine of the office. He is not wanting either in ability or application. If you cannot appoint a thorough accountant, I would recommend Mr. Johnston for the position, say for three or six months on trial.

SAMUEL HENRY.

The Hon. the Treasurer, Hobart.

No. 21.

Audit Office, Hobart, 7th April, 1884.

SIR,

I HAVE to request you will adopt the following system for accounting for the cash received by you as Collector of Real Estates Duties :—

1. The Cashier or Counter Clerk to receive all moneys brought to the office, but the entry in the Cash or Abstract Book must be made by another clerk, to whom the Cashier is to hand the demand brought by the ratepayer before issue of the receipt; the receipt to be initialled by the clerk who made the entry and handed to the payor. When money is received by post, the entries also to be made in the same manner, and receipts initialled before being signed and posted.

2. Books containing demands, receipts, and butts for record to be used; the butt record to be filled in, and the receipt to be issued to the payor, immediately upon receipt of the duty.

3. The Abstract Cash Book is to be used for immediate record of duties upon receipt in the column provided for the purpose.

4. The cash to be accounted for by payment to the Bank for account of the Treasurer, and by forwarding the usual attested returns to the Audit Office and Treasury.

I have, &c.

W. LOVETT.

S. HENRY, *Esq., Collector Real Estate Duty, Launceston.*

No. 22.

7th April, 1884.

To enable me to carry out the system indicated in the Auditor's letter of instruction (which I now forward for the information of the Hon. Treasurer), it will be necessary to have additional assistance. With every desire to give effect to the Auditor's wishes, it is not possible for me to do so with the present staff.

SAMUEL HENRY, *Collector.**The Hon. the Treasurer.*

No. 24.

MEMO.

I HAVE perused the Commissioner's observations of the 8th instant on the reports of the Auditor respecting the deficiencies discovered in the accounts of the Collector at Launceston, the general mismanagement of the work of the office, and neglect to carry out instructions given from time to time to ensure a complete check in dealing with the receipt of moneys. The Commissioner is not entirely free from blame, inasmuch as he has failed to assume the responsibility inseparable from his position as head of the Department and exercise proper control over the working of the Branch Office. I have been informed by the Commissioner, verbally, that the Collector has been supplied with copies of the reports to which I refer, and I have now to request that the Commissioner will be good enough to require Mr. Henry to pay over to the Treasury by the 25th July instant £143 14s 3d., the balance of the ascertained deficiency, after deducting the sum of £49 3s 7d. which was discovered in the Launceston Office, and to which I have referred in a previous Memo. I have also to request that I may be furnished with an immediate report as to why the Collector in charge has permitted the work of his office to be conducted in such a manner as to bring about the irregularities complained of. These papers to be returned to the Treasury.

J. S. DODDS, *Treasurer.*
10th July, 1884.

No. 25.

Launceston, 16th July, 1884.

DEAR SIR,

I HAVE to acknowledge the receipt of yours of this date in reference to instructions from Audit Office. In reply, I beg to say that the only instructions I can remember were : 1st. In reference to original receipts in 1880, which were to be written out at counter when payment was made, a separate book was to be kept for each district. This system was found impracticable and could not be carried out completely, and a new system had to be devised—that now in use. The first system was unworkable for several reasons. The public could not be expected to wait for them, as it would have delayed them too long. I consider it would have taken a clerk a day to have written out 150 and have no other claim on his time, and where there were often hundreds of payments per diem it will be seen that the issue of them was impossible. The staff also being too small, in lieu of these receipts counter books were adopted, one for each district, in which entries were made at time of payment, which was equal to a record in the butt of a receipt-book. 2nd. Instructions were to bank total cash received each day. This was impossible, as we had a large accumulation of stamps—as much as £50 or £60 worth—which could not be got rid of without allowing a commission. These

had to be held as cash for a long period, after which £2 a day was exchanged at Post Office. It was also necessary to keep change in hand for the convenience of customers. 3rd. Instructions were in *re* deductions from Rolls, being repetitions and other errors; the original total was required and not that less deductions. This matter was duly attended to. I consider the cash accounts were kept by me with all care possible, and all money received by me was paid into the Commercial Bank with the greatest promptitude, and my monthly and weekly accounts clear and satisfactory in every case. In 1883 Mr. Butler inspected my books, and expressed himself so satisfied with them that he requested me to send him the particulars of my system in order that he might adopt it at his office; they were duly sent. In reference to the absent receipts, the books were open to all as a consequence, and the whole of them might have been abstracted without my knowledge, and certainly could not be called my accounts. It occurs to me that many of these receipts may have been issued by a clerk through his comparing "returned" demands with those paid.

In a letter you recently received from Mr. Butler, I notice that he states that a large proportion of the receipts are missing dated from the time of my clerkship. This is erroneous, especially when you take into consideration the time over which they extend; the proportion is a small one, but does not affect the case. In reference to your Memo. anent "Vouchers," I beg to say that I consider it of the greatest importance that they should be returned to you for inspection in order that any errors made in entry through wrong numbers, &c. could be ascertained. Those passed through my hands all bore my private memos.

In conclusion, I may say that in my opinion the office was insufficiently officered, and this alone would be a means of causing errors and preventing a thorough check system (or, at any rate, of interfering with it).

SAMUEL HENRY, *Esq., Public Buildings, Launceston.*

I have, &c.

KEITH J. KING.

In 1883 I inspected Mr. King's books and requested him to send particulars that I might see if it was the same as that carried out in this office.

At that time Mr. King was keeping Counter Books for each district for the immediate entry of cash; I did not therefore notice the absence of the "Demand Check Book" which is used here for the same purpose. Mr. King was then using the "Abstract Cash Book" alluded to by the Auditor in his letter of instructions 7th April, 1884, (No. 21.)

FRANCIS BUTLER, *Commissioner.*
24. 7. '84.

Mr. Henry's explanation and accompanying letters forwarded to the Hon. the Treasurer. I believe that Mr. Henry has had all the *clerical assistance* asked for. The amounts paid for clerical assistance for the—

| | £ | s. | d. | | £ | s. | d. |
|-------------------------------------|-----|----|----|------------------|-----|----|----|
| Northern Division for 1882, was.... | 244 | 12 | 0 | ; for 1883 | 190 | 3 | 10 |
| Southern Division for 1882, was.... | 146 | 8 | 0 | ; for 1883 | 22 | 10 | 0 |

Mr. Henry has not forwarded to me any Bank Receipts for the amount £143 14s. 3d. required by the Memorandum of the Hon. the Treasurer to be paid over to the Treasury.

FRANCIS BUTLER.
24. 7. '84.

RETURNED to the Commissioner of the Real Estates Department, who will be good enough to deal more fully with Mr. Henry's letter of the 22nd instant, and afford explanation on the statements contained therein. At the same time I shall be glad to have the Commissioner's opinion, as head of the Department, on the general working and management of this branch office.

J. S. DODDS, *Treasurer.*
28. 7. '84.

Real Estates Duties Office, Hobart, 5th August, 1884.

MEMORANDUM TO THE HON. THE TREASURER.

I HAVE the honor, in obedience to your instructions, to submit the following observations on the statements in Mr. Henry's letter of the 22nd July. I would premise that any opinions which I have given are based on the experience I have of the work done in my own office, taking into consideration the difference in the number of items dealt with in each branch of the department. I am aware that Mr. Henry denies the applicability of such test, but I know of no good reason to support such a contention on his part. For the convenience of reference I have marked and numbered the paragraphs in his letter on which I have remarked, and put similar numbers to my observations.

1. Previous to the 5th May, 1882, when we were instructed not to publish any more of the Valuation Rolls on which we had been engaged, Mr. Henry had "important and onerous duties" connected with the preparation of the rolls which would absorb his time and render his absence from the office occasionally necessary; but since the 22nd August, 1882, when we were instructed to make out demands from the local rolls, he has had (with the exception of one day each to attend the Appeal Courts at Evandale and Deloraine in 1883) no duties to cause his absence; as a matter of fact the last Court of Appeal which Mr. Henry had to attend was held on the 19th April, 1882, while the first deficiency reported was on the 22nd December, 1882. It is true that Mr. Henry is not required to receive money, but one of his duties is to see that the money collected is paid into the bank, and that the receipts issued are accounted for; these duties are in my opinion the most "important and onerous" he has to perform. I cannot see that there is any difference in Mr. Henry's responsibility whether the receiving clerk has to pay the money to Mr. Henry or to the bank,—Mr. Henry can always inform himself that the money has or has not been paid in.

2. This doubt Mr. Henry should be able at once to satisfy. He should know what balance, if any, he had in hand at the end of each month when he signs the returns to the Auditor. If it was a "mere omission of entry," his Return would show more money paid into the Treasury than collected,—when the reverse would probably be the case, as it is probable that Mr. Henry would hold stamps received in payment of Duty or Police Rate. The butt of the Receipt should be a *true record* of the amount received and of any allowances or deductions.

3. I cannot understand that the assertion that the work has more than doubled can be correct. The amount of work in the office must be correctly gauged by the number of items which have to be dealt with. These were,—in 1880, 11,984, in 1882, including Police Rate, 19,698,—an increase of not quite two-thirds. Mr. Henry has mixed up his applications for increased strength in the office and for extra clerical assistance to *prepare and issue Demands*, the latter of which were invariably complied with. During the whole time Mr. Henry was making applications for another clerk to be appointed he had assistance equal, in comparison to the work to be done, to that which I had in this office, as will, I think be evident from the following statement on the strength of the two offices for 1883 and the first half of 1884; viz.—

1883.

| | |
|------------------------------------|---|
| Launceston Branch | 2 clerks. |
| Clerical assistance equal to | 2 clerks and one clerk for 24 days. |
| | — |
| | 4 |
| Hobart | 3 clerks, and clerical assistance equal to one clerk for 75 days. |

1884 (1st half.)

| | |
|------------------------------------|---|
| Launceston branch | 2 clerks. |
| Clerical assistance equal to | 2 clerks, and one clerk for 95 days. |
| | — |
| | 4 |
| Hobart | 3 clerks, and clerical assistance equal to one clerk for 26 days. |

Mr. Henry's own time was also available for assisting in the work of the office, as since May, 1882, he has had no duties to perform in connection with the preparation of the Valuation Rolls, which previously absorbed so much of his time. By my Report to the Honorable the Treasurer of February the 5th, 1884, it will be seen that for the purpose of getting in the arrears extra clerical assistance was necessary, as Mr. Henry informs me "that the present staff, even with the aid of the clerical assistant, is barely sufficient to keep the daily work of the office from getting into arrear." This was evidently in some degree due to the incompetency of Mr. M'Queen, as Mr. Henry says that from that cause "Mr. Johnston's time is nearly all taken up in assisting him" (page 6). Mr. Henry writes on the 21st March that Mr. M'Queen ought to be removed. Mr. L. Johnston was appointed 3rd April. If the staff, even under the circumstances stated, was "barely sufficient," I see no reason why the arrears should have been allowed to accumulate, and I am unable to see that there was that "extreme urgency" for the appointment of another clerk that Mr. Henry so continually asserts.

4. On my visit to Launceston 31st January last, I first knew that Mr. Henry did not keep the "Demand Check Book" (or any book in place of it) in which to make immediate entry of all moneys received, and as this, together with the "Abstract Cash Book," was prepared by the Auditor in 1881 for our use, I ordered some from the Government Printer, and on the 19th March forwarded them to Mr. Henry, with instructions. Mr. Henry was at that time using the "Abstract Cash Book." On the 3rd April I wrote instructing Mr. Henry to keep the accounts in the same way as they were kept in this office, and that Mr. Johnston (who was on the same date appointed

Chief Clerk) had been shown the method adopted at this office, and should have no difficulty in carrying out the same system. I considered that if these books were used as directed, the Auditor's verbal instructions to me (through Mr. Johnson) in 1881, and the system adopted at this office, would be carried out. Although Mr. Henry does not so state, he leaves it to be inferred that in 1881 he received no instructions from the Auditor as to the accounts. That he must have had some communication on the subject is evident, as he has for a long time past used the "Abstract Cash Book" supplied to him on January the 19th, 1881, by the Government Printer under the Auditor's instructions. The system contained in the Auditor's letter of instructions of the 7th April is certainly not a new one, as it is the same with a slight variation as that proposed by the Auditor in 1881. I do not see in any part of the correspondence that the Auditor condemned the "Demand Check Book"—he simply considered it unnecessary if the system was carried out as he directed on the 7th April.

5. Mr. M'Queen was appointed to the chief clerkship on Mr. Henry's own recommendation, and if he had considered it a hazardous experiment should have given more vigilant supervision to his work than would be ordinarily given. I see no necessity for the appointment of a "clever and experienced" accountant: the accounts necessary to be kept are so simple that a person of ordinary experience and carefulness should be able to keep them without difficulty.

6. Mr. King states, "It occurs to me that many of these receipts may have been issued by a clerk through his comparing returned demands with those paid." I cannot quite comprehend what Mr. King means, but if he means that a clerk might have taken a bundle of returned demands and issued receipts for them, I must say I think it very improbable. An inspection of the Auditor's return shows that the receipts were issued on 68 different days, and therefore this must have occurred on as many different occasions. Search was made for the vouchers asked for by Mr. King, and none were found. On the 12th of July I wrote Mr. Henry, returning the lists of duty payments with the Auditor's endorsement thereon, telling him that there was no probability of any of the required vouchers being at that office, "as those sent to that office are only in support of amounts entered as received, and these amounts were not so entered. * * *." "The Auditor is quite willing to allow any further search for the vouchers, but he is unable to allow any further time of his clerks to be taken up in this work." Before concluding my observations I consider it my duty to point out to the Hon. the Treasurer that some of Mr. Henry's statements in answer to the Hon. the Treasurer's Memos., &c. are most unreliable, and if not absolutely erroneous, convey a false impression. Some instances are shown in my observations on his statements, and I think it advisable to give some further instances in support of this statement. In his letter dated 13th May, 1884, Mr. Henry says: "During the greater portion of the period over which the deficiencies extend, I find that my duties in connection with the preparation of the new rolls, and subsequently the somewhat numerous appeals, &c. rendered it impossible for me to follow any other course than that I adopted for carrying on the onerous duties of the office: during enforced absence, which sometimes extended for days or even weeks, several thousands of pounds would perhaps pass through the clerk's hands." As I have previously shown in paragraph No. 1, Mr. Henry had no reason for absence (except on two occasions) during the whole time over which the reported deficiencies extend.

On the 26th of May Mr. Henry writes: "the every-day work of the office has got behind to a considerable extent; the official receipts for the rates and duty received day by day have been accumulating:" while Mr. M'Queen's Memo. dated 24th May, sent to me by Mr. Henry in answer to a complaint that four receipts had not been forwarded in due course, says: "on account of pressure of work, receipts had been allowed to accumulate, but would all be issued up to date next week."

On the 10th of June Mr. Henry writes: "that the remarks of the Inspector of Accounts to Auditor dated 27th May have reference to the mode hitherto followed of entering in the Abstract Book the poundage allowed on Post Office Orders." My reply is, "that I never received any instructions from the Auditor on the subject." The instructions were sent by me originally on the 21st January, 1884; and on receipt of my letter of 2nd June inclosing extract of Mr. Mitchell's letter to the Auditor, Mr. Henry telegraphed to me for a duplicate copy of my instructions as to the poundage fees, which was immediately forwarded, several days before the date of his letter.

Mr. Henry lays great stress upon the "important and onerous" duties he has to perform, which seem in his opinion to absolve him from any responsibility as to accounting for money received at his office. I am not aware to what duties he can allude, with the exception of the supervision of his officers, drafting his letters and Memos. and, since my instructions of the 3rd of April, opening official letters, I am unable to say what work he does; all the other work of his branch seems to have been done by the clerks.

I believe that Mr. Henry is imbued with the idea that as head of the Launceston branch he should have no clerical work to do, and this may perhaps account in some degree for the accumulation of arrears.

In obedience to the instructions of the Hon. the Treasurer that I should give my opinion on the general working and management of this branch, I have the honor to state that I consider the

working and general management since Mr. Henry's appointment as Collector to have been inefficient and unsatisfactory, inasmuch as he has not shown any desire to make the best use of the means at his disposal for the carrying on the work of the Department, as he has failed to exercise that supervision over the officers of his branch which is always necessary, and which in his case was particularly so, as, by his own statement, the Chief Clerk (in succession to Mr. King) was, to his own knowledge, inefficient. I consider the statements and letters that have passed on this subject form alone a complete justification of this opinion. I do not consider that since Mr. Henry's appointment as Collector he has loyally accepted his position as subordinate to me, or has ever given me his cordial co-operation in the economical working of the Department. It must be evident to the Honorable the Treasurer that I can still less expect it for the future; and I trust that if Mr. Henry remains in the Government service some other appointment may be found for him, or that his branch of the Department may be made directly responsible to the Hon. the Treasurer.

FRANCIS BUTLER, *Commissioner.*

*Real Estates Duties Office,
Launceston, 14th August, 1884.*

MEMORANDUM FOR F. BUTLER, ESQ., *Commissioner.*

I HAVE again to draw your attention to my Memo. of the 25th July, *re* clerical assistance to enclose and direct the Duty Demands for the current year. It is absolutely necessary that this matter should receive the immediate attention of the Honorable Treasurer, in order that I may be able to have the work put in hand without further delay, as nearly one-half (about 7000) of the Demands bear date commencing on the 16th and ending on the 22nd September, and must be posted on their respective dates.

SAMUEL HENRY, *Collector.*

*Real Estates Duties Office,
Launceston, 15th August, 1884.*

MEMORANDUM FOR FRANCIS BUTLER, ESQ., *Commissioner.*

YOUR message of this date *re* dating the Demands for 1884 is to hand. It is too late to follow your suggestion in reference to the number (7000) given in my Memo. of the 14th, and as the posting is made imperative by the Act, I must therefore have the necessary authority early next week to enable me to carry out the requirements of the law. If this authority is delayed beyond—say Wednesday next—I will be compelled to have the work done by the clerks now employed upon the Defaulters' Lists.

SAMUEL HENRY, *Collector.*

*Real Estates Duties Office,
Hobart, 16th August, 1884.*

MEMORANDUM FOR THE HON. THE TREASURER.

I HAVE the honor to bring under the notice of the Hon. the Treasurer the attached Memos. from Mr. Henry, dated 14th and 15th August, in relation to my Memo. of the 11th August.

It will be seen from a perusal of Mr. Henry's Memo. of the 15th that he repeats the threat used in his first application to me of the 25th July, to stop "the issue of Defaulters' Notices unless his application for extra clerical assistance is complied with, and that in direct opposition to the instructions in my letter to him of the 29th July, in which I instruct him not "to delay the issue of warrants, &c. against defaulters, but rather forward the work as much as possible."

The course which Mr. Henry proposes to take in the concluding paragraph of his Memo. of the 15th August (underlined in red) is not necessary even for the purpose stated, as Mr. Hogg's services are available for the work to be done, and he would be able to do the whole (about 7000) within the time stated by Mr. Henry (commencing on the 16th and ending on the 22nd September).

FRANCIS BUTLER, *Commissioner.*

THE approval for employment of clerical assistance has been given, so that no delay may arise in dealing with the arrears of former years which have been allowed to accumulate so unsatisfactorily.

W. H. BURGESS, *Treasurer.*
18th August, 1884.

SUMMARY of the Amounts of Real Estate Duty and Rural Police Rates outstanding, and collected, in the week ending 16th August, 1884.

| | <i>Outstanding 9th August.</i> | <i>Collected 9th to 16th August.</i> | <i>Due.</i> | <i>Total.</i> |
|--------------------------|------------------------------------|--|-------------|---------------|
| Real Estate Duty, 1881— | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| Southern Division..... | 148 6 5 | .. | 148 6 5 | |
| Northern Division..... | 144 1 3 | .. | 144 1 3 | |
| | | | | 292 7 8 |
| Real Estate Duty, 1882— | | | | |
| Southern Division..... | 87 11 9 | 2 1 3 | 85 10 6 | |
| Northern Division..... | 380 1 6 | 4 6 6 | 375 15 0 | |
| | | | | 461 5 6 |
| Real Estate Duty, 1883— | | | | |
| Southern Division..... | 53 17 8 | 2 7 6 | 51 10 2 | |
| Northern Division..... | 952 11 0 | 39 1 9 | 913 9 3 | |
| | | | | 964 19 5 |
| Rural Police Rate, 1882— | | | | |
| Southern Division..... | 9 6 5 | .. | 9 6 5 | |
| Northern Division..... | 806 17 1 | .. | 806 17 1 | |
| | | | | 816 3 6 |
| Rural Police Rate, 1883— | | | | |
| Southern Division..... | 11 9 10 | .. | 11 9 10 | |
| Northern Division..... | 1186 14 9 | 1 3 9 | 1185 11 0 | |
| | | | | 1197 0 10 |
| Rural Police Rate, 1884— | | | | |
| Southern Division..... | 202 2 10 | 16 11 11 | 185 10 11 | |
| Northern Division..... | 1975 5 11 | 32 4 7 | 1943 1 4 | |
| | | | | 2128 12 3 |

19th August, 1884.

The Commissioner, Real Estates Office, Hobart.

My attention has been drawn to the Return of collections of Real Estate Duty and Rural Police Rate for the week ended 16th instant, and I very much regret to find that the amount outstanding for the Northern Division is so large as compared with the Southern, the figures being—

| | |
|----------------|------------|
| | £ s. d. |
| Southern | 491 14 3 |
| Northern | 5368 14 11 |

with the Duty for 1884 falling due on the 1st of October next. I am aware that the work of the Northern Division is somewhat more than the Southern, and I am also aware that the staff is larger for this reason. I cannot understand why the Commissioner does not insist on some energetic effort being made to reduce the outstanding amount more speedily. I shall be very glad if the Commissioner can arrange to visit Launceston, superintend the work of the branch for a time, and endeavour to push on the immediate collection of the moneys due to the Treasury. It is very tiresome that attention has to be drawn to this matter of non-collection so frequently, and that all efforts to get the Duties in appear to be met by passive resistance to the very definite instructions that have been issued.

W. H. BURGESS, *Treasurer.*

Audit Office, Hobart, 15th August, 1884.

SIR,

I HAVE the honor to report that in compliance with my request the Collector of Real Estate Duties at Launceston has forwarded lists showing the amounts outstanding on account of Real Estate Duty for the years 1880 and 1881; and on account of Rural Police Rates for the year 1882; but these lists do not agree with the amounts entered as outstanding on the Returns furnished to this office monthly, as the following will show:—

| | Amount as per Monthly Return. | | | Amount as per Statements furnished. | | | RESULT. |
|-------------------------------|----------------------------------|----|----|--|----|----|-----------------|
| | £ | s. | d. | £ | s. | d. | £ s. d. |
| Real Estate Duty, 1880 | 66 | 11 | 8 | 83 | 14 | 10 | Cr. .. 17 3 2 |
| Ditto, 1881 | 144 | 10 | 3 | 160 | 9 | 11 | Cr. .. 15 19 8 |
| Rural Police Rate, 1882 | 806 | 18 | 7 | 525 | 12 | 8 | Dr. .. 281 5 11 |

A further deficiency of £248 3s. 1d. therefore appears to exist beyond that previously reported, which has not been explained by the Collector.

The lists of outstandings of Real Estate Duty for 1882 and 1883, and of Rural Police Rate for 1883, have not yet been asked for, as these are in course of collection.

I have, &c.

W. LOVETT, *Colonial Auditor.*

The Hon. the Treasurer.

REFERRED to the Commissioner of the Real Estates Duty Department, who will be good enough to call upon the Collector at Launceston for immediate report.

W. H. BURGESS, *Treasurer.*
19. 8. 84.

MR. Henry's Report herewith.

The Hon. the Treasurer.

FRANCIS BUTLER, *Commissioner.*
23. 8. 84.

Real Estates Duties Office, Launceston, 22nd August, 1884.

MEMORANDUM FOR FRANCIS BUTLER, Esq., *Hobart.*

IN reference to the Auditor's letter to the Hon. Treasurer under date the 15th, *re* difference between the monthly returns and the lists compiled in the office expressly for the Auditor, I have to state, in reference to the duty for 1881 and 1882, the credits of £17 3s. 2d. and £15 19s. 8d. respectively, arises no doubt from double payments and the fact that items were struck off the rolls but the receipts for same left in the demand books (from which the Auditor's lists were taken) without any reference being notified upon the receipts *re* Police Rate, 1882. The original demands were taken from the *Commissioners' Rolls*, but an alteration in the law necessitated a re-issue of the same (*i.e.*, of those items which had not been paid) made up from the *local rolls*. The totals (forming the basis of the monthly returns) were, of course, taken from the *Commissioners' rolls*, and which, having been operated upon for some considerable time, could not be altered without causing a great deal of inconvenience and confusion. The outstanding duty for the years 1881, 1882, and 1883, and the Police Rate for the years 1882, 1883, and 1884, are now in course of collection, and the work is being pushed on with vigour and successful results. When this work is completed the accounts of the various years can be balanced with a reasonable hope that a fairly correct estimate of the deficiencies (if any) can then be shown; but any attempt to do this before the several years' outstanding accounts are brought to a close, and the errors taken to account, is, in my opinion, futile, as the results must, of necessity, be incorrect and misleading. In the present state of the various years' accounts I consider the Auditor is misapplying terms by designating the imaginary balance shown by his letter of the 15th instant, as a deficiency.

SAMUEL HENRY, *Collector.*

MR. Henry's explanation on the Auditor's letter of the 15th instant is forwarded herewith for the Auditor's information.

W. H. BURGESS, *Treasurer.*
23. 8. 84.

It appears to me that the Collector of Real Estate Duties at Launceston has been more anxious to throw discredit upon the audit examination and report than to attempt any proper explanation of the irregularities brought under notice.

In sending in my reports no charge of actual deficiency has been made, because it was thought that Mr. Henry ought to have an opportunity of explaining or pointing out, if he could, in what way wrong conclusions had been arrived at: Mr. Henry therefore shows questionable taste in saying "I consider the Auditor is misapplying terms, &c." Specified items of apparent deficiency were reported, but no definite explanation of a single item has been given. Such general terms as those used by Mr. Henry require proof before acceptance.

The Collector had ample opportunity for checking the monthly attested returns, but has evidently not used it, or he would not have confessed that he had allowed certain individuals to suffer a possible wrong by permitting double payments to remain uncorrected for the years 1881 and 1882.

It is hoped that the attempt to put off the explanation required for an indefinite period will not be permitted.

The Hon. the Treasurer.

W. LOVETT.
Audit Office, 25th August, 1884.

FORWARDED for the perusal of the Commissioner of Real Estates Department. No confusion has arisen at Hobart with regard to the accounts, and there need not have been any at Launceston if the Collector had used ordinary business care in dealing with moneys passing through his office. An ample system of check was provided for his protection at considerable trouble to the Audit Office, which Mr. Henry has practically ignored. I cannot relieve Mr. Henry from the responsibility of seeing that the work of his office is properly done. What else is Mr. Henry there for if not for this? The public have great reason to complain for having had in some instances to pay duty or rate twice through the irregular way in which the work of the Launceston Office has been carried out, and it is quite clear some change must be made.

W. H. BURGESS, *Treasurer.*
26. 8. 84.

Real Estates Duties Office, Hobart, 28th August, 1884.

SIR,

I HAVE the honor to report that in obedience to your instructions I proceeded to Launceston on Monday, the 25th instant, and on succeeding days inspected the work of the office there. The accounts as kept by Mr. Johnson are written up to date, and are kept in accordance with the instructions of the Auditor.

The work necessary to the collection of the arrears was proceeding more slowly than I expected, as Mr. Henry had taken Mr. Hogg off that work and instructed him to correct the Rolls for 1884.

This work principally consisted in eliminating the credit purchasers who are exempt from Real Estate Duty from the several Rolls; as Mr. Hogg had to do this from the lists sent by me to Mr. Henry in 1880 and 1881, from which lists showing the different districts in which they are situated have not even yet been prepared, it was a work which would take a large amount of time and labour.

I considered the collection of the arrears the most important work, and (as Mr. Henry required it) gave written instructions that Mr. Hogg should be employed on that work. He is now employed on the arrears of Police Rate for 1882 and 1883.

The work of preparing the preliminary lists of arrears before Mr. Henry will issue distraint authorities is one of considerable labour; and as Mr. Henry goes over the lists, I suggested to him that he should himself prepare them.

There are a very large number of arrears of Police Rate for 1884; and as a means of obtaining payment more quickly I suggested to Mr. Henry that he should himself prepare and send out reminders or distraint notices, the clerks being fully employed on the arrears of 1881, 1882, and 1883. These suggestions were at once scouted as impossible, as he (Mr. Henry) had no time which he could possibly devote to either purpose.

As Mr. Henry has an agent in each district who is willing to collect and execute distraint warrants, there should be now little difficulty in enforcing payment of arrears.

I have, &c.

FRANCIS BUTLER, *Commissioner.*

The Hon. the Treasurer.

The Treasury, Hobart, 29th August, 1884.

WILL the Colonial Auditor be good enough to inform me whether he considers that the Collector of Real Estates Duty, &c., Launceston, is justified in saying that the staff at his command is inadequate to perform the work of the office?—*Vide* paragraph 3 of letter in printed correspondence, page 17.

The staff is composed of the Collector, Chief Clerk, 2nd Clerk, 3rd Clerk, and clerical assistance; the 3rd Clerk having been permanently appointed some months since, the service previously having been provided for out of clerical assistance.

W. H. BURGESS, *Treasurer.*

FROM what I have seen of the work I have no hesitation in giving my opinion that the staff in the Launceston Office, with proper management, is and has been ample for the due performance of such work.

W. LOVETT.
Audit Office, 29th August, 1884.

JUDGING from my experience in my own office I am of the same opinion.

FRANCIS BUTLER, *Commissioner.*
29. 8. 84.

MINUTE PAPER FOR THE EXECUTIVE COUNCIL.

*Real Estates Duties Department,
Launceston Branch.*

Treasury, Hobart, 28th August, 1884.

THE Treasurer submits and recommends that in consequence of the unsatisfactory way in which the work of the Launceston Branch Office has been conducted under the management of the present Collector he be relieved from the duties of his office in order that he may have time and opportunity of giving such explanations with regard to the apparent deficiencies reported by the Auditor as are necessary.

W. H. BURGESS, *Treasurer.*

Approved.—G. C. S.

29th August, 1884.

MEMO.

The Commissioner of Real Estates Duties Department.

THE Commissioner will be good enough to inform the Collector at Launceston that the Governor in Council has approved of his being relieved from the duties of his office in order that he may have time and opportunity of giving such explanations with regard to the apparent deficiencies reported by the Auditor as are necessary.

The Commissioner will be good enough to see me during this afternoon and arrange as to the future management of the Branch Office.

W. H. BURGESS, *Treasurer.*

(In continuation of Paper No. 119.)

MEMO.

I AM rather surprised that up to the present time the Collector at Launceston, Mr. Henry, who was relieved of his duties by the Governor in Council on the 28th ultimo in order to afford him time and opportunity to explain the irregularities brought under notice in connection with the management of the Launceston office during the time he (Mr. Henry) had charge of the same, has not yet made any explanation. I have therefore to direct that the Commissioner will at once inform Mr. Henry that he will be allowed until the 18th instant to send in the explanation required; and that in the event of his failing to do so, it will be accepted as an indication that he is unable to offer a satisfactory explanation with regard to the state of his office, and that he is not prepared to explain the deficiencies reported to date.

Whilst writing on the subject of the Launceston office, I think it right to inform the Commissioner that I hold him entirely responsible, as head of the Department, for the supervision and proper working of the Branch, and that I expect to receive from him recommendations as to the re-arrangement of the office which will guarantee efficiency for the future, and prevent a repetition of the mismanagement that has brought about the present state of confusion.

My predecessor drew attention to the great necessity for the Commissioner to assume his position as head of the Department, and I trust that I shall not be called upon to refer to the point again, but that I shall receive the same warm support from the Commissioner as I do from other heads of Departments who have Branches to manage, and are responsible to the Government for the proper working of the same.

The Commissioner Real Estates Department.

W. H. BURGESS, *Treasurer.*
10th September, 1884.

Launceston, 13th September, 1884.

MY DEAR SIR,

MR. Samuel Henry, of the Real Estates Duties Office, has requested me to intimate on his behalf that in consequence of a very severe attack of catarrhal bronchitis he will be unable to attend to his duties for a few days, but it is imperative that he should remain in bed to obviate what may end in a very severe sickness of some duration.

I am, &c.

R. W. MURPHY, *L.R.C.P., M.R.C.S.E., A.C.*

The Hon. the Treasurer.

FORWARDED to the Commissioner of Real Estates Duties for his information.

W. H. BURGESS, *Treasurer.*
16. 9. 84.

16th September, 1884.

SIR,

YOUR letter of the 13th instant only reached me this morning stating that Mr. Samuel Henry of the Real Estates Duties Office, Launceston, will be unable to attend to his duties for a few days on account of an attack of catarrhal bronchitis.

I have, &c.

W. H. BURGESS, *Treasurer.*

DR. MURPHY, *Launceston.*

[TELEGRAM.]

INFORM me what time you require to send in your explanation.

S. HENRY, *Esq., St. Leonard's, near Launceston.*

FRANCIS BUTLER.
Hobart, 15. 9. 84.

[TELEGRAM.]

I CANNOT so inform you.

SAMUEL HENRY.
St. Leonard's, 15. 9. 84.

FRANCIS BUTLER, *Esq., Real Estates Duties Office.*

Real Estates Duties Office, Hobart, 17th September, 1884,

SIR,

Re Staff for 1885.

I HAVE the honor to acknowledge your instructions that I should make recommendations as to the re-arrangement of the office which will guarantee efficiency for the future, and prevent a repetition of the mismanagement which has brought about the present state of confusion.

In obedience thereto, I have the honor to recommend that the present strength of the two offices at Hobart and Launceston should be maintained, viz. :—

Hobart..... Commissioner and Collector.
Chief Clerk and Accountant.
And Two Clerks.

Launceston .. Collector.
Clerk and Accountant.
And Two Clerks.

In addition to this staff it will be necessary to provide the sum of £175 for clerical assistance for 1885.

I consider that this staff will be sufficient to carry on the regular work of the Department, and as regards the Launceston office, my opinion is in accord with that of Mr. Israel, who has been in charge of that branch of the Department since the 1st September.

If, however, the present officers are removed and less efficient ones appointed in their place, it would of course affect the ability of the Department to do the work without allowing arrears to accumulate.

It will be noticed that I propose the same number of clerks for the Launceston branch as I have for the Hobart, although the former has one-third more items to deal with ; but I consider that the Collector will be able to devote more time to the general work of the office than I, having the whole responsibility and supervision of the Department, shall be able to do. I have also provided a much larger amount of clerical assistance for the Launceston branch than for this office.

The present Clerk and Accountant at Launceston is quite capable of doing the work which is assigned to him, and I do not consider that a more experienced accountant is required.

My estimate of the amount for clerical assistance will be required for the two offices in the following proportions:—

| | | |
|----------------------|--|-------------|
| <i>Hobart</i> | Preparation of Demands for Real Estate Duty and Police Rate | £25 |
| <i>Launceston</i> .. | Preparation of Demands, as above | 75 |
| | For work necessary in getting in the existing arrears—2 Clerks, four months of 1885..... | 75 |
| | | <u>£175</u> |

The preparation of the Demands is a work which has to be done in a short time, and could not be completed by the regular staff of the office by the required date. It is necessary, therefore, that provision should be made for this item.

The work of collecting the existing arrears is one the necessity of which is undeniable, and from its magnitude could not be done by the clerks without arrears of the daily work accumulating.

The ability of the staff proposed for the Launceston branch to do the regular daily work of the office will, of course, in a great degree depend on the efficiency of the Collector ; and I consider it my duty to state that if Mr. Henry is retained in the Department in that capacity an extra clerk will be required for that branch.

I have, &c.

FRANCIS BUTLER, *Commissioner.*

To the Hon. the Treasurer.

Treasury, 18th September, 1884.

MEMO.

THE Commissioner will be good enough to inform the Collector at Launceston that the time named by which his report as to the state in which he left the office when relieved by order of the Governor in Council was to be forwarded to the Treasury, expired to-day; and that, having regard to the statement made by Dr. Murphy on the 13th instant that Mr. Henry would be unable to attend to his duties for a few days, I have to request that the Commissioner will intimate to Mr. Henry that he will be allowed until the 25th instant to furnish the required explanation, and that failing its receipt on that date his case will be brought under the notice of the Governor in Council. Since the irregularities in connection with the Launceston office were first reported, the Collector has had ample time to make a satisfactory explanation if he could do so; therefore I cannot see that the Government would be justified in allowing the settlement of the question to be longer deferred.

W. H. BURGESS, *Treasurer.*

The Commissioner, Real Estates Office.

Launceston, 17th September, 1884.

MY DEAR SIR,

MR. S. Henry is anxious I should write informing you that he is still confined to bed, and likely to remain so for some few days, suffering from his chest, which, as a sequela to his bronchitis, is slightly congested; and as this condition requires care and nursing, he is not likely to be able to resume his office work for some time longer, so that I hope some consideration will be shown him.

I am, &c.

R. W. MURPHY.

The Hon. W. H. BURGESS.

FORWARDED to the Commissioner of Real Estates for his perusal: to be returned.

W. H. BURGESS, *Treasurer.*
20. 9. 84.

PERUSED and returned.

FRANCIS BUTLER, *Commissioner.*
20. 9. 84.

Treasury, 20th September, 1884.

SIR,

YOUR letter of the 17th instant, stating that Mr. S. Henry is still confined to bed, and likely to remain so for a few days, only reached me this morning; and I have to state that on the 18th instant instructions were issued to extend the time by which Mr. Henry is to make his explanation to the 25th instant, by which date I hope he will be in a position to fully explain the irregularities brought under notice in connection with the management of the Launceston branch office.

I have, &c.

W. H. BURGESS, *Treasurer.*

DR. MURPHY, *Launceston.*

St. Leonard's, 24th September, 1884.

MEMO.

I HAVE to state, for the information of the Hon. the Treasurer, that I am still confined to my room, and am therefore unable to comply with the instructions contained in his Memo. to you of the 18th instant, copy of which reached me on the 20th.

SAMUEL HENRY, *Collector.*

FRANCIS BUTLER, *Esq., Hobart.*

FORWARDED for the information of the Hon. the Treasurer.

On the 15th instant I wrote to Mr. Henry requesting him to pay over to the Treasury the balance of Mr. M'Queen's salary held by him. I telegraphed yesterday for a reply, but have not yet received any. I am informed by the Under Treasurer that no money has been received by him from Mr. Henry since the 15th.

FRANCIS BUTLER, *Commissioner.*
25. 9. 84.

THE Commissioner will be good enough to inform Mr. Henry that the Cabinet had this letter under consideration to-day, and decided that the time should be extended until the 4th proximo, and inform Mr. Henry that this date is to be final, as the Government will not grant any further extension of time, but proceed at once to take action in the matter failing receipt of his explanation.

W. H. BURGESS, *Treasurer*.
26. 9. 84.

MR. Henry was so informed on the 25th September, and at his request a copy of the Treasurer's Memo. was sent on the 27th. I have received no answer.

FRANCIS BUTLER, *Commissioner*.
4. 10. 84.

The Hon. the Treasurer.

Launceston, 30th September, 1884.

MR. Henry is still under active medical treatment and confined to his room, and I need scarcely add, totally unfit for his official duties. He has handed me a letter from Mr. Butler wherein it is stated that he must return to his duties not later than the 4th October. This will be simply impossible without endangering his life, and I must enter my protest against his doing anything of the sort. I interviewed the Chief Secretary when in Launceston concerning Mr. Henry's state, and pointed out to him that he was totally incapacitated, and likely to be for some time yet. He has had a very severe attack of bronchitis, with some congestion at the back of the right lung which is obstinate to treatment, and, as his anxiety to return to his duties in my opinion retards his recovery, might I respectfully urge that some further consideration and leave be extended to him with a view of enhancing recovery. He is most anxious about his duties, and I am equally imperative that he is far from being well enough to venture out.

I am, &c.

The Honorable the Treasurer.

R. W. MURPHY.

Treasury, Hobart, 3rd October, 1884.

SIR,

I HAVE to acknowledge receipt of your letter of the 30th ultimo, which only came to hand this morning, some days after its date, which has been the case with other communications I have had the honor to receive from you on the same subject.

I note the contents of your letter, and have to state that Mr. Henry's case has had the anxious consideration of the Government, and continues to engage the serious attention of the Executive.

I have, &c.

DR. MURPHY, *Launceston.*

W. H. BURGESS, *Treasurer*

Real Estates Duties Office, Launceston, 3rd October, 1884.

SIR,

I HAVE the honor to bring under your notice the following facts in connection with the various matters now under your consideration as to the management of the Estates Duties Office in Launceston from 1880, to the 1st September, 1884. I was appointed a Commissioner under the Real and Personal Estates Duties Act, 1880, and the Island was divided, Mr. Butler being appointed to the Southern division. The Parliamentary Returns will show that whilst I held the appointment of Commissioner everything possible was done by me to give effect to the wishes of the Legislature as embodied in the Estates Duties Acts. With the assistance of Mr. King I had to initiate and open the necessary books for carrying on the work of the office. The records of my office and those in the Treasury will show that I prepared the drafts for the numerous Returns (except the Monthly Abstract for the Auditor) used in office. The annual Parliamentary Report and Returns will show the large increase I made in the number of new items which I added to my rolls, and the substantial increase to the revenue in the amount of duty arising therefrom. The late Premier, who was then in the Treasury, will call to memory, and the records of his office and those of the Attorney-General will prove, that nearly all the amendments made in the Act at that time were made at my suggestion,—and yet I fall short of Mr. Lovett's standard, as I think he more than once by implication, if not directly, charged me with want of intelligence. I think it sufficient to say that from the date of the office being opened its organisation and management of all details have received my continued and earnest attention, and that up to the date of the reduction of the staff I had, I maintain, worked the Act in accordance with the spirit of the Legislature. I protested against the reduction, and pointed out from time to time that the work of the office was getting in arrears, and every day's delay increased the difficulty, until the accumulation of arrears, arising from an insufficient staff, became very large, to which had to be added the annual increase in the number of items on the rolls, which have been so great in the Northern division of the Island for some

years. All my representations, both before and after Mr. King had left the office, failed to produce the desired results. Since the end of 1882 my correspondence has been sent to the Commissioner, and consequently had to percolate through his office before reaching the Treasurer. Serious and embarrassing delays have been the result,—at least I have no other way to account for the unnecessary delays and the number of letters and memos. I had to write before some questions could be settled.

My system of accounts and books were examined by Mr. Johnston in September, 1880. Every facility and assistance was afforded him, and when he had finished I understood he would recommend an alteration in some of the books and the mode of keeping them, with a view of introducing a better system of check. After Mr. Johnston's visit of inspection I never had any communication, either from the Audit Office or from the Treasury, in reference to a change of system in the office, until the 7th April, 1884, when I received the letter of that date which appears in the printed correspondence on page 15, signed William Lovett. Now one of the complaints against me is, that a system of check was provided for my protection at considerable trouble to the Audit Office, and which I ignored. Now this I most emphatically deny. No system of check or instructions were received by me until the receipt of the letter of the 7th April, 1884, and I immediately gave effect to the wishes of the Auditor by introducing the system. I dwell upon this matter because your memo. on page 52,—26. 8. 84,—leads me to infer that you are under the impression that I had neglected to give effect to the system of check provided and had ignored the instructions of the Auditor. In further confirmation of my statements I beg to refer you to letter 25, from Mr. King, on pages 45 and 46, having reference to this subject. I hope you now have a correct conception of this portion of the correspondence, and that the errors you were under in reference to this matter have been removed.

It will be seen by the records of the Office that my difficulties commenced when the staff of the office was reduced at the end of 1882, my status and salary being reduced at the same time. It will be seen also by reference to the printed correspondence, page 40, that so early as July 24, 1882. I as forcibly as I could protested against the proposed reduction in the number of the staff, and that the printed Estimates would prove insufficient for the ensuing year, *i.e.*, 1883. Notwithstanding my representation, the proposed reductions were made, and I lost the services of Mr. Atkinson. During the Session of 1882 the law was altered in reference to the Police Rate and Estate Duty, making them payable upon the value as shown by the Local rolls, instead of the Commissioner's rolls, as heretofore, and through an oversight a clause in a former Act was not repealed, consequently the collection of the Police Rates was delayed, as they could not be enforced. I called attention to the matter at the time, but I presumed my letter was overlooked. These blunders have been a source of much trouble in the office, and I have no doubt a fruitful source of errors and confusion in the books and the cause of much extra work. But before entering into further details, I respectfully desire to point out to you the extreme harshness with which I am treated, and the manifest injustice of compelling me to furnish such explanation with regard to the "apparent deficiencies" reported by the Auditor as are necessary whilst I am still confined to my room. My medical attendant, Dr. Murphy, has positively forbidden me to leave my room for the present, and I understood he had so informed you; notwithstanding this, I am in receipt of the following, which came to hand on Friday:—"The Commissioner will be good enough to inform Mr. Henry that the Cabinet had this letter under consideration to-day, and decided that the time should be extended until the 4th proximo, and inform Mr. Henry that this date is to be final, as the Government will not grant any further extension of time, but proceed at once to take action in the matter failing the receipt of his explanation." It is utterly impossible for me to comply with such peremptory instructions; whilst my health remains as at present I cannot leave my room—indeed, the greater part of the time I am compelled to keep my bed. Under the most favourable circumstances, *i.e.*, with the books, rolls, and records to refer to, it would take some time to bring out a balance for each year and for each account in that year, and it is only by this means that a correct balance can be found, and the deficiencies, if any, can be ascertained. If this is what is contemplated, and I presume it is, you will at once see that you require me to do an impossibility—*viz.*, to balance the books of my office without the opportunity of looking at them. On page 27 of the printed correspondence will be found an abstract made up to the 14th June, 1884, showing the number of items and amount of duty unpaid for 1881, 1882, and 1883, and for Police Rate for 1882, 1883, and 1884. The aggregate number of items is 15,070, and the total amount is £6198.16s. 6d. I reproduce these totals here in order to enable you to form some conception of the amount of work involved in the task which I am expected to have finished on the 4th inst. In reference to the amount of so-called deficiencies reported by the Auditor previous to the retirement of Mr. King from the office of Chief Clerk, he called upon me in reference to the matter and expressed himself as very doubtful as to the correctness of the examination of the books, as he could not conceive how any deficiencies could possibly be in his accounts, as he balanced his cash every day; but thought the greater part, if not all, the items reported as deficient were attributable to errors, *i.e.*, entering the amount to the wrong district, or sending out a wrong receipt, or errors upon rolls which had not been duly taken to account. However it might turn out, he stated his willingness to make good any deficiencies which, upon examination of the records and vouchers, showed that the money had passed through his hands, and in order to ascertain these facts we agreed that the vouchers in the Audit Office should be sent for, as upon each of them will be found private marks in the handwriting of the persons who received the money. I advised Mr. Butler of the result of my interview with Mr. King, of his willingness to make good any deficiency

where the money had passed through his hands, and in order to determine this question I asked him to have the vouchers in the Audit Office returned to me as soon as convenient. Without assigning any sufficient reason, and, I believe, without bringing my Memo. under the notice of the Hon. Treasurer, he flatly refused to ask the Auditors for the vouchers. I sent another Memo. urging the matter again. This was brought under the notice of the Treasurer and forwarded to the Auditor, who stated that the vouchers for the dates given could not be found, and that he could not spare a clerk to continue the search, and so the matter has remained since. In a subsequent conversation I had with Mr. Butler I told him I felt confident that the vouchers would be found if a proper search were made. He told me if I had asked for the whole of the vouchers they would be sent, but the Auditor objected to his clerk having to make the search. I consider I have not received that assistance and co-operation in this matter that I had a right to expect. If the Auditor could not spare a clerk to make a thorough search, but was willing to send the whole of the vouchers for the time named, as the Commissioner informed me, why was this not done? I had pointed out to Mr. Butler how necessary it was to have them examined to determine what amount, if any, of the deficiency Mr. King was liable for. Had my request been complied with, and the documents returned, I have no doubt the account up to the date of Mr. King's leaving the office would have been adjusted long ere this.

In reference to the deficiencies reported by the Auditor after Mr. King had left the office and Mr. M'Queen taking his position, I beg to call your attention to the state of my office at the time Mr. King sent in his resignation, viz.,—9th July, 1883. My difficulties, as I before stated, commenced with the reduction of the staff in 1883. I protested, but to no purpose, and from that date every person in the office was overworked. Mr. King had repeatedly told me that he had to work at all hours at his books, otherwise he could not keep them straight, and he found, after six months trial, it was too much for him; hence his resignation. You will see by my letters at the time how urgently I kept the matter before the Treasurer through Mr. Butler, but all to no purpose, as will be seen by the time allowed to elapse before any person was appointed in his place. Mr. King left because of overwork, and you can, I am sure, fully realise the importance of an immediate appointment of his successor. He sent in his resignation on the 9th July, and I immediately advised Mr. Butler (see letter No. 9, page 42)), and I think it was not until some time in September when Mr. Johnstone was appointed as junior, and Mr. M'Queen appointed to Mr. King's previous position.

Mr. King's salary was £190; when he resigned, the salary for chief clerk in my office was reduced to £150; when Mr. M'Queen received the appointment his salary was £120. You will see by my letter on this subject on pages 42 and 43 that I was driven at last to nominate my junior for the office (see letter No. 15, page 43). I considered at the time as a great mistake to reduce the salary from £190 to £150. Indeed, the chief clerk in the Hobart office receives £210, and the work is not nearly so much there as here.

The Commissioner states that the work in the North is about one-third more than in the South; but I contend the work in many of the districts North is double to what it is in the South. The same items and the amount on the rolls is not a correct indication of the work required to be done in the office for that district. The real work is shown by the number of returned demands caused by errors on the rolls, either from land having changed hands, finding new owners or occupiers, or mineral lands forfeited to the Government, or the owner or occupier having left the district. No provision is made in the Act to meet cases of this sort; and one of such cases may and does often cause more work and enquiry than twenty items when no such changes occur. In this respect I considered the work in the North is largely in excess of the South.

Again, if the bulk of the duty or rate is paid promptly without a second application, that again represents a lot of work to be done in the North which is not required in the South. As a rule, the money is more promptly paid there than here.

I think a fair indication of the work done in the office is the number of letters, &c. passing through the Post Office, and if this standard be taken, it will be found that the work in the North is double to what is done in the South.

I therefore contend that the salaries in the North ought to be equal to those in the South; and through this false economy I had to accept as chief clerk my junior, who proved himself totally incompetent for the duties, and hence arises the present unsatisfactory state of the accounts in my office.

As early as January I drew the attention of the Commissioner to the incompetency of Mr. M'Queen for his position, and requesting that my memo. be brought under the notice of the Hon. Treasurer (see letter No. 17, pages 43 and 44). No notice was taken of this letter, and matters continued to get worse day by day, and I had to do the best I could with the materials allowed me. At that time I had no conception that Mr. M'Queen was systematically keeping back letters which he ought to have brought under my immediate notice,—letters of inquiry, &c. as to cheques and money which he had opened and left me in ignorance. I was fully satisfied of his incompetency,

and knew that more work was consequently thrown upon myself and others in our endeavour to keep the work up, and many days I have been so fully occupied that I have not been able to leave the office the whole day, and unless I had held doubts of M^r Queen's honesty, and so have taken the receipt of the money out of his hands, I had no way of detecting him in his irregularities. The whole of my time was fully occupied, and I could not be personally aware of money paid in the office or which came by post, and the letters opened by the chief clerk. If the entry of such payments are neglected, I would have no means of discovering such errors.

All these complications would have been avoided if an efficient accountant had been appointed as soon as Mr. King's resignation reached the hands of the Commissioner. This was not done,—why I do not know; but, surely, it is most unjust to saddle me with the consequences. Why should I be held responsible for money that never reached my hands?

I sincerely trust that, in consideration of the unfortunate position in which I am now placed,—my health failing me at a time when all my energies are required to combat an impression which seems to have lately gained a footing in the Cabinet that I have not fully and earnestly carried out the duties of my office,—the Cabinet should not finally decide upon my case until I am enabled to check the various items in dispute. This, with a skilled accountant to render assistance, could be soon accomplished, and a balance would, when found, show the true financial state of my office. I feel compelled to bring prominently under your notice the fact that not one single penny of the amount which may be regarded in the light of apparent deficiencies ever passed through my hands, and which, in common fairness, I ought not to be held accountable for. I would call the attention of the Hon. Treasurer to a Memo. on pages 19 and 20, signed by the Commissioner, having reference to this matter.

I feel that my illness prevents me bringing many matters under your notice that, I think, would forcibly weigh in my favour; and there are other subjects that only a *viva voce* explanation would adequately convey.

Believing that the unanimous decision of the Cabinet will be that I have efficiently carried out my duties, and always endeavoured to protect the public revenue,

I have the honor to remain,
Your obedient Servant,

SAMUEL HENRY, *Collector.*

The Honorable the Treasurer, Hobart.

Treasury, Hobart, 9th October, 1884.

SIR,

I AM in receipt of your letter dated 3rd instant, submitting an explanation as to the irregularities brought under notice in connection with the working of the Launceston Branch Office during the time it has been under your charge; and, in reply, I have to inform you that I am unable to see that your explanation relieves you from the responsibility attached to the serious confusion which has been reported in connection with the administration of the Launceston office, and which appears to have arisen from a want of proper supervision and attention to the proper performance of the methodical duties required of the officials.

As the Government do not intend to prolong this correspondence, it has been decided that an independent Board shall be appointed to enquire into the working of the office, and arrangements will be made for the Board to assemble with the least possible delay, due notice of which you will receive.

I have, &c.

W. H. BURGESS, *Treasurer.*

The Collector Real Estates Duties Office, Launceston.

St. Leonard's, 9th October, 1884.

SIR,

I HAVE the honor to state that my medical attendant, Dr. Murphy, has just left me, and I have much pleasure in quoting his opinion for your information that I will be able to resume my official duties on Monday next.

I have, &c.

The Honorable the Treasurer.

SAMUEL HENRY, *Collector.*

Treasury, Hobart, 10th October, 1884.

SIR,

I AM in receipt of your letter of the 9th instant, informing me that Dr. Murphy, your medical attendant, has expressed his opinion that you will be able to resume your official duties on Monday next.

I am glad to hear that you have so far recovered as to be well enough to resume work, if required to do so; at the same time I must draw your attention to my letter of yesterday, in which I informed you that, in consequence of your explanation not having been considered satisfactory, an independent Board would be appointed to enquire into the working of the office during the time you have had charge of the same. Until the Board shall have completed its labours the question of your being allowed to return to duty cannot be considered; you will therefore continue relieved from duty until otherwise instructed by me.

I have, &c.

The Collector Real Estates Office, Launceston.

W. H. BURGESS, *Treasurer.*

Treasury, Hobart, 9th October, 1884.

SIR,

I HAVE the honor to inform you that, in consequence of the irregularities brought under notice in connection with the working of the Launceston Branch of the Real Estates Duties Departments whilst under the control of Mr. Samuel Henry, the Government have decided that an independent Board shall be appointed to enquire into the state of the office during the time that gentleman had charge of the same. I have therefore the honor to ask whether it will be convenient for you to act as a Member of the Board, with probably Messrs. R. W. Lord and F. W. Mitchell; the Board to hold its meetings in Launceston. Awaiting your reply,

I have, &c.

J. WHITEFOORD, *Esq., Launceston.*

W. H. BURGESS, *Treasurer.*

Treasury, Hobart, 9th October, 1884.

SIR,

I HAVE the honor to inform you that in consequence of irregularities brought under notice in connection with the working of the Launceston Branch of the Real Estates Duties Department whilst under the control of Mr. Samuel Henry, the Government have decided that an independent Board shall be appointed to enquire into the state of the office during the time that gentleman had charge of the same. I have therefore the honor to ask whether it will be convenient for you to act as a Member of the Board, with probably Messrs. J. Whitefoord and F. W. Mitchell; the Board to meet in Launceston. Awaiting your reply,

I have, &c.

R. W. LORD, *Esq., Launceston.*

W. H. BURGESS, *Treasurer.*

Treasury, Hobart, 9th October, 1884.

SIR,

I HAVE the honor to inform you that in consequence of irregularities brought under notice in connection with the working of the Launceston Branch of the Real Estates Department whilst under the control of Mr. Samuel Henry, the Government have decided that an independent Board shall be appointed to enquire into the state of the Office during the time that gentleman had charge of the same. I have the honor therefore to ask whether it will be convenient for you to act as a Member of the Board, in conjunction with Messrs. J. Whitefoord and R. W. Lord, of Launceston, where it is proposed the Board shall meet.

Awaiting the favour of an early reply,

I have, &c.

F. W. MITCHELL, *Esq., Hobart.*

W. H. BURGESS, *Treasurer.*

Treasury, Hobart, 9th October, 1884.

MEMO.

WILL the Hon. the Minister of Lands and Works arrange with the Manager of the Launceston and Western Railway to temporarily transfer Mr. F. Ferguson to the Real Estates Duties Office, Launceston, to conduct the work of the Branch during the time Mr. S. Henry is relieved from duty, and thereby allow Mr. Israel, who is now in charge, to return to Hobart after Mr. Ferguson has been a week in charge of the Branch Office.

W. H. BURGESS.

The Hon the Minister of Lands and Works.

Vaughan, Hobart, Tasmania, 10th October, 1884.

SIR,

In reply to your letter of the 9th instant, I have the honor to express my willingness to be a Member of a Board to enquire into the state of Launceston Branch of the Real Estates Department whilst under the control of Mr. Samuel Henry.

I am, &c.

F. W. MITCHELL.

Launceston, 11th October, 1884.

SIR,

I HAVE the honor to acknowledge your communication of the 9th instant, enquiring if it would be convenient for me to act, in conjunction with other gentlemen named, in an investigation to be made into the working of the Real Estates Duties Department while under the control of Mr. Samuel Henry.

In reply, I regret to say that my many duties of office, sometimes pressing upon me without warning in the Courts of Requests and Bankruptcy Departments, added to declining health, would render it difficult for me to enter upon the proposed duties with any certainty and with proper regard to the arrangements of the other gentlemen associated with me.

Having always during my fifty-one years of official life readily undertaken any extra official obligation proposed to me by the Government, I am sure you will believe with what reluctance I excuse myself in the present instance.

I have, &c.

The Honorable the Treasurer.

JOHN WHITEFOORD.

LETTER received; quite satisfactory. Will make other arrangements.

W. H. BURGESS, *Treasurer.*
13. 10. 84.

J. WHITEFOORD, *Esq., Launceston.*

TELEGRAM.

MR. WHITEFOORD being unable to act, the Governor has appointed you to be a Member of the Board to enquire into the working of the Real Estates Office, Launceston, whilst under the control of Mr. Samuel Henry. I hope it will be convenient for you to attend to this. Reply at once.

W. H. BURGESS, *Treasurer*
13. 10. 84.

FRANCIS BELSTEAD, *Esq. Launceston.*

[TELEGRAM.]

I WILL act on the Board as desired, but have appointments which will engage me until Wednesday inclusive.

Hon. the Treasurer.

F. BELSTEAD.
Launceston, 13. 10. 84.

MINUTE PAPER FOR THE EXECUTIVE COUNCIL.

Treasury, Hobart, 13th October, 1884.

THE Treasurer submits that the following gentlemen be appointed a Board to enquire into the working of the Launceston Branch of the Real Estates Duties Department during the time the Office has been under the charge of Mr. Samuel Henry:—

F. W. MITCHELL, *Esquire*,
R. W. LORD, *Esquire*, and
FRANCIS BELSTEAD, *Esquire*.

W. H. BURGESS, *Treasurer.*

Treasury, Hobart, 13th October, 1884.

MEMO.

As it is necessary that Mr. J. W. Israel shall return to his duties at the Audit Office with the least possible delay, arrangements have been made with the Manager of the Launceston and Western Railway Department to allow Mr. F. Ferguson to take temporary charge of the Launceston Branch of the Real Estates Duties Department. Mr. Israel will remain with Mr. Ferguson for the first week, in order to give him advice and assistance before taking charge.

W. H. BURGESS, *Treasurer.*

The Commissioner, Real Estates Office.

Treasury, Hobart, 15th October, 1884.

SIR,

I HAVE the honor to inform you that the Governor in Council has been pleased to appoint you a Member of the Board, to meet at Launceston as early as possible, to enquire into the working of the branch of the Real Estates Duties Department during the time the office was under the control of Mr. Samuel Henry, who is now relieved from duty. I shall be glad if you will do me the favour to act as Chairman, so that I may know through whom to communicate with the Board.

I have, &c.

F. W. MITCHELL, *Esq., Hobart.*

W. H. BURGESS, *Treasurer.*

[MESSRS. R. W. Lord and F. Belstead similarly notified, 15th October, 1884.]

Treasury, Hobart, 16th October, 1884.

SIR,

UNDER separate cover I have notified you, also Messrs. R. W. Lord and F. Belstead, that His Excellency the Governor in Council has been pleased to appoint a Board to enquire into the working of the Real Estates Duties Branch Office, Launceston, during the time it was under the control of Mr. Samuel Henry.

For the information of the Board, I have now the honor to forward three copies of printed correspondence with reference to the Launceston Office, which will show you the nature of some of the irregularities brought under notice.

I do not think it will be necessary for me to give the Board any special instructions on the subject of the enquiry about to be held, more than to state that it is the wish of the Government that the investigation shall be as full and complete as possible as regards the management and general work of the office prior to Mr. Samuel Henry being relieved from duty.

The printed correspondence will suggest the names of some of the gentlemen to be examined, and I have no doubt that as the enquiry proceeds you will find it advisable to include others. If you require any assistance on this point I shall be prepared to aid you in every possible way. I have written the Commissioner directing him to instruct the Acting Collector at Launceston to afford you every assistance and accommodation at the Branch Office.

Instructions have been issued for you, as Chairman of the Board, to frank letters and telegrams on Public Service only. I shall be glad if you will arrange for the Board to meet as soon as possible, as the Government are anxious to obtain your report as early as practicable.

I have, &c.

W. H. BURGESS, *Treasurer.*

F. W. MITCHELL, *Esq., Chairman Board of Enquiry.*

Treasury, 16th October, 1884.

The Commissioner, Real Estates Office.

WILL the Commissioner direct the Acting Collector in charge at Launceston to afford the Board appointed to enquire into the working of the branch whilst under the control of Mr. S. Henry every assistance and accommodation whilst engaged upon the work they have been nominated to discharge? If there is any difficulty in affording these gentlemen the use of a room at the branch, then the Acting Collector should be directed to call upon the Office-keeper at Launceston to allow the Board the use of the public room at the buildings.

W. H. BURGESS, *Treasurer.*

Vaucluse, Hobart, 17th October, 1884.

SIR,

WITH reference to the conclusion of your letter of the 16th instant, I have the honor to acquaint you that I have arranged to meet Mr. Lord and Mr. Belstead in Launceston at 10 A.M. on Tuesday next, the 21st instant, to commence the enquiry into the state of the Launceston Branch of the Real Estates Department whilst under the control of Mr. Samuel Henry.

I am, &c.

The Honorable W. H. BURGESS, Treasurer.

F. W. MITCHELL.

(In continuation of Paper No. 119.)

PROCEEDINGS of Board of Enquiry into the Working of the Launceston Branch of the Real and Personal Estates Duties Office.

TUESDAY, OCTOBER 21, 1884.

THE Board met at 10 A.M.

Present.—F. W. Mitchell, Esq., (Chairman), R. W. Lord, Esq., and F. Belstead, Esq.

The Chairman read letters of instructions, and sundry preliminary correspondence as to the duties of the Board.

Resolved, that a Secretary be appointed, and that Mr. R. S. Hales be requested to act in that capacity.

Resolved, that the Board meet daily, except on Mondays. Hours of sitting to be from 10 A.M. to 3.30 P.M., excepting on Saturdays, from 10 to 1 o'clock.

MR. WILLIAM LOVETT, *called in and examined.*

I am the Colonial Auditor, of eleven years' standing. I have seen the printed correspondence which has been laid before Parliament in reference to the irregularities of the conduct of the Launceston branch of the business of the Real Estates Office. About January, 1881, I sent the scheme reported by Mr. Johnston, and referred to in Parliamentary Paper No. 119, to Mr. Samuel Henry, the Commissioner of Real Estate Duties. All books, papers, and forms used were sent at the same time. I, in February, 1884, took steps to enquire as to whether this scheme had been carried out. Shortly after the scheme was forwarded I found that it was not being carried out. The Treasurer then sent positive instructions to Mr. Henry to carry it out; and I believe he was doing so up to February, 1884. I then discovered that he was not doing so, and reported, by letter published in correspondence, page 12, under date 7th February, 1884. At the time of my investigation in February, 1884, Mr. Henry admitted that he had received the scheme, but excused himself for not carrying it out because the Government would not give him a proper staff.

By the Chairman.—When was Mr. Henry's title altered from Commissioner to Collector? I believe it was in the year 1882, before collection of rates for 1882.

Do you know why? Do not know of my own knowledge.

Will you let the Board have copies of all queries upon Mr. Henry's accounts? I will furnish the Board with them without delay.

Were the duties of Mr. Henry's office heavier than those of the Commissioner in Hobart? I imagine they cannot be much greater. Although the demands of the North are much more numerous than those of the South, still the duties arising in the South from conducting the correspondence between the Government and the Department would make the work of each office about equal.

State the amount collected in each office for each year respectively since the 43 Victoria, No. 12, came into force, and the number of notices issued and receipts given in each case respectively? I will supply the information.

When did you first report large arrears in Mr. Henry's office? I called Mr. Henry's attention to arrears of 1880 on the 30th March, 1882, and 17th April, 1882, and I also reported to the Treasurer the non-collection of arrears for 1880 and 1881 on 28th November, 1883. These letters are in addition to the published correspondence.

Can you tell us in what manner Mr. Henry checked his daily receipts? I know as a fact that no proper check was instituted by the Collector in the office.

In what manner were "undelivered Demands" dealt with? I put in a return showing "undelivered letters of Demand and Receipts" for the reasons assigned upon them, amounting to 2949 letters, which have not been dealt with by the Estates Duties Office, that were found in the office when Mr. Henry was relieved from duty, which would have the effect of causing hardship to ratepayers—they being liable to be sued for a rate for which they had not had a "Demand," and would also militate against the due collection of the Duties. Return marked A.

Are you aware who opened the letters each morning? They were opened by the First Clerk.

Did Mr. Henry sanction receipts being given by his clerks on the "Demand" notes, and if so, what became of the receipts? Yes, I am aware he did so; but on his attention being called to the irregularity he discontinued the practice. I am not aware what became of the receipts.

By Mr. Lord.—Page 26 of correspondence, Mr. Henry speaks of a "lucky find" of £70. If the instructions you say you forwarded with the form of account and books as drawn up by Mr. Johnston had been put in force, could such an irregularity have occurred? It would have been impossible.

Page 59, Mr. Henry under date 3rd October, 1884, denies the receipt of any instructions upon Mr. Johnston's system of accounts. Is this correct? He did receive them.

What was the staff of the Launceston office? The information is at page 47 of the printed correspondence.

When was collection of Rural Police Rates added to the duties of the Collector? In the year 1882.

Was the staff increased at that time? Not the fixed staff; additional clerical assistance was afforded.

By the Chairman.—What special irregularities in Mr. Henry's accounts have you called the attention of the Government to? First of all, the large deficiencies in the cash, referred to on pages 29 and 51 of correspondence; the irregularities mentioned on page 30, numbered 1, 2, 3, 4, 5, and 6; and subsequently to the printing of the "correspondence papers," the following irregularities were reported to me; viz.,—(1.) The Cashier still allowed to make entries in the Abstract Book, and to make up and balance it up to the very last day of Mr. Henry's being relieved from duty. (2.) A large number of returned warrants with replies and advices thereon were not dealt with whilst Mr. Henry was in charge. (3.) Much confusion was caused through the entries in the Rolls being altered by the Collector, and no advice having been given to the Audit Office of such alteration. (4.) No returns of "credit purchasers" since 1881 had been applied for to the Lands and Works Department. (5.) Demands prepared at Mr. Henry's house, wretchedly written and imperfect: same may be said of addresses on envelopes. (6.) Receipts were signed by the Collector without having been checked. Wrong receipts having been sent to individuals signed by Mr. Henry. (7.) The Acting Collector (Mr. Israel) received numerous letters of complaint of advices of changes of ownership not being attended to year after year. (8.) No examination of books appears to have been made by the Collector to see if entries had been made or how the books were kept. (9.) Nearly all correspondence and other work which should have been performed by the Collector appeared to have been performed by the clerks. (10.) The 1881 arrears were recommended by the Collector to be written off; notwithstanding this, about £70 of these arrears have been collected since Mr. Henry was relieved from duty.

Mr. Henry here attended (2.40 P.M.), and to him the foregoing Minutes were read.

By Mr. Henry.—Was not Mr. Johnston's inspection of my accounts the result of a suggestion from me? It is quite possible.

What books and forms did you send me in January or February, 1881? A "Triplicate Block Demand Book," the "Abstract Book of Cash Received," and the "Payment of Demand Check Book."

How long after the forms were sent did you discover that it was not being carried out? Not sure. I trust to memory, but I believe shortly afterwards.

In February, 1884, do you remember writing me a letter? I do not.

Did you not write me a letter in April, 1884, in Launceston? Yes, the copy is at page 15 of correspondence; and I wish to explain that my reason for writing that letter was because I found on my visit to Launceston in April that Mr. Henry had not carried out the verbal request which I made to him in February, 1884, to carry out the instructions which had been formerly issued, and which were detailed in my letter of 7th February to the Treasurer—see page 12.

When were those instructions which were detailed to the Treasurer issued to me? I gave them to you verbally when in Launceston on or about February 7th.

Were any detailed instructions given to me prior to your letter of 7th April? Yes, in February and previously, as before stated.

Do you remember my waiting on you in your office on my appointment as Commissioner in 1880, with a view of getting your instructions as to how to keep the books in Launceston? It is quite possible you called, and that I was not prepared at that time to give instructions, having had no intimation from the Government.

Can you enumerate the number of items in the Launceston and Hobart offices? Of my own knowledge, no; but it is simply a matter of opinion. Information is given in Mr. Butler's report, page 12.

What are the different comparative numbers of Rural Police Rates in Launceston and Hobart? I cannot say without reference to the records.

When you penned this memorandum on page 53 to the Treasurer, on what data did you base your opinion? From examination of the books in Launceston and Hobart offices, and from my knowledge of the peculiar description of the work required, and from printed report of the Commissioner, page 47.

Have you any knowledge of the number of returned letters in any one year? I have not, but imagine they should be proportionate to the numbers of the north and south.

Are you aware of the number of the changes of occupancy of ratepayers? I could not possibly say.

The Board adjourned at 3.45 P.M.

WEDNESDAY, OCTOBER 22, 1884.

THE Board met at 10 A.M.

Present—F. W. Mitchell, Esq., (Chairman), R. W. Lord, Esq., and F. Belstead, Esq.

The examination of MR. WILLIAM LOVETT was continued.

By Mr. Henry.—Will you be prepared to state the amount of arrears uncollected for 1880 to which you directed attention in your letter of November, 1882? I will endeavour to do so.

Do you know of your knowledge that no check was instituted by me upon the daily receipts? It was so reported to me by my clerks.

What year did those demands belong to, to which you refer? They are in return marked A 1 put in in evidence.

In what year was the irregularity of giving receipts on the demands? In either 1880 or 1881. It first came to my notice in a receipt sent to myself in that form.

When did it next come to your notice? Shortly afterwards, when in conversation with the Treasurer of the day.

Did the Treasurer mention other instances, and at what date did this happen? Yes. I cannot fix date; I believe it must have been on account of 1880.

How many cases were brought under your notice by the Treasurer? Cannot say.

Are you aware that he had sometimes £60 or £70 in stamps which we could not convert into money? I am, and that the stamps were taken as cash in hand.

State date, and furnish copy of instructions sent as to system of accounts suggested said to have been furnished to me? I have already replied to that question in a previous question put to me, and the system of accounts is shown on pages 3, 4, 5, and 6 of correspondence.

Will you still adhere to the statement that Book No. 10 was forwarded to me in January or February, 1881? Yes.

I will produce a communication from the Commissioner, August, 1884, where he stated to the Treasurer that he found Book No. 10 had never been forwarded to my office, and that he got a supply from the printer and forwarded them to me with instructions to use them—see page 47, paragraph 4: how do you reconcile that with your previous statement that the book had been forwarded to me about January, 1881? If you do, then I could not reconcile it.

Did I not show you Book No. 10 and tell you the date on which I opened it, as being the first time that such a book had reached my office, and you condemned the use of it as being useless and a waste of time? No, you did not show me Book No. 10,—I did not condemn it; my correspondence will confirm what I say. A certain book was shown me which I stated to be a harmless addition to the system. The book shown to me was called a "Counter Book" by the Commissioner, and was certainly not used as a "Demand Check Book."

Was not the book I showed you endorsed "Payment of Demand Check Book," and the one to which you referred to as a harmless addition to the system? It may have been, but I did not notice it at the time, but it was certainly not used as a "Check Book."

Did I then show you more than one book? You showed me two.

What were they for? They were both for one purpose.

Here is produced Book No. 10, headed "Payment of Demand Check Book:" did I not show you this very book? I believe you did.

Did I state that I had just received it from Mr. Butler with instructions to use it? Yes.

Did you not condemn the use of that book, and did I not say thereupon that I would discontinue the use of it? On the occasion referred to by you, you stated to me that Mr. Butler had sent you two other books to be kept besides those in use, and that it added very much to the work of your office; that you were then insufficiently manned, and you did not know how you would get through the work: and you professed to me you did not see the use of these books, and upon my giving my opinion that they were unnecessary you expressed your thankfulness for being relieved from them, and said you would discontinue the use of them.

What was the other book? A similar book, but for a different duty of the Collector.

What date was this book opened and closed? The book is produced, and speaks for itself.

Are these replies to the questions (*re* special irregularities) written reports from your own officers? Yes, which reports will be produced.

Are you aware that the Act gives the power to the Commissioner to alter the Roll in cases of changes of occupancy? I am not aware that the Act gives such power, but I consider it the duty of the Collector or Commissioner to use every exertion to have errors corrected.

If the Act does not give such power, how is the Collector to rectify such errors? By referring the correspondence with reference to errors to those persons whose duty it is to prepare the Roll from year to year.

Do you assert that it has not been done? I assert that it has not been done in certain cases which have come to my knowledge.

Do you know the number of advices of changes of occupancy which took place in one year? I have answered this question before.

On what grounds do you make the statement that no examination was made of the books by the Collector? From the report of my officers, and from personal examination of the books, also from replies given to verbal communications given to me by Mr. Henry on the subject.

Will you state how your personal examination of the books gave you this information? In February and April last, I found upon examining the Abstract Book several gross irregularities which were reported by me to the Governor in Council in June, 1884. The irregularities I refer to are mentioned in No. 4 of the cases of irregularities then reported. I considered then, and do now, that if proper examination by the Collector had been made, such irregularities could not possibly exist.

Was my examination of the books inconsistent with your statement, par. 4 on page 30 of the printed correspondence? I have already said so.

On what grounds do you assert that the work I ought to have done was done by my assistants? This has been reported to me by my officer.

What officer? The officer who relieved Mr. Henry—viz., Mr. Israel, of my department.

What amount of arrears of 1881 was it I recommended to be written off? I am not aware, without reference to your own report.

Are you not aware that steps were taken by me before I left the office to recover those arrears of 1881? I am not aware of it.

By the Board.—With reference to par. 5, page 30, as to Receipt Forms, I produce instances in support of that statement. The Books are before the Board. In George Town Receipt Book for 1882 I point out that the whole of the "Demand Receipts" and "Butts," from Nos. 7 to 13, and also from 42 to 55, have all been torn out of the book and no explanation recorded. In Selby Receipt Book for 1883, No. 946 and No. 1000 Receipt and Demand Forms have disappeared, with no explanation recorded. I also produce book for 1883, Launceston District, in which similar documents have been removed, with the explanation in two cases only, "duplicate to 2407 and duplicate to 2405, J. H.," have been entered. There are also other books in which documents have been treated in the same manner, which I will produce to you. I first discovered these removals from the Demand Receipt Books in April, 1884.

By Mr. Lord.—Referring to Mr. Henry's letter of May 15, 1884, looking at the paragraph wherein Mr. Henry says that the new mode of check introduced by the Auditor, coupled with an increase of staff, would prevent a recurrence: what was the new mode? I am not aware of the new mode referred to by Mr. Henry.

By Mr. Henry.—Referring to page 15, your letter of 7th April, where you give in detail the mode in which you request me to adopt the system for accounting for the cash received by me as Collector, was not that the first time on record of your having sent me instructions as to the new mode of check? I am not prepared to say it is not on record; but it does not appear in the printed correspondence.

You say you have read my letter on pages 17 and 18: are you aware that I there alluded to your letter of 7th April, page 15? I do not understand it so,—you may have so intended it.

How long has an officer of the Audit Branch been occupied in the Estates Duties Office in unravelling the irregularities? First part of information will be found on page 29 of my letter 28th June, 1884; and in addition Mr. Mitchell has been employed for a fortnight lately, and is still proceeding with the examination, and Mr. Israel was appointed to take charge of the department upon Mr. Henry being relieved.

By Mr. Belstead.—In any one of the discrepancies in his accounts which have been pointed out, has a satisfactory explanation been given? No, as far as I am aware.

By Mr. Henry.—Are you aware that as far as these discrepancies are concerned no money has passed through my hands? I am not aware.

Are you not aware by documentary evidence that it is the duty of the Chief Clerk to open all letters? During the investigation, 7th February, 1884, on page 14 I find that the duty assigned to the first clerk by the Collector was the opening of all letters containing money.

Do you not know from evidence given to yourself that none of such letters were opened by me? It appears so in the evidence.

Now having refreshed your memory by the evidence taken by yourself, are you not aware that none of the cash coming through the post office passed through my hands? I imagine that the cash, notwithstanding it was received by your clerk in the first instance, might pass through your hands.

Are you not aware that all letters were opened by the clerk? Yes, I am aware by the evidence that it was so.

By Mr. Belstead.—Prior to Mr. Henry's being relieved from office, had he, in your opinion, been afforded full opportunity to explain the discrepancies referred to? I think so, because I find my first letter reporting deficiencies was dated 5th May, 1884, page 16 of printed correspondence, and there appears to have been ample time from that date to the time Mr. Henry was relieved from duty to explain discrepancies. My final letter was dated 15th August, 1884; but Mr. Henry had the opportunity, and was requested, to furnish the information with respect to the reconciliation of non-collections with the balance of actual collections and the total of the Roll, in April, 1884.

By Mr. Henry.—Your reports went direct to the Treasurer? They did.

Have you read my replies? Yes, in printed correspondence only.

By Mr. Belstead.—Having by yourself and your officers made a full official examination into the conduct of this department, to what causes do you attribute the alleged irregularities? Principally to want of proper supervision.

By whom? Mr. Henry, so long as he was Commissioner as well as Collector, and from that time the Commissioner as well as the Collector at Launceston.

By Mr. Henry.—What special irregularities have you reported to the Board during the term that I held office as Commissioner? I am not aware that there was any special irregularity reported of you as Commissioner, excepting, as before stated, the omission to carry into effect the system prepared by Mr. Johnston.

Would not an inefficient staff, with increased duties of the office, which the records show were continually increasing, militate against my management of the office as Collector? The effect is self evident if such a state of affairs existed.

By the Chairman.—Is it usual in the Public Service for chief or first clerks to open all letters in the various departments? In some cases, not in all.

If so, do you understand that in such cases the head of the particular department is relieved of all responsibility? No, certainly not.

You have, I think, had an experience of over forty years in the Civil Service of this Colony, and your knowledge of the general practice obtaining would be of value? I think during the whole of that time in the majority of cases the Heads of the Departments themselves open the letters.

By Mr. Henry.—In your opinion did not my relegating the opening of the letters to my chief clerk reduce the amount of work in my office? In my opinion it would not reduce the work of the staff, but, to a great extent, destroy a desirable check.

By the Chairman.—We thank you for the manner in which you have given your evidence and the assistance you have afforded the Board; and, in dismissing you, let me ask that you will give the Board any further information which may be calculated to assist the Board in its inquiry? I wish to explain that my letter, page 12, was written at Torquay. And I thank the Board, and solicit their attention to a perusal of the paragraph 4 of Mr. Butler's letter to the Treasurer of the 5th of August, 1884, in support of my contention that Mr. Johnston's scheme of accounts and instructions had reached Mr. Henry's office.

By Mr. Henry.—Was it Mr. Butler's duty to furnish me with those instructions in 1881? As far as I am aware, I think not.

Was it not the duty of the Audit Office to furnish me with any new mode of keeping my accounts? It is not the special duty of the Audit Office to prepare a system of accounts for each office, but that duty is generally undertaken if it should be found that the system introduced by the head of the Department is not satisfactory.

MR. WM. WINDEATT, *called in and examined.*

By the Chairman.—You are the Postmaster of the Northern part of the Island? I am.

Has it been observed by you that a large number of letters posted by the Real Estates Duties Department have been returned to your office undelivered? It has.

Have you formed any opinion of the cause of such an inordinate number of letters having been returned? Through change of residence and many other such causes, addresses having changed their residences, and some having left the Colony.

Any other reasons? None that I am aware of.

Mr. Windeatt was afterwards recalled, and examined as follows:—

By the Chairman.—Were the letters "returned" sent back to Mr. Henry's office in small numbers at a time as they were returned to your office? They were.

By Mr. Henry.—Have you any personal knowledge of the number of returned letters received at your office for me from Hobart or the country offices? I have not.

MR. R. M. JOHNSTON, *called in and examined.*

By the Chairman.—Your name is R. M. Johnston? You were formerly Accountant in the Railway Department, and afterwards Chief Clerk of the Audit Office, and you now are Statistician of the Colony? Yes.

Do you remember being deputed in 1880 to prepare a scheme of accounts for use in the office of the Commissioner for the collection of the Real and Personal Estates Duties? I was deputed to report upon the then existing scheme.

And afterwards to suggest a scheme? Yes; I suggested an amended scheme, and my report received the approval of the Colonial Auditor and the Government.

At whose request? I attended at the office of the Commissioner at Launceston at the request of the Colonial Auditor.

What took place on your visit to Mr. Henry on that occasion? It was not one visit alone; but, briefly, I may state that, with Mr. Henry's and Mr. King's assistance, I was enabled to ascertain the nature of their work, the difficulties connected with it, and the system of accounts which they had then in operation. Their difficulties suggested to me a modification of the system which they were then working, which I thought at the time would facilitate the working of the Department in saving labour, and in giving the Head of the Department a more simple and effective mode of supervision. Some of these—the most important I consider the Abstract Book Cash Received—were, after representation to Mr. Henry, approved of by him. There was another important book, a plan of which I showed to him, viz., Payment of Demand Check Book, which on discussion met with Mr. Henry's approval, although he then represented to me that he feared the extra work of keeping this book would be beyond the power of his staff, although I did not think so myself. The plans of the whole system, which are enumerated at page 3, printed correspondence, were also shown, and under discussion with Mr. Henry, Mr. King, and myself, and it was due to their criticisms that I was enabled to add improvements to the final forms of the books referred to. This discussion enabled me to recommend that Book No. 2—"Abstract of Duties Payable Book"—might be dispensed with if the original Rolls themselves were bound in a more permanent form than they had hitherto been, and if certain features were added in writing, and the necessary columns introduced for the purpose of discharging individual entries, and making the Rolls in all other respects as complete as the "Abstract of Duties Payable Book" dispensed with. The latter book was, however, not proposed to be dispensed with until prior to the actual printing of the books, which was done under my supervision in Hobart shortly afterwards. I made the forms for the printer, examined the proofs, and saw the whole system completed, and instructions given as to where the books were to be sent.

Had you anything to do with the forwarding of the books and forms to Mr. Henry? No, I had not. I am under the impression they were sent direct from the printing office.

Did you prepare any letter of instructions for transmission to Mr. Henry with the books and forms? I did not consider letter of instructions to Mr. Henry necessary, as the books spoke for themselves, and as I had already in their conception fully discussed their purpose with Mr. Henry.

The Board adjourned at 3-30 P.M.

THURSDAY, OCTOBER 23, 1884.

The Board met at 10 A.M.

Present.—F. W. Mitchell, Esq., in the Chair; R. W. Lord, Esq., and F. Belstead, Esq.

Mr. Henry attended.

MR. R. M. JOHNSTON, *in examination—continued.*

By the Chairman.—How long were you engaged in verbally explaining your proposed new scheme to Mr. Henry? I took ample time to explain my system to Mr. Henry, which I illustrated with diagrams at the time both to Mr. Henry and Mr. King, and I felt perfectly assured, from the intelligence displayed by their criticisms, that they thoroughly understood the small but important modification of the form of entries suggested as amended by me.

Did the use of the "Demand Check Book" actually increase the work of Mr. Henry's office? In itself, yes; but compared with the system as a whole suggested, I am convinced that the saving of having the whole detail of the entries of the Roll from being repeated in their Cash Book, while only a portion of this very same entry (in fact, the "number" and "amount") was required for the "Demand Check Book," that a considerable saving of labour upon the whole was effected, whilst securing a very complete and simple system of check for the benefit of the Head of the Department or the Auditor. If the "Payment of Demand Check Book" was not also added, practically the entries in the office were nearly halved.

Will you state whether, after the Government had approved of the method suggested by you, you had any communication with Mr. Henry, verbally or otherwise, with respect to it? I do not remember any written communication between us, though I believe some letters must have passed, but, as to verbal communication, I remember distinctly a long interview which I had with Mr. Henry in my office in Hobart when I was deputed to assist the Real Estates Department in the printing of the necessary books. In fact, some of the alterations made upon the system were required, as Mr. Henry thought, by the necessities of the Act rather than for the convenient working of the system. At that time I considered myself as an auxiliary to the Real Estates Department, and I was continually in communication with the office of the Real Estate Commissioner in Hobart.

Did you thoroughly explain your system to Mr. Henry? Yes. I believe sincerely that only the wish and ability to carry out my scheme alone would prevent its being carried out in its entirety.

Had your scheme been carried out, could the irregularities with which you are acquainted have occurred? I believe they could not. Without skilled collusion the important irregularities which I know of could not have occurred; those irregularities being demands being presented, paid, and not at once entered in the proper books. I assume of course that I am correct in my opinion that it was possible with the staff available to have the entries made at the proper time.

By Mr. Lord.—Referring to the Triplicate Block Demand Book, Selby, 1883, which is consecutively numbered in print, and to No. 946 thereof, and to Launceston, No. 3141, do you perceive any irregularity: if so please explain? I perceive in both cases blank butts, one of which—No. 3141—bears a proper explanation on the face of it. This necessary explanation is absent on the other butt, and it is therefore defective, and should not have been allowed under proper supervision.

Does the fact of the proper explanation being given on one butt clearly show that the clerk understood the importance of the matter? Yes.

By Mr. Belstead.—Did Mr. Henry understand that when he received the books and forms they were to be adopted and used as soon as possible? Yes.

By the Chairman.—Have you anything to add to your evidence? No.

By Mr. Henry.—Was the essential part of the new scheme a system of check which you intended to be carried out? Yes, together with simplicity and saving of labour.

That system of check necessitated the services of two clerks to complete an entry, did it not? Undoubtedly.

Did you not likewise point out to Mr. King, I think, an alteration in the desk which you thought necessary to facilitate the work of the office? Yes, unofficially, with a view to aid the department.

Referring to my letter dated 10th June, 1884, page 25 of printed correspondence, and having read the two paragraphs I show you, do they give a fair description of the relative amount of work involved in the two systems? The system I found in force was more laborious from a clerical point of view than the whole of my scheme if carried out in its entirety. In fact, apart from the circumstance that the compilation of the separate District Books were not required by the new method, part of which was adopted by yourself in August 3, 1881, it contained less work actually, by the "name" of the person on the roll, for each entry.

Was not the payment of demand check an essential to your system? I have already answered this question.

And without this your system would be incomplete? This question has also already been replied to.

Do you remember in the discussion between yourself, Mr. King, and myself, whether the extra clerical labour required to carry out the system was that two clerks would be required instead of one as hitherto? I only remember that my chief intention was to show to you both that the labour entailed by the new system would be less than that previously required.

Did you not agree with Mr. King that another clerk would be required to carry out your system? No.

I refer you to page 19, printed correspondence, letter from Mr. Butler of 9th June : do you agree with the third paragraph? Mr. Butler could not have made this statement if my system as a whole had been carried out.

MR. CHARLES MITCHELL, *called in and examined.*

By the Chairman.—Your name is Charles Mitchell?—you are a clerk in the Audit Office, and have been so for about seven years; and were you deputed by the Colonial Auditor to attend at the office of the Real Estates Duties in Launceston to examine the accounts? Yes. I came to Launceston on the 7th of April.

Have you remained here ever since? I remained until the 20th June, and returned here again on the 29th September, and remained till now. Whilst in Hobart I was occupied eight or nine days with the accounts of the Launceston office.

Will you state in detail the state you found Mr. Henry's office in, and the nature of the work you have found necessary to do to put the books and accounts thereof in proper order?

(1) On my arrival I started to prove the correctness of the accounts by taking the amount outstanding as shown by the receipts in the books and the amount collected with the total amounts of the roll.

(2.) I found it impossible to do this through more than one demand being made out for the same property, and receipts not having been issued, and other causes. Mr. Lovett then being present, requested me to call from Cash Books to Triplicate Block Demand Books. I did so, commencing with year 1882 up to the time of my arrival, and found there were considerable numbers of amounts which I could not trace as having been taken into account.

(3.) I discovered that it had been the practice to enter the cash receipts the next day, and frequently they were held over for several days.

(4.) The receipts for moneys received were frequently not sent. I discovered this through the money being credited and the receipts relating thereto remaining in the Triplicate Demand Book. I do not know how receipts were given for these moneys.

What was done with the "demands" themselves? I am not aware.

(5 continued).—The cash could not have been balanced with the Cash Book because money's at times were twice entered. I produce the Abstract Cash Book, and from certain entries in it it appears that the following amounts were twice entered:—

| Date. | No. | Name. | District. | Amount. | Date. | No. | Name. | District. | Amount. |
|--------|------|-----------------|------------|---------|--------------------------|------|--------------|---------------|---------|
| 1883. | | | | £ s. d. | 1883. | | | | £ s. d. |
| Oct. 3 | 1436 | O'Brien, J. | Launceston | 1 2 6 | Oct. 3 | 2918 | Ingerson, J. | Launceston | 0 8 0 |
| " | 599 | Aird, A. | ditto | 0 6 0 | " | 1779 | Clepham, A. | ditto | 0 16 0 |
| " | 598 | ditto | ditto | 0 6 0 | " | 124 | Crear, Miss | Campbell Town | 0 10 0 |
| " | 597 | ditto | ditto | 0 6 0 | " | 65 | ditto | ditto | 1 3 6 |
| " | 596 | ditto | ditto | 0 6 0 | " | 64 | ditto | ditto | 1 3 6 |
| " | 595 | ditto | ditto | 0 6 0 | " | 63 | ditto | ditto | 8 15 0 |
| " | 122 | ditto | ditto | 0 7 6 | " | 400 | Verdon, T. | ditto | 0 5 0 |
| " | 78 | ditto | ditto | 0 7 6 | " | 41 | Buxton, G. | ditto | 0 5 0 |
| " | 77 | ditto | ditto | 0 10 0 | " | 283 | ditto | ditto | 0 5 6 |
| " | 1367 | Martin, F. | ditto | 0 12 0 | " | 132 | Hefferan, W. | Emu Bay | 0 3 6 |
| " | 286 | ditto | ditto | 0 12 0 | " | 189 | Mulroy, J. | ditto | 0 3 6 |
| " | 285 | ditto | ditto | 0 12 0 | " | 196 | Mayne, R. | ditto | 0 1 0 |
| " | 284 | ditto | ditto | 0 12 0 | " | 172 | Mayne, J. | ditto | 0 5 0 |
| " | 2876 | Marshall, A. W. | ditto | 0 13 0 | " | 188 | Mayne, R. | ditto | 0 3 6 |
| " | 2134 | Kennedy, A. | ditto | 0 8 6 | " | 574 | Vincent, S. | Fingal | 0 2 6 |
| " | 2133 | Calder, J. | ditto | 0 11 0 | | | | | |
| " | 2007 | Kennedy, A. | ditto | 0 11 0 | Making a total of | | | | £24 1 6 |
| " | 1198 | Gorl, S. K. | ditto | 0 14 0 | | | | | |
| " | 1060 | Kennedy, A. | ditto | 0 8 0 | | | | | |

and the additions in the Cash Book were incorrect, possibly to the extent of, say, about £27 short of the proper amount.

(6.) A considerable number of receipt forms were taken out of different parts of the Triplicate Demand Book, and in some instances the whole triplicate sheet was cut out without any reason being assigned for their removal. I produce return, which I put in.

(7.) The Cash Books were only totaled in pencil in many instances, and not in ink as they should have been. There was a considerable number of erasures, and in one instance an extra sheet was inserted.

When you went to the office was the system of accounts described on pages 3, 4, 5, and 6 in operation? No, it was not.

In what respect was it short of that system? There was very little attempt to carry out that system at all.

Return
marked B.

If the system described on pages 3, 4, 5, and 6 of the printed correspondence had been carried out, could the irregularities which you have described have occurred? Certainly not.

When did you discover that certain "butts," "receipts," and "demands" had been removed from the Demand Receipt Books? I made the discovery on the first day of my coming to the office, viz., 7th April, 1884, and at once reported to the Colonial Auditor, who instructed me to continue my examination.

Can you tell the Board what became of the cash, the receipts for which were not entered in the Cash Book on the day of their receipt or frequently not for some days afterwards? I am not aware, of my own knowledge.

Are you aware how undelivered "demands" which were returned from the Post Office to Mr. Henry's office were dealt with? Mostly, if not always, they were undealt with. There was a very large number indeed in a box and other parts of the office. These, I believe, have been partly dealt with by Mr. Israel since Mr. Henry was relieved from duty. I believe they would number over 2900.

Referring to the Auditor's letter 28th June, on page 29 of printed correspondence, reporting deficiencies of £183 8s. 6d., the details of which are given on pages 31 and 35, were those details supplied as the result of your examination? Yes.

Has any examination which you have made since 28th June resulted in an explanation of any portion of those deficiencies? I have not made any such examination.

Before you furnished the Auditor with those details, had the books been searched with a view of ascertaining whether the deficiencies were apparent or real? Mr. M'Queen, acting upon instructions from Mr. Henry, looked for a considerable portion of the items, but without result.

Then, to your knowledge, do the several items enumerated in the returns still remain unexplained? Yes.

You have had some months' experience of the working of the office: do you consider that the office was under-manned for the performance of the current work? No, I do not.

Which of the books enumerated at page 3 of printed correspondence were kept in the office when you first went to it? Nos. 1, 3, 4, 5, 6, and 7 were all. I had not seen No. 2 or No. 10 in use.

By Mr. Lord.—What are the average takings per week at the present time? Say £1000.

In any of the instances where the receipts which have been taken out of the Triplicate of Demand Check Book, was any explanation written on the butt? In only very few.

But, inasmuch as explanation has been written across some, do you not consider that the clerk or clerks must have known the importance of inserting some explanation when this irregularity occurred of taking a receipt from another part of the book? Yes, I consider they must have known it.

You consider, therefore, that it was a wilful irregularity? Yes.

By the Chairman.—Have you anything to add to the evidence you have given us? Nothing to add.

By Mr. Henry.—State the number of officials employed on the current work? There were four including yourself.

What names? Yourself, P. L. Johnston, S. M'Queen, and J. W. Walklate.

Are you aware that Mr. Walklate's duty is not the usual routine work of the office? No, I am not.

You are aware that there are other books used as well as those enumerated on page 3 of printed correspondence? One only,—the Ledger, which shows total of District and amount outstanding.

Were there not other books of accounts? Not that I am aware of.

Are you not aware that a Cash Book was kept in my office for entering moneys that were received? There was a Memo. Book, kept but I am not aware of any use that was made of it.

By Mr. Belstead.—As a skilled accountant, are you convinced that Mr. Henry's accounts show a deficiency of £183 8s. 6d.? Yes.

By Mr. Henry.—Are you aware that moneys have been paid into the bank to the credit of the Treasury that do not appear in the accounts? No, but I do not consider that that could interfere with the amounts said to be deficient, because I reconciled the books with the amount to the credit in the bank on the 20th June, 1884.

The Board adjourned at 3.30 p.m.

FRIDAY, OCTOBER 24, 1884.

THE Board met at 10 a.m.

Present.—F. W. Mitchell, Esq., in the Chair, R. W. Lord, Esq., F. Belstead, Esq.

Mr. Henry attended.

MR. CHARLES MITCHELL'S examination resumed.

To the Chairman.—I produce the Abstract Cash Received Book Duty, 1883, on December 20th, 1883. There are twelve entries of "numbers" and "names" of persons from whom cash purports to have been received, and which "cash" has not been entered, involving a total sum of £6 12s. 6d. I produce the blocks of the Triplicate Demand Book, which show that the "cash" items I speak of were actually received and receipts issued.

By Mr. Henry.—Are these fresh irregularities, or are they included in what have been already reported to the Government by the Auditor? The amounts are included in the deficiencies, but not otherwise specially referred to.

Do you know in whose handwriting the entries are to which you have referred? In Mr. S. M'Queen's, late first clerk.

By the Chairman.—During the period you were employed in Mr. Henry's office prior to his being relieved, did you observe whether or not any of the daily collections passed through Mr. Henry's hands? Yes, all amounts arriving by post.

By whom were they handed to Mr. Henry? By Mr. Johnston, the first clerk.

What duties did the Collector perform himself during your period of service in his office prior to his being relieved? The only duties that I am aware of his performing were opening the letters and entering remittances in two Memo. Books, which I produce. [C. and D.]

Did Mr. Henry periodically or at any time examine the Counter Clerks books, or, indeed, did he examine any of the books in the office? No books were examined by Mr. Henry.

What were the office hours? From 9.45 to 4 o'clock.

How did Mr. Henry employ his time during those hours? In opening letters received, drafting correspondence, and answering inquiries, of which there were very few.

Could any examination of the books by Mr. Henry without your knowledge have been made without your observing it? I think not, because I was not only employed during office hours, but sometimes until 10 at night or after.

By Mr. Henry.—Which room of the office were you engaged in? In the Clerk's room, but I was frequently in the Collector's room for short spaces of time.

Who was assisting you in the examination of the books? I stated in evidence yesterday that Mr. Hogg was assisting me.

How were Mr. Hogg and you employed? In calling from "Abstract Cash Received Book" to "Butts of Triplicate Demand Check Book."

And you were continuously employed in that way, except when visiting my office for access to the safe? Yes, or other purposes.

What were the other purposes? To show the Collector lists of deficiencies or irregularities from time to time as discovered.

Do you assert positively that no examination by me was made? No effectual examination could have taken place.

Does that comprise the whole of the duties performed by me? Yes, as far as I am aware.

Are you aware that proceedings against defaulters had been taken whilst you were in the office? I believe all action in that respect ceased very shortly after my going to the office.

By Mr. Belstead.—In your examination of the books and documents do you find any notes or memoranda which lead you to infer that the irregularities and deficiencies were intentional? No, I found no notes of any sort.

By the Chairman.—Not even any initials of any person having examined the books? No.

By Mr. Belstead.—Are the irregularities spread over a long period, or are they confined principally to a limited period? The bulk of them are spread over a period of about 18 or 19 months.

Who was the chief clerk during the time most of the irregularities occurred? Mr. Stuart M'Queen.

By Mr. Henry.—You used to leave at lunch time? Yes.

Are you aware of my habits with reference to lunch,—did I leave the office for it? I believe not.

Was I in the habit of leaving the office during the office hours? Not frequently.

At what time generally did I reach my office? At about 5 or 10 minutes to 10 o'clock, and remained, I believe, till about 4.35.

By the Chairman.—Can you say in what manner Mr. Henry checked his books marked "C and D Memo. Books?" I am not aware that he checked them at all.

MR. P. L. JOHNSTON, *called in and examined.*

By the Chairman.—Your name is Patrick Lord Johnston, and you are Chief Clerk and Accountant of the Real and Personal Estates Duties Department? Yes.

How long have you held that appointment? Since 1st April last.

And prior to that you were Junior Clerk in the office from 9th September, 1883? Yes.

Were you promoted from Junior to Chief Clerk on the recommendation of Mr. Henry? I was appointed first as Chief Clerk for three months on trial with Mr. Henry's sanction.

What were your duties,—first as Junior and then as Chief Clerk? As Junior Clerk my duties were those defined on page 14 of printed correspondence. And as Chief Clerk, first, to receive and account for all moneys, bank same every day, keep "Cash," "Ledger," and other books, make out all returns and abstracts, assist in making out demands and preparing rolls, get out those receipts for moneys received over the counter, attend to enquiries and correspondence relating to demands returned by post.

Were the books enumerated on page 3 in use in the office? Nos. 1, 3, 4, 5, 6, 7, and 10 were in use, but No. 10 was only used for a short period, being discontinued under instructions from the Auditor. It was opened on the 22nd March, 1884, and closed on the 7th April, 1884.

What duties did the Collector himself perform? Whilst I was Junior Clerk he attended to any correspondence received from the Commissioner or the Treasurer or other matters of importance, received persons requiring information; and whilst I was Chief Clerk he opened all letters received through the post and entered them in Memo. Book marked C; attended to letters from the Commissioner or Treasurer, and any correspondence relating to the working of the office.

Did Mr. Henry at any time examine the Counter Clerk's books or any other books? No.

Are you aware whether or not any of the daily collections passed through Mr. Henry's hands? They did not, except such as were received by post.

Who made up the daily cash to be paid into the bank? I did.

How did you ascertain that the amount you took to the bank was the proper amount? By comparing with the totals shown in two Memo. Books—the one marked C, and another which I put in (E)—and the Abstract Cash Books. I found the amounts always tally within a few pence. I generally took the cash to the bank myself.

Is it within your knowledge that cash was received which was not entered in any book? Yes, I have ascertained that from circumstances which have come to my knowledge since I became Chief Clerk; and in two instances Mr. Henry made up the deficiency, as he informed me, out of unpaid salary of Mr. M'Queen.

On page 29 of printed correspondence there appears a report of a deficiency of £183 8s. 6d.: is that still a deficit? I am unable to say, but I believe that the stamps which I found in Mr. M'Queen's drawer on his leaving have reduced this amount by £49 3s. 7d.

Did Mr. Henry ever make any effectual examination of the books? No.

Have you been engaged in the office after the regular office hours? Yes.

For how long? Until 10.30 or 11 at night, frequently.

Was that with the current work, or what? With the work caused by the office having fallen into arrears,—not by the current work.

Are you aware of a large number of letters being undelivered by the Post Office, and returned to your office? I believe about 2000 were.

Was any effort made to deal with those letters? No effort has been made; if they had been dealt with I should be aware of it.

Now, I refer you to the Triplicate Block Demand Book of Launceston, 1883, Nos. 3001 to 3200, and Selby, 1883, Nos. 800 to 1000. How do you account for receipt forms having been removed therefrom without explanation on the block? I cannot account for this. The proceeding is irregular.

By Mr. Belstead.—Was it the practice to balance the cash at the close of each day's work, before the Collector or any of his clerks left the office? No.

Did cash received pass through the hands of more than one clerk? No.

Were you in the office during Mr. M'Queen's time? Yes.

Do you remember any instance of the cash not balancing? I don't remember any balances being taken.

On the 20th December, 1883, there are entries of items amounting to £6 12s. 6d. having been received which were not brought to account: do you remember anything about that? No, I don't know anything about it.

For the current business of the office do you consider the ordinary staff sufficient? For the current business the existing staff is sufficient.

What is the staff? Collector, Chief Clerk, and two other clerks, and two Clerk Assistants—and these latter are only required for an emergency.

How many districts have you to collect duties from? Duties from 16 districts, and Rural Police Rates from 7.

By the Chairman.—Have you any further evidence to give? I produce Abstract Cash Received Book, Rate for 1884, showing that on the 25th April an entry occurs, "Roll, No. 435, J. Welbourne, 1s. 11d., for which receipt No. 435, Port Sorell, was issued, amount 12s. Also under same date, No. 1060, W. Watts, 2s. 8d., Selby, for which receipt No. 1060, Port Sorell, was issued, amount 3s. 9d. Also No. 948, C. Kent, 2s. 3d., Emu Bay, for which receipt No. 948, Port Sorell, was issued, amount 15s."

By Mr. Henry.—Have you been able as Junior Clerk to carry out the duties mentioned at page 14 of the printed correspondence, headed Mr. Johnston's department? Yes, except keep Defaulters' Books, and write off payments on Rolls. Had these books been required to be kept I should have had time to keep them, but I had no instructions to do so.

Do you mean that no special instructions were given you? I had no special instructions.

Were you fully occupied? Yes, fully occupied in assisting the Chief Clerk, who could not do the whole of his own work through inefficiency.

Does one person now do the work that the then Chief Clerk used to do? No, simply in consequence of the work being re-arranged since—not that the original work was too much for one officer.

What amount of labour of the office is now done by yourself that was formerly done by Mr. M'Queen? The whole, except opening the letters, which is done by the Collector.

What amount of work is done by Mr. Hogg? It is hard to say, because the work has been altogether re-arranged.

Will you inform the Board, whilst Mr. Gleeson filled the position now filled by Mr. Hogg, what his duties were? To do Junior Clerk's work.

Had he any other work to do besides the Junior Clerk's work? Not that I am aware of.

Did he not enter all the amounts that were formerly entered by the Chief Clerk in the Abstract Cash Book? No.

Refer to the Abstract Cash Book of Mr. Gleeson's time, and state in whose writing the entries are made? Principally all in my own.

Was it not the duty of Mr. Gleeson, in order to carry out the system of check introduced by the Auditor, to have made those entries? No, only of those received over the counter.

Will you read the first paragraph, page 25, and say whether two clerks are not now employed to do what formerly was done by one? I cannot say yes or no, because it is not through the work being too much for one clerk, but because on account of instructions received from the Auditor, which process, instead of lessening, increases the work.

Is there more than one person employed in dealing with the moneys received by post? Yes, to establish a check.

State the mode? The letters received by post are delivered to the Collector, who opens them and enters them in Memo. Book C. The Demands in money were then handed over to the Chief Clerk, who entered the same from the Demand Received into the Abstract Cash Books, balanced the same, and banked the money. The Receipts were got out by the Junior Clerk, and initialed by the Clerk making the entry, and forwarded to the Collector for signature.

In that case, likewise, would it not be impossible for one person to perform the work? This work was never done by one alone.

Do you know why the Demand Check Book was not opened before 22nd March, 1884? No.

When did the book before you reach the office? Shortly before they were opened.

No books of that style had ever been kept in the office until after their receipt? No.

How many envelopes were used? I can't say to a thousand or so.

Can you give a rough guess? About 48,000.

After the visit of the Auditor about April last, was not a new system initiated by him for keeping the books? Yes.

Was not another clerk given in addition to assist to carry out that system,—viz., Mr. Gleeson? Yes.

Did I not occasionally look over your books since you have been Chief Clerk? Not that I am aware of.

Do you not remember me more than once looking over your books, and having a conversation with you as to the mode of keeping the books, after the remarks of Mr. Butler? I remember your having had a conversation with me, but do not remember your having looked over the books.

Do you not remember that I differed with Mr. Butler in altering the mode, and did I not then look at your books? Mr. Butler called Mr. Henry's attention to the way of posting the totals in one book, which is the only instance that Mr. Henry referred to the books at all.

I put in your hands the Weekly Returns Book; did I not require that book to be kept by you in order to check the correctness of your work? Yes, but it is no check.

Explain how it fails to carry out the object I had in view? It only certifies to my own Returns, and I might as well have been without it.

Would not that book, in connection with the Book of Accounts of the moneys received by post, have enabled me to check more fully the correctness of the entries Memo. Book, marked C? No, it would not be a check.

Would it not assist me in checking the correctness of your work? Yes, if you checked back my work, which you did not do.

Refer to page 19, third paragraph,—do you concur with the views therein expressed? Yes, I concur.

Referring to latter portion of paragraph 4, do you concur with the views therein expressed? Yes.

The Board adjourned at 3-30 P.M.

SATURDAY, OCTOBER 25, 1884.

THE Board met at 10 A.M.

Present—F. W. Mitchell, Esq., in the Chair, R. W. Lord, Esq., F. Belstead, Esq.

Mr. Henry attended.

Letter was received from the Colonial Auditor forwarding copies of queries and correspondence in addition to the correspondence already printed.

MR. THOMAS R. ATKINSON *called in and examined.*

By the Chairman.—What is your name? Thomas Reibey Atkinson.

What are you at present? I am Secretary to the Minister of Lands and Works.

Were you employed in the office of the Collector or the Commissioner of the Real and Personal Estates Duties? Yes, from February, 1881, to December, 1882.

What were your duties? My duties were multifarious. I had to do at times a little of everything under direction of the Commissioner.

Are the forms remaining in Triplicate Block Demand Book, George Town (1 to 200), 1882, in your handwriting? Not wholly; the writing is mine, the figures are not. I believe the figures are those of the Commissioner.

Was the book under your control. Not exclusively.

Then any deputed officer of the Department might, on payment of the Demand, have given the receipt out of that book: then what was the check upon that officer? Yes; the check would be that he would file the Demand.

Look at No. 6 of that book,—what is the next number to that? No. 7, and then No. 13.

Can you account for the removal of the Nos. from 7 to 13? After the rolls had been made out and duties calculated, I think it was found that a number of the items had to be removed from the roll altogether on account of claims to exemption by credit purchasers of Crown land, also by repetition of items on the roll itself.

Turn to No. 42,—what is the next number? No. 55.

How can you account for the missing numbers? Only in the manner described in my previous reply.

Do you not think it was very irregular to take documents out of the book without assigning some reason for their removal? I think so now.

Are you aware of any other information which would assist the Board in the inquiry they are now making? I cannot think of any at the present moment.

Are you aware that the removal of those documents frustrated the intention of the progressively numbered books? I see now that their removal without a reason would do so.

By Mr. Henry.—In making out the Demand Book is it not usual to fill up complete from the roll at the time? Yes, certainly.

Referring to Triplicate Block Demand Book again, are not many of the numbers altered? Yes.

Why was it done? I cannot give a positive reason.

Was it not unusual and exceptional? To the best of my belief it was not often done.

Can you throw any light upon it? It was a very common occurrence in numbering the items on the roll to number them wrongly, and an erasure such as occurs in that book was likely to happen.

Have you any hesitation in assuring the Board that although irregularities appear there the revenue has not suffered therefrom? My opinion is that they appear to be clerical errors, and that the revenue would not suffer therefrom.

Do you think that the Demand Book has been tampered with in any way for any improper purpose? I do not.

How long did you remain in the office after the date of those demands? The last demand in the book in my handwriting is dated 24th November, 1882, about one month before I left the department.

Was not the Chief Clerk the person authorised to receive all moneys? Yes.

And in his absence would he ask another officer to act for him? Yes.

MR. P. L. JOHNSTON'S examination resumed.

Permission was granted to Mr. Henry to put in letters, which were then read by the Secretary. These letters were copies of Mr. Henry's letter to Mr. Butler, dated 5th August, 1884, and of Mr. Butler's memo. of 31st July, to which the former was a reply.

Is that a fair representation of my occupation during the day? No, it is not.

In what way is it not a fair representation? First, it is not, because you say you open all letters and draft replies, which you do not do. Secondly, because you say you compared receipts with vouchers, which you did not, as I explained in a reply to a question from you yesterday. Thirdly, because you say you prepared all drafts for special returns. I do not know any instances of your having prepared any ordinary returns, which I take to mean the regular weekly and monthly returns. I do not know what special returns mean. Fourthly, because you say you superintend the preparation of the demands. If this is intended to mean that they were compared or checked by the rolls, it was only done by you in a few instances. Fifthly, because you say you superintend and direct the general daily routine work of the office with a view to give effect to the several Acts relating to the department in the most effective manner and to the best of your ability,—which on the whole you did not.

Did I not draft all replies to letters other than those of queries upon returned demands, &c.? The only letters to which you drafted replies, which I am aware of, were those to the Commissioner and the Treasurer.

Did I not instruct you where necessary as to the replies to be given to queries? In one or two instances only.

Is the money that was banked each day the total amount that was received on such day? No; because moneys were received after bank hours.

Sometimes the amounts received after bank hours would be considerable, would they not? Yes; because the letters containing remittances by the morning's post were often delivered to me after bank hours, and therefore the cash they contained was not paid into the bank till the day after their receipt. These remittances comprised coin, P.O. orders, bank notes, cheques, &c.

Do you know the reason why you did not get the remittances from me till after bank hours? I suppose the reason was because you had not reconciled your cash.

The number of letters was sometimes very large, was it not? Yes.

What would you call a large number? On a few occasions they amounted to as many as 100. Book marked D would show exactly.

Was it a common occurrence that you did not receive the letters of the morning until after bank hours? No, it was not, taking the whole year through.

What were the duties of Mr. Blackwell and Mr. Walklate at the time of my being relieved and for some time previously? On the defaulters' lists.

The Board adjourned at 1 P.M.

MONDAY, OCTOBER 27, 1884.

The Board met at 7 P.M.

Present.—F. W. Mitchell, Esq., in the Chair, R. W. Lord, Esq., F. Belstead, Esq.

In conference to consider the evidence.

The Board adjourned at 9.15.

TUESDAY, OCTOBER 28, 1884.

THE Board met at 10 A.M.

Present.—F. W. Mitchell, Esq., in the Chair, R. W. Lord, Esq., F. Belstead, Esq.

Mr. Henry attended.

MR. J. W. ISRAEL, *called in and examined*.

By the Chairman.—Your name is John William Israel, and you are Chief Clerk of the Colonial Audit Office? Yes.

How long have you held that office? For nearly 2½ years, and previous to that I was Accountant at the Launceston and Western Railway Office for two years.

I believe you were sent from your office in Hobart to the office of the Real and Personal Estates Department here? Yes.

Do you know what gave rise to your having been sent here? Irregularities in the working of the office.

What was the date of your arrival and taking charge, and the date of your discontinuing? I took charge on 1st September, and remained till 18th October.

Will you describe the state in which you found the office? I found a large amount of work in arrear; a large number of Warrants which had been returned by distraining officers with certain advices thereon were unattended to, and had accumulated for some months. A great quantity of unopened letters were in the office, which I estimate at about 2800, the enclosures therein being 2949. I found that the Cashier was still making entries in the Account Books. Also, much confusion caused by numerous alterations on the Rolls; also, that a number of "credit purchasers" of Crown Lands had been incorrectly allowed to remain on the Rolls, and an amount of correspondence from the public had accumulated. No proper form of Collector's Book for post remittances was kept. There were two large Ledgers and Cash Book unnecessarily kept, and a system of paying the cash into the Bank by a number of slips unnecessarily.

Will you describe the staff of the office, and the work each officer had to do? The Collector, who appeared to enter in a rough way the letters which came by post, and perhaps occasionally wrote letters. The Chief Clerk, who acted as Cashier and also made entries in the Account Book, totaling up and balancing the same. Clerk, entering into the Account Books as money was paid by the public over the counter. A Clerk and two clerical assistants engaged in preparing Warrants.

Was this a satisfactory arrangement? No.

What was the general discipline of the office? With the exception of the Chief Clerk and the Accountant the duties did not seem to be defined.

Was the system proposed by Mr. R. M. Johnston, and described on pages 3, 4, 5, and 6 of the printed correspondence, in use in the office? In part only.

Then was the effectual check nullified by its not having been entirely adopted? It was.

Have the contents of the 2800 or so returned letters, referred to in return marked A, been dealt with? Yes, they were dealt with by me.

Had no previous attempt been made by the office to deal with those letters? Only about 150 had been taken out of the envelopes.

What steps should the Collector have taken to have had the "credit purchasers" removed from the Roll? He should have applied for an annual return to the Lands and Works Office; there having been no such return received since the year 1881.

Should not the Commissioner at Hobart have sent Mr. Henry instructions as to obtaining a return of persons exempt from Duty, so as to have had the amount credited off the Assessment Roll? I think not. The Collector should have pointed out what he required.

Are you aware of a letter from Mr. Henry to the Treasurer recommending that the arrears of 1881 should be written off? I am not.

What was the amount of arrears for 1881 on your reaching the office? £144 10s. 3d.

What amount of those arrears did you collect during your term of office? Nearly £70.

Was this amount obtained through Mr. Henry's action? Yes, if he initiated the preparation of the warrants.

Can you give the Board a copy of your reports which you gave to the Colonial Auditor of the irregularities which you found in the office? I can. I will produce them to-morrow.

Did you not find the staff of the office sufficient in number and ability to do the work to be performed? I did.

Refer to pages 16, 18, 21, 29, 31, 32, 33, 34, 35, and 36, where there are lists of further deficiencies amounting to £192 17s. 10d. Are those still outstanding? Yes, they are.

Who is responsible in your opinion for that amount? I think that the Collector is responsible.

Refer to the Triplicate Block Demand Book, Selby, 800 to 1000, Duty 1883, block No. 946, and to the same book for Launceston, 3001 to 3200, Duty 1883? I find that blank receipt No. 946 has been torn out without any reason being assigned on the butt, and I find No. 3141 receipt has been torn out, with an insufficient reason recorded on it.

What is the object of progressively numbering those books? To establish a more effectual check.

Is that check destroyed by such removal? Certainly.

In the Triplicate Block Demand Book, George Town, Duty 1882, from Nos. 8 to 12, what occurs? The block and receipt are completely removed, and the same occurs with Nos. 43 to 54 inclusively, and No. 57.

In what way would you characterise those removals? They entirely destroy the check over the receipts.

In what respect, in your opinion, has Mr. Henry erred to have brought his office into the condition you have described? In allowing the Cashier to make entries in the Account Books; in allowing the office work to get into arrears, and so much correspondence to accumulate; in not asking for the return of "credit purchasers" before mentioned; in apparently blindly signing for receipts which have passed through his hands; in not attending to letters of complaint, nor advising the local authorities where the Rolls are compiled, and in apparently never making any examination of the books; and, as far as appears to me, in giving work which should have been performed by himself, to the clerks in the office.

Was it in Mr. Henry's power to have prevented this condition of his office? I think it was.

If the scheme proposed by Mr. Johnston had been carried out, is it possible that the irregularities described could have occurred? I do not think they could.

By Mr. Belstead.—Are you aware whether Mr. Henry had ever been instructed that the Cashier was not to make entries in the Account Books? I am. See page 15 printed correspondence, dated 7th April, 1884.

Did Mr. Henry render his accounts and vouchers direct to the Treasury and Audit Offices, or through the Commissioner? Direct to the Audit Office and Treasury.

Did you find that any of the Rolls had been altered after having passed through the Audit Office? I did.

In such a manner as to affect the amount of money to be received upon them? Yes.

Can you produce any instance? I can, and will do so at a later stage.

In the matter of the deficiencies, did you, in your examination of the books, find anything to lead you to suppose that the deficiencies spoken of were the result of other than carelessness or accidental error? Yes, I think a greater part of the deficiencies are of such a nature.

In whose time as Cashier did those deficiencies principally arise? Apparently that of Mr. Stuart McQueen.

Have you any knowledge when the affairs of the office began to fall into that state of confusion? I think more particularly towards the end of 1883.

Refer to page 12, last paragraph of Mr. Lovett's letter. Do you, after your examination of the books, concur in the opinion expressed therein as to how the matters of complaint therein referred to have arisen? I have not examined the special complaint referred to in that letter.

By Mr. Lord.—In reference to the queries forwarded from time to time from the Audit Office to the Launceston Branch of the Real and Personal Estates Office, are you familiar with the same, or are you aware of the latter queries? If so, is it evident that the system of keeping the accounts was inaccurate? I am not aware of the queries which were sent, and I do consider that the system of keeping the accounts was inaccurate.

Knowing the system shown in pages 3, 4, and 5, do you not think that if any portion of that system in the shape of a book or a form had not been supplied to him, do you think that the Collector (he having had the system and its object in the shape of check explained to him in detail by Mr. Johnston), the natural course would have been for him to apply for the deficient part or parts? Certainly.

By the Chairman.—Have you any further evidence to give? I produce a letter which I desire to put in, addressed by the Colonial Auditor to Mr. Henry, and dated 2nd September, 1880, informing Mr. Henry that he has requested Mr. R. M. Johnston to wait upon him for the purpose of reporting upon the system of check proposed, and asking Mr. Henry to give Mr. Johnston the necessary facilities for investigating the same. About one-half of the returned letters mentioned in the return had been received in the office from the Post Office at the end of 1882, shortly after which they might easily have been dealt with. The Commissioners' Rolls which were originally in use were so faulty as to give much annoyance to the public, and added to the work of the office in dealing with complaints. The Rolls used in the office are not the revised Rolls, additions and interlineations being made in the *Gazette* Rolls, presumably to make them agree with the revised Rolls. Many Demands given outside the office to be prepared were imperfect in that in many instances the words owner or occupier respectively were not erased, and the addresses were frequently vague; and there were errors in other respects, particularly in the districts of Ross and Portland, prepared at Mr. Henry's own place. The addresses on many of the envelopes were also vague and badly written. Letter marked G.

By Mr. Henry.—What work was in arrears? Warrants and correspondence with the public.

Describe what correspondence with the public was in arrears other than those unopened letters? I will reply at a later period.

Give the number of returned Warrants in arrears? I cannot give it, I do not know the number.

Could you later on? No.

Why? Because the Warrants themselves have been returned with my replies upon them.

Would there not be a record of the Warrants so returned? No, because the nature of the inquiry would be such as not to require a record.

You state that the unopened letters could have been dealt with in 1882. How do you form that opinion? Because shortly afterwards the average receipts of the office were so small that any other work required to be done might in my opinion have been undertaken.

What was the staff of the office at that period? I do not know.

Do you know when Mr. Atkinson ceased to be employed in the office? Of my own knowledge, no.

I refer you to page 25, paragraph at top of page: does that fairly represent the mode of giving effect to the system of accounts initiated by Mr. Johnston or Mr. Lovett? It does, in respect to payments over the counter only.

Have all the entries to be made by two Clerks under the new system? No, not the entries,—the entry by one clerk and the receipt by another.

Did you not find that system in force when you took charge? No.

Are you speaking of the Rolls for 1884? No, I am speaking of the Rolls generally.

Is it not necessary, when information of changes of occupancy are furnished to the office, to make the record on the rolls? No, not necessary.

Would not the information be lost to the office if the record is not made on the roll? No.

In making a fresh application for the payment of an item which had been sent to a wrong person in the first instance, would that not be recorded upon the roll? Not necessarily.

Were the alterations that you found on the rolls of the character that I have just described to you? In part only.

In what way, then, would the confusion arise? In that the assessment of some properties, especially in the Commissioners' Rolls, had been altered, and the interlineations made from the revised Rolls, all tend to confuse in adding up or inspecting the rolls.

Are you aware that it was the duty of the Commissioner to make alterations from time to time in compliance with the 27th Section of 43 Victoria, No. 12? Yes, with respect to the Commissioners' Rolls, I am.

Do you consider the book I used for the purpose of post remittances, that you have spoken of, a proper one? No, the form of it is defective.

Is there any recognised form of a book for keeping a book of that sort? No.

Mr. Israel said: I produce the Selby Police Rate Roll for 1884, which passed the Audit Office on 24th June, 1884, an alteration to the extent of £100 rateable value having been made thereon subsequently, involving an alteration of £3 15s. in the rate payable.

By Mr. Henry.—Does the revenue gain or lose? It gains.

MR. P. L. JOHNSTON called in and examined.

I produce Police Rate Roll, Selby, 1884.

By the Chairman.—What gave rise to a remark inserted by yourself? On page 11, opposite item 706, the printed amount for which duty appears as £11, whereas on the statement of a constable from the district it should be £111; the occupier declined to pay duty on the increased amount.

MR. ISRAEL'S examination resumed.

By the Chairman.—I produce "Launceston Estate Duty, 1883," in which I observe a number of alterations caused by reductions of duty, which causes confusion in the attempt to arrive at a correct balance of the accounts, and the authority is not shown for the reductions being made; for example Items 284, 285, and 286, 15s.; reduced to 12s. each; Item 556, 19s. 6d., reduced by one half by Mr. Henry in consequence of the buildings not being finished till June, 1883; and a number of similar alterations.

By Mr. Henry.—Is not the Launceston Roll for 1883 a revised one? It bears no evidence of being so, and is not in conformance with 46 Vict. No. 11, Section 4.

Are not the books you describe as being unnecessary kept amongst those named in Mr. Johnston's scheme? No, certainly not.

Is the Cash Book named by you as unnecessary the same as No. 7 on page 3? I do not believe it to be so.

Is not that the book mentioned on page 5 as the Book No. 7, acknowledged by Mr. Johnston as being used in the office? I do not consider the book to be the one which he recommended, and I believe it to be the one mentioned by him as being "then in use."

Are those two large ledgers condemned in Mr. Johnston's system? I do not see that he refers to them.

Is it not necessary to send a deposit slip to the Bank with each payment? Of course it is.

Then how do you reconcile that with the previous statement that the slips were unnecessary? I said the number of slips was unnecessary because I found that not only were the necessary slips for separate deposits of duty and rate, but a separate one for each year's duty and each year's rate, were each day compiled, so that great delay was caused by the cashier having to make up so many slips before he could bank the money. Sometimes six slips in one day were thus prepared.

Were you not aware that those several slips were made out separately to keep the different accounts at the Bank separate? The idea was ridiculed when I called at the Bank to enquire.

Were you not aware at the Audit Office that that system was in vogue? Certainly not.

Were not the Bank receipts for our deposits sent to the Audit Office? No.

Did you not find that the Chief Clerk and the Second Clerk were giving effect to the system of accounts required by the Auditor? I have already pointed out that they were not.

In what respect did they fail? In not carrying out the instructions contained in the Auditor's letter of the 7th April, page 15 printed correspondence, in reference to moneys received by post.

In what respect does the system depart from it? As before stated, the Cashier posted the Receipts into the Abstract Book, the clearly expressed principle of the letter being that the Cashier should not be the check over himself.

Was not the cash received by post received by me, and taken to account before being handed to the Cashier? If taken to account means that you made a very rough record, you did; so but that did not form any check, nor, as I have before stated, did it carry out the wishes expressed in the Auditor's letter, page 15.

Having stated the duties of the various officers where particularised, do you not call that being defined? I found the officers mentioned were engaged in making out warrants, but what I mean is, there did not seem to be any general instructions issued as to what the duties of these officers were.

In what way did we fail to give effect to Mr. R. M. Johnston's system? I did not find the Books Nos. 2, 7, or 10 in use.

Are those books in the office? Not in use.

Did you search the Audit Office and the office below for any letters of instructions in reference to Mr. Johnston's system of accounts? I made no special search for any letter whatever.

Do you know of any such letter being issued from the Audit Office? I cannot reply, as the period referred to is antecedent to my connection with the Audit Office.

Can you state the date when the staff of the office was increased in consequence of the new system of accounts? I am not aware of any increase in the staff.

Do you know when Mr. Gleeson was entered on the staff of the office? I do not know; he was at the office when I arrived.

The Board adjourned at 3.30.

WEDNESDAY, OCTOBER 29, 1884.

The Board met at 10 A.M.

Present.—F. W. Mitchell, Esq., in the Chair, R. W. Lord, Esq., F. Belstead, Esq.

Mr. Henry attended.

MR. ISRAEL, *in examination, resumed.*

To the Chairman.—I put in copies of correspondence that passed between myself and the Auditor, asked for yesterday, and also Mr. Henry's letter to the Treasurer recommending arrears of 1881 to be written off, as requested in the Board's telegram to the Auditor (marked H.) I wish to add to my evidence of yesterday, with reference to non-revised rolls, that I now produce examples. The Campbell Town Duty Roll, 1882, in use is not the revised roll; there are numerous insertions and consequent alterations in many of the figures, making it difficult to make up the totals, which latter are in pencil. The Campbell Town Duty Roll, 1884, is not the revised one. The revised roll I produce, from which this non-revised roll has been copied. This I had from the office, but it is not certified as required by the Act. The Evandale Roll Duty, 1884, is the non-revised roll. The revised roll, which I found in the office, is not signed by the Council Clerk. The same remark applies in a general way to the rolls of Fingal and Ross, and others; they being the rolls which were sent to the Audit Office for examination.

By Mr. Henry.—Are you aware that the Commissioner interrupted the work of writing off or correcting the Crown purchasers on the rolls for 1884? No.

Are you aware that the returns of Crown purchasers now in the office were sent to me by the Commissioner? No.

Are you aware of any letter from me recommending that the arrears of 1881 should be written off? No.

Are you not aware that I had taken steps to recover the arrears of 1881? I have already answered this question in the affirmative.

Did you consider the office over officered? Except in times of pressure, yes.

Would you, then, recommend the reduction of the staff proper in the office? No.

Then your reply refers to the clerk-assistants, does it? It does.

Could the system of check required by the Audit Office be carried out by any less number of hands than are now on the permanent staff? No; if they also perform the other routine work required in the office.

Could you inform the Board what portion of the apparent deficiencies arose during the term of office of Mr. King, the Chief Clerk previous to Mr. M'Queen? No.

Did you not find many errors of that description where receipts had been taken out of the Triplicate Block Demand Book by mistake, and where the entries in the Abstract Book would show that they had been so taken out by mistake? The latter part of your question has no reference to the irregularities mentioned in the former part.

Have you any answer to the former part? I made no search. It was not my duty.

Did you not find in the Abstract Book, where the entries had been made of cash having been paid in, which you afterwards found had not been so paid? Yes; the wrong receipts had been signed by the Collector.

In your opinion, do you think there was any intention of fraud exhibited by the removals from the Triplicate Block Demand Book of George Town District? It is impossible to say.

Are you aware that in the system of book-keeping in the office, previous to the instructions received from the Auditor as to the new mode of check, that one clerk took the cash and made the entry? I am.

I refer you to page 25 printed correspondence, 2nd paragraph: does that represent the mode previous to the introduction of the check system? I think it does, with the exception of the latter clause, for I do not believe that you could have compared the Receipt and Demand when you signed the receipt in all cases.

What portion of the office work did you allude to as getting into arrears? To the accumulation of letters, warrants, and arrears generally.

Can you cite any letters of complaint which had not been dealt with? I instance the Rev. G. F. Archer, Mr. J. D. Toosey, and Mr. W. Lovett, Colonial Auditor.

What was the nature of the complaints? Inattention year after year to advices of non-liability.

Should those names have appeared on the Assessment Roll? I think not.

Mr. Henry put in Memo. from Mr. Israel, dated 19th September, 1884, marked I.

Mr. Israel put in Mr. Henry's reply thereto, dated 23rd September, similarly marked, with Mr. Israel's minute thereon to the Colonial Auditor, dated 23rd September, having reference to the preparation of the Demands for Ross and Portland, and other places in which irregularities are pointed out by Mr. Israel.

Exhibit
marked I.

Is it not desirable to have the whole of the Rolls in use in the office of uniform size? I have already suggested this course.

Could that be attained if I had used the Rolls received from the various districts? Yes, if uniform size had been arranged with them.

By Mr. Belstead.—Do you consider the deficiencies stated to exist, or any portion thereof, to be the result of fraud? As the cases of missing receipts and omissions of entry are so numerous, I can come to no other conclusion than that they are.

Were the duties of the Launceston office such as required more than the most ordinary skill and care on the part of the staff? Certainly not.

Do you consider that the services of a skilled accountant were necessary for the purpose of carrying out the ordinary current duties of the office? Of course not.

Are they not such as might reasonably be expected to be performed by any ordinarily educated school-boy? Yes.

By Mr. Henry.—Would you fix a date when those apparent deficiencies arose, that you think were the result of fraud? I spoke of the deficiencies that appear in the printed correspondence, and the dates are there given.

Are the monthly Returns sent to the Audit Office? They are.

Have not separate monthly Returns been prepared for the Audit Office for each year, and for Duty and Rate in each year? Yes.

Was it not necessary that the Cash Accounts in the bank should be kept separate in order to make out those monthly Returns, in order to fulfil the requirements of the forms sent from the Audit Office to me? Certainly not.

Is it your opinion that any ordinary school-boy could keep the accounts of the office? It is, generally speaking, but not single handed.

Do you concur in the observation in the first three paragraphs of Mr. Butler's memo. to the Treasurer of 9th June, page 19, printed correspondence? I do, with exception of that in the second paragraph.

Explain that exception? I think the receipts of money by post should have passed through the Collector's hands, and he should have kept a check upon the entry of the same.

Referring to page 14, printed correspondence, where Mr. M'Queen's duties are defined, were not all letters to be opened by him?—if so, would not the exception taken by you to paragraph 2 of Mr. Butler's memo. before quoted be done away with? No. Such important duties should not have been delegated to the clerk, he thus being made the check over himself in that respect.

Mr. Henry here asked leave to put in return showing the total number of items and amount outstanding for 1882.

Permission was granted, and Return marked J put in.

Was a return in detail of the unpaid rates for 1882 prepared and sent to the Audit Office? Yes.

Was there a change in the law affecting the collection of the rates for 1882? Yes.

Were the Commissioners' rolls used in the first instance, and afterwards had a re-issue to be made on the local rolls of the unpaid demands? Yes.

If the totals upon the Commissioners' rolls are calculated without making the necessary abatements required by the altered state of the law, would not the totals be incorrect? Of course they would.

The Chairman conveyed to Mr. Israel expression of the approval of the Board of the manner in which he had delivered his evidence, and Mr. Israel thanked the Board.

MR. P. L. JOHNSTON'S examination resumed.

By Mr. Henry.—Do you know what moneys have been paid into the bank during Mr. M'Queen's time without particulars being entered in the Abstract Book? I am not aware.

Do you remember on the books being searched, by yourself, I think, and Mr. King and me, that we found a cheque for £7 10s. had been paid into the bank and the particulars of that payment could not be found in the Abstract Book? I remember Mr. Henry and Mr. King making a search or inquiry together, but not myself, and saying that some cheque had been found paid into the bank and no record of it could be found, but I can give no particulars of amount of cheque or in whose time it occurred.

Did you not search the Abstract Book at that time for the particulars? Not that I know of.

Had other returned letters than those which you estimate at 2000 been dealt with? Yes.

Do you remember a pile of returned letters which were brought to me whilst Mr. Butler was with me? Yes, about 100.

Is Mr. M'Queen's statement on page 13, printed correspondence, latter part of paragraph 1, commencing "Mr. Johnston acts for me sometimes," correct? Yes.

Were the books not balanced when you took them over? I made a rough balance myself, but found the cash deficient.

Was this deficiency rectified? Yes, by Mr. M'Queen directing me to deduct it from his salary. The deficiency was about £1.

What date was this? About the 7th April.

At what date was the permanent staff increased? About June or July last, by the appointment of Mr. Gleeson.

Mr. Henry here asked leave to put in Return of Police Rate, 1883, Duty, 1883, and Approximate Returns for 16 districts for 1884, and returns of the number of items for 7 Police Districts of 1884.

Returns put in and marked K.

In whose handwriting are those returns? I do not know.

Do they exhibit the gradual increase in the work? Yes.

What do those Returns show—the number of items for Police Rate, 1883? 7211 in number, and £4380 0s. 6d. in amount.

What for 1884? 8316 items, and an amount of £4388 3s. 2d.

And what for duty? Duty, 1883, shows 13,344 items, and an amount of £10,091 17s. 4d.; and duty 1884, shows 14,461 items, and an amount of £10,763 19s. 3d.

Are the rolls used for making out the demands revised rolls? They are for the Police Rate, but for the Real Estate Duty they are not, with two exceptions, viz., Longford and Westbury, 1884.

And now as to Launceston Roll? I believe there is only one roll issued for Launceston; with the addition of a small supplement.

Are the rolls used previously corrected by the revised rolls? Yes. The *Gazette* rolls are compared with the revised, and rectified as near as possible.

Do you know why we used the *Gazette* rolls instead of the rolls sent us from the Municipalities? I believe only on account of their being comparatively the same size.

Exhibit
marked J.

Exhibit
marked K.

Could the system of check referred to in the Auditor's letter of 7th April, page 15, printed correspondence have been carried out without the additional services of Mr. Gleeson? I think not.

By Mr. Belstead.—Did you find your work of a complicated nature? No.

Can you not, with proper care and attention, perform the duties assigned to you? Yes, easily.

Do you consider yourself a skilled accountant? No.

By Mr. Henry.—Did I not report you to the Commissioner as quite capable of doing the work? Yes.

Do you think that an ordinarily educated school-boy could perform the duties of your office when Mr. M'Queen left? I should consider that anyone having had the least experience of office work could do the duties.

From your knowledge of Mr. M'Queen during the time you were in the office, do you think the irregularities and the apparent deficiencies have arisen from carelessness, neglect of duty, or from a wilful intention of fraud? From my experience of Mr. M'Queen during the time he was in the office I should attribute it to gross carelessness and neglect of his work, but I know nothing of Mr. M'Queen's doings outside the office.

Are you aware that Mr. M'Queen opened all letters? No.

Was it not his duty to do so? I believe it was the duty of the Collector.

Referring to page 14, printed correspondence, is it not set forth therein that it was his duty? It was so allotted by yourself.

Did you open all letters? No.

By Mr. Belstead.—If the deficiencies spoken of are the result of carelessness only, what has become of the money shown to be deficient? I cannot say.

By Mr. Henry.—Referring to Return put in and marked J, does the difference between the amounts of the totals in the Commissioners' rolls and the local rolls tend to swell the apparent deficiencies, and to some extent account for them? I cannot say, as I never compared the rolls.

Would not any deficiency in the accounts be increased by the totals of the rolls of 1882 being calculated on the Commissioners' rolls rather than on the local rolls? I cannot say.

The Board adjourned at 3.30.

WEDNESDAY, OCTOBER 30, 1884.

THE Board met at 10 A.M.

Present—F. W. Mitchell, Esq., in the Chair, R. W. Lord, Esq., F. Belstead, Esq.

Mr. Henry attended.

MR. KEITH J. KING *examined.*

By the Chairman.—What is your name? Keith Jackson King.

Were you Chief Clerk in the office of the, first of all Commissioner, and then Collector of the Real and Personal Estates Duties Office in Launceston? Yes, having been appointed on the 20th April, 1880; and I held that appointment until the 7th August, 1883, when I resigned on account of finding myself unequal to the work.

Was the staff not sufficient? I think not.

Were you present when Mr. Johnston explained his scheme to Mr. Henry? I heard a portion of Mr. Johnston's scheme, but not the whole. I was not present.

Did you receive instructions from Mr. Henry to carry out Mr. Johnston's scheme? No.

Are you familiar with Mr. Johnston's scheme as laid down in the printed correspondence? No, I cannot say I am.

Was the leading feature in the scheme that one clerk should receive moneys, but not make the entry in the Cash Book? Yes.

Do you know why that scheme was not adopted? I heard no more about it. It was considered impracticable with the staff at the time.

By whom was it considered impracticable? By Mr. Henry and myself. I considered the portions I did know of as impracticable because of insufficiency of the staff.

Were you in the habit of seeing the correspondence between the Commissioner and the Collector? I think I saw most of it.

But even with a small staff, is not a complete system less laborious than an incomplete one? I did not consider the system incomplete in my time.

Will you describe your duties? Keeping the cash accounts, attending the counter, making up Returns, and, when I had time, assisting with any other work that might be required in the office.

How was Mr. Henry's time occupied? When I first joined the Department, in making out Demands, and he continued to do so throughout, as far as his time allowed. He had to attend the Courts of Appeal, compile his Commissioners' Rolls when that had to be done, attend to the correspondence between the Treasurer and other heads of Departments, and other work necessary for the head of a Department to attend to, including interviews with the public and so on.

Did he open letters? Occasionally. At one time he used to open all.

Were a great number of letters returned from the Post Office? A great many.

Were they dealt with? As far as possible, but a great many remained undealt with.

As an experienced Accountant, do you consider it a complete system for the same officer to receive, enter, and account for cash without any check, altogether irrespective of the personal character of the officer for the time being? Taking it as a whole, I do not. I think a check was necessary.

Was that check in force? There was no check, except the calling over of demands after entry.

Do you know how Mr. Henry checked his daily receipts? I do not know.

In what way were undelivered demands dealt with? They were left until information turned up about them.

Did Mr. Henry sanction receipts being given by his clerks on the demand note, and, if so, what became of the receipts? In the first instance he did, but afterwards the receipts were issued on payment of the demand.

Do you not consider such a proceeding irregular? It was a necessity at the time.

Was it not possible for the clerk opening the letters to neglect attending to complaints which they contained, and might have arisen from his own neglect? Yes.

There are various arrears mentioned on various pages of the printed correspondence; can you account for the deficiencies, amounting in the whole to £183 8s. 6d.? Most of these, I think, are subsequent to my time.

I refer you to page 17, par. 2, of Mr. Henry's letter of 13th May, 1881, to the Treasurer: having read it, what do you say? I deny that any representation of deficiencies in my time was made to me. If there were any such irregularities I was not aware of them.

Have you had any communication from Mr. Henry during the progress of this enquiry, either oral or written, on the subject before the Board? Yes.

Will you describe it? At one time he came to see me in reference to the correspondence, and to explain verbally, first, certain passages which occur in his letters in the printed correspondence. He was surprised to find that he had made use of certain expressions in reference to what he termed deficiencies in my accounts; and I put in copies of the letter I addressed to him on the subject, dated 24th October, 1884, and his reply.

[These letters were then read by the Secretary, and marked L.]

Are the deficiencies shown on page 16 susceptible of explanation? Not satisfactory explanation. Receipts may have been sent out in error, say, for instance, No. 698 may have been sent out in place of No. 688, the former being for a larger amount.

If there had been two clerks,—one to receive cash and the other to make entry in the Cash Book,—could such irregularities have occurred? With the great amount of work that was going on I think they could.

I refer you to page 18 printed correspondence, last paragraph, of Mr. Henry's letter: will you state if the communication with reference to the deficiencies in your accounts has been made to you? No. I received no communication.

By Mr. Belstead.—Did you arrive at the amount of your actual debit for each day? Certainly.

You spoke of Mr. Henry having to attend Courts of Appeal: could you say how many Courts he had to attend in the years 1882 and 1883? No.

What was the staff in the latter part of your time? The Collector, myself, and Mr. S. M'Queen were the permanent staff, with Mr. Walklate as temporary clerk, and occasional outside assistance for preparing demands.

Do you know what number of districts you collected from in the years 1882 and 1883? Fifteen Duty and either six or seven Rate.

Looking at the Abstract Cash Book, 20th December, 1883, there are 12 entries of names in which amounts paid are not carried out. Under the system of ascertaining your daily debit which was adopted by you, could such an omission have occurred without being discovered? Certainly not.

Have you written a letter to the public papers relative to the state of this Department? Yes, relative to the system in my time of keeping the cash accounts. I will produce a copy.

By Mr. Henry.—Did not Mr. R. M. Johnston visit the office more than once? I only remember one visit.

Do you remember Mr. Johnston admitting that additional staff was imperative in order to carry out his scheme? Yes.

Can you give the substance of what took place on Mr. Johnston's visit to the office? He spoke of having the desk fitted up for the convenience of a clerk to enter vouchers as they were presented for payment, and the vouchers were to be handed back to the counter-clerk after entering that he might bring the amount to his cash debit. He also spoke of a triplicate demand book, also an abstract cash book, which had been previously suggested by myself to the Collector.

Is not the book I produce a sample of the books received from the Audit Office after Mr. Johnston's scheme was proposed, viz., triplicate block demand book? It is; but it was not used because it was pronounced by you as not in accordance with the Act, inasmuch as the butt was incomplete.

How many of the books on page 3 printed correspondence were received after Mr. Johnston's visit and up to the time that you left? Nos. 3, 4, 5, and 6.

Were there any instructions received from the Treasury or the Audit Office relating to the introduction of Mr. Johnston's system of accounts during your term of office? I remember no instructions having been received comprising the whole system, but I do remember what I have already stated in my previous reply.

Do you consider the conversation that you and I had with Mr. Johnston in reference to the proposed system, of a final nature, i.e., that the system was to be put in force upon the conversation he had with us? No.

Will you describe the system of accounts in use during your term of office? I put in a letter which I wrote to the *Examiner* on the 6th September, 1884. It describes it.

[Letter read, and marked M.]

Exhibit
marked M.

What portion of the scheme did you allude to as impracticable? The appointment of a clerk for the purpose of entering in the first instance, as suggested by Mr. Johnston, would have been necessary.

Was the mode of accounts in the office in your time as near as practicable identical with that in use in the Banking Institutions of the country? Yes; I have had nearly six years banking experience.

Had you not to manage the whole duties of the office during my enforced absence on outside duty? I took such management without any instructions from you.

Why was the practice of my opening the letters discontinued? Because it entailed double work by my having to go through them all too.

Can you remember about the date when the bulk of the returned letters arrived? I cannot.

Would the alterations in the law whereby we had to make a re-issue of the Demands account for the large number of returned letters in 1882 and 1883? I know of no alteration in the law requiring a re-issue of Demands.

Was the re-issue of Police Rate Demands in your time of office? I don't understand the question.

Why were the returned letters not dealt with? The staff being small, they could not be all dealt with.

Referring to my letter of 5th February, 1883, page 41 printed correspondence, does not the amount of work there mentioned with the small staff at that time account for the returned letters not being dealt with? I think so.

Was a list of Credit purchasers received from the Lands Office, and did we attempt to classify them? They may have been classified, but I cannot remember.

What progress was made with that work? I do not know.

Do you know that the work had to be stopped in consequence of the pressure of other matters? I think it probable.

Were not the Receipts and Demands compared by yourself and another clerk before being signed? Not in every case; Mr. Henry prepared some.

Did you not, as far as practicable, bring all moneys to account each day? Yes.

Did I interfere with your cash accounts at all? No.

I refer you to Return marked J; would not that difference of amount go to swell the apparent deficiencies where the audit is made up from the Demand Book and Abstract Cash Book without the rolls having been previously corrected, and the difference taken to account? We were only debited, as far as I understood, with the amount of cash actually received.

Are you aware of the mode of examining the books and auditing the accounts in my office? I am.

Do you think that a reliable balance can be ascertained by the course followed, taking the Receipts as a basis of the paid and unpaid Demands? why would the results of such an examination be unreliable? Receipts might be issued in error.

By the Chairman.—The Triplicate Demand Check Book is progressively numbered: what is the object of the numbering? For reference when payment is made, and for convenience of comparing the Demand with the Receipt; but more especially so that if any irregularities occurred it would readily be discovered.

Would it be regular to remove any portion of either of the three forms contained in the Demand Check Book without assigning a reason on the remainder for such removal? It would be irregular.

Was it not the duty of the clerk making such removal to make such record? Of course.

By Mr. Henry.—Did you formerly not correct the rolls as necessity arose? Yes, and the alterations were made from time to time in the Returns.

Why was this system discontinued? It was objected to by the Auditor.

Would those amounts in the aggregate be considerable? Yes.

Were those alterations brought to account in any way after the Auditor had disallowed your former system of altering the rolls? The claims were not allowed one by one as they occurred, but, in a lump sum.

Would any balance, without bringing the before-mentioned necessary deductions, be misleading? It would not be misleading, as far as the cash received was concerned.

Can you cite any cases where deductions have been made of considerable amounts? Yes, where properties were placed on the Municipal Roll before the buildings were completed, you allowed a rebate.

In cases of that sort, would the alterations and reason thereof be made on the roll? Yes, up to the time of the disapproval of the Auditor, and then only a note was made of it.

Unless the alterations made upon the Roll by Mr. King are likewise recorded in the Demand Book, would not an audit, the basis of which would be the Demand Book, without reference to the alterations made on the Roll, be unreliable? The alterations are supposed to be made, and were made, as far as I was concerned.

I refer you to page 19, pars. 1, 2, 3, memo. dated 9th June from Mr. Butler: do you concur in them? I do.

By Mr. Lord.—If the Collector took the trouble to examine the books would he not be cognisant of any irregularities? Yes, he would.

By Mr. Henry.—If the receipts had not been given, and the entry of the money neglected, could I be cognisant of the irregularity? Of course, if Mr. Henry did not receive the money, and no entry was shown of it, you could not be cognisant of it.

Has the practice of giving a receipt on the Demand, instead of issuing the Receipt form, been continued since the introduction of the Triplicate Block Demand Book? No.

When did you send in your resignation? 9th July, 1883, I believe.

Do you not think that your successor ought to have been immediately appointed in order that he should have had the benefit of your experience before you left? It would have been to his advantage.

Don't you look upon the duties you had to perform as important, requiring both knowledge and experience of accounts? Oh, certainly.

Would a schoolboy, however well informed he might be, be a fit person to undertake your duties? Certainly not.

Have those irregularities shown in the accounts arisen, in your opinion, from an intention of fraud? I think not.

To what would you attribute them in the main? Blunders, I think.

By Mr. Belstead.—If, as it appears, there is undoubtedly a deficiency in the cash, to what would you attribute that? I should still think they were mistakes.

By Mr. Henry.—Did we not find on examination of the books that a cheque for £7 10s. had been paid into the bank, and no entry to represent it in the Cash Book? Yes, and this was after my connection with the office ceased.

By Mr. Lord.—Did the Collector ever completely audit your books, or at least did he examine them sufficiently carefully, in your opinion as an Accountant, to enable him to ascertain positively that everything was regular, and if so, how often did he do so—was it periodically or at intervals? I do not know of any instance in which Mr. Henry so examined the books.

By Mr. Henry.—Have you a copy to a previous letter, and my reply, on the subject mentioned in the Chairman's previous question? I have, and I will send the Board copies.

Did you not receive a communication from me with reference to the last paragraph of my letter on page 18? Yes, I did, a very considerable time after your letter of the 13th May was written.

Has the amount of defaulters accumulated from year to year? Yes.

To what do you attribute that? To the want of necessary machinery to collect.

Was not every possible effort made to collect the defaulters' rates with the staff available? It is my impression it was so.

Did we not find great difficulty in finding Collectors to undertake the duties, arising from the number of items, and the small amounts, and the distance to be travelled, for the commission allowed? Yes.

By Mr. Belstead.—Can you say, during your term of office, did the officials in the office, from the Collector downwards, readily adopt instructions given either by the Treasurer, Auditor, or the Commissioner, as to alterations in the mode of conducting the office? As far as practicable, yes.

In your letter to the *Launceston Examiner*, you state that you have reason to believe that money has been into the Treasury which has not been credited in the office accounts—what are those reasons? The discovery of a cheque, since my holding office, which my successor has banked, and had made no corresponding credit to himself.

On page 31, printed correspondence, the first 17 items seem to have been matters that occurred in your time: out of that number, upon examination of the Block Demand Books, how many of the receipts do you find were issued by you? Two, No. 2235 and No. 2246.

On examination of the Abstract Cash Book, in reference to those two items, what do you find? As to No. 2235, I do not see that entered; as to No. 2246 I also find no entry.

Then what do you infer from that? I infer that the date shown on the butt is erroneous.

If that is so, would not a discrepancy exist when the right day came round? Yes, certainly.

Can you throw any further light on the discrepancies after the examination of the books? No.

By Mr. Henry.—Did I understand you to say that my writing the dates upon the butts is a proof that I received the money? It is not.

Is there not a way whereby we could determine who actually did receive the money? The vouchers would show who received the money; where cheques were given there would also be further proof.

The Board thanked Mr. King for his attendance.

The Board adjourned at 3.30 P.M.

FRIDAY, OCTOBER 31ST, 1884.

Present—F. W. Mitchell, Esq., in the Chair; R. W. Lord, Esq., F. Belstead, Esq.

Mr. Henry attended.

A letter was received from Mr. J. E. Packer, and read by the Secretary, and marked N.

Exhibit
marked N.

MR. FRANCIS BUTLER *examined.*

By the Chairman.—Your name is Francis Butler, and you are Commissioner of the Real Estates Duties, and Collector of Rural Police Rates? Yes; I held the former appointment since April 1st, 1880.

Was the branch at Launceston under your control? It was placed under my control in the beginning of 1883. In the previous year I was called Chief Commissioner, but I had no control over the department until the 1st January, 1883.

Do you know what system of accounts was in use in the Launceston branch at that time? I do not.

Have you any subsequent knowledge? I consider that the same system of accounts was carried on in the Launceston office as at Hobart.

Then did the accounts of the Launceston office pass through your office? No, the only portion of the accounts which passed through my office was the "Weekly Return of amounts collected," to the Treasurer.

What means had you of ascertaining the scheme of accounts used in the Launceston office? I gave Mr. Henry no instructions at all.

Looking at pages 3, 4, and 5, are you aware that in September, 1880, a scheme of accounts for the Launceston office was, at the suggestion of the Auditor, and with the approval of the Government, prepared by Mr. R. M. Johnston for adoption at the Launceston branch of your department? No, I had no personal knowledge that the same system of accounts was being carried on in Launceston as had been proposed by Mr. Johnston in 1881.

Is that system in force in the Hobart office? Yes, since 1880, on my receiving verbal instructions from Mr. Johnston.

Is that system found to be perfect in check in your office? Yes, I think it so.

On taking over charge did you not satisfy yourself as to the proper conduct of the Launceston office? No, I did not. When I took charge of the Launceston office I considered myself hardly more than nominally responsible, as from Mr. Henry's previous position, he having had charge, he still held charge; besides which, several communications took place between himself and the Treasurer, without passing through me. I came by the knowledge of this by the papers so addressed being occasionally sent on to me. When Mr. P. Lord Johnston was appointed I was not even aware of Mr. M'Queen's resignation before I was notified of Mr. P. L. Johnston's appointment.

Was not that mode of communicating with the Treasurer irregular? I should say it was.

Then what steps did you take to require Mr. Henry to send correspondence through you to the Treasurer? I have more than once written Mr. Henry to send his communications through me instead of direct to the Treasurer.

Then did you take no steps to see Mr. R. M. Johnston's system of accounts carried out in the Launceston office? No, I understood it was carried out.

Was it not your duty to have sent Mr. Henry instructions as to obtaining a return of persons exempt from duty, so as to have the amount credited off the Assessment Roll? In 1880 I sent Mr. Henry a list of all the credit purchasers up to that date, extracted from a list I had prepared at the Lands and Works Office.

Have you not done so since 1880? I think I did in 1881. There were so few of the late credit purchasers put upon the Roll since that I did not deem it necessary, and I did not think it my duty to send it without being asked for it. It was Mr. Henry's duty to apply to me for it if he required it.

What were your duties as the head of Mr. Henry's Department? My duties were to correspond with Mr. Henry on official matters, and to generally supervise his Department where I thought such supervision necessary; but considering Mr. Henry's previous position as head of the Launceston Department not subordinate to me, I thought any interference from me would be inadvisable unless I knew of some cause which called for such interference.

Will you produce any letter of instructions from the Government to you when taking charge of Mr. Henry's office? I received no instructions.

By what power or authority did you assume the charge? I had a conversation with the Treasurer in which he told me that I was from the 1st January, 1883, head of the Department, and I need not have that delicacy in dealing with Mr. Henry that I had had previously. The idea of the Treasurer had been that from the time of my being styled Chief Commissioner I had in some degree control over the Launceston branch.

Can you give the Board any information as to the working of the Launceston branch? No, I do not think I can.

Did Mr. Henry give any security for the due discharge of his duties? I do not know, but I did not. I was informed that I should be required to enter into a bond, and that the Crown Solicitor would prepare one, but I heard nothing further on the matter.

Do the clerks and other officers in the Department give security? Not in my branch.

Should not all public officers, in your opinion, handling revenue be required to give security? Yes, I think they should.

Are you aware of any irregularities which have taken place in Mr. Henry's office? I am aware of the deficiencies reported by the Auditor. I was also aware of other irregularities in the receipt of moneys by post, and in consequence I wrote Mr. Henry requesting that for the future he would open all letters himself.

Did you take any steps to correct the irregularities pointed out in the first part of my question? The Auditor had instructed Mr. Henry to keep the accounts in a certain form, and I was aware of this, and did not consider any interference was necessary on my part, except to see that it was done.

What in your opinion was the object of the Government in placing the Launceston branch under your control? That I might exercise a general supervision, and that the expense of the Department might be reduced.

Did you exercise that supervision? Directly I knew that there was any necessity for my interference I did so.

In what instance? I think amongst the first instructions I gave him was to instruct him to open the letters instead of relegating that duty to a Clerk, and those contained in my letter 21st January, 1884, on page 25, printed correspondence.

Then, during the year 1883? No. I can't call to mind any specific instructions I gave him at that time.

Have these, and any other instructions issued to Mr. Henry by you, been attended to? I believe so.

Is the Board to understand that you were only the channel of communication between Mr. Henry and the Government? I considered myself but little more.

Did you consider, when you were verbally informed by the Treasurer that you were equally responsible that every portion of the work and duty of his office was properly performed as you were that the duties of your own office in Hobart were? No. I considered Mr. Henry was to see to that. I considered that he was there for that purpose.

By Mr. Belstead.—Did Mr. Henry ever report to you that he had never received the books to enable him to conduct the business of his office properly? No.

In your letter, page 46, printed correspondence, 24th July, 1884, you say you inspected Mr. King's books: were you satisfied with the manner in which they were kept? Yes.

You say you did not notice the absence of the Demand Check Book, but that Mr. King was keeping Counter Books: did you express approval of the substitution? No, I did not express any opinion.

Did you consider your visit an official inspection? I considered it an official inspection of the office.

Is the statement correct made by Mr. King, that you expressed yourself so satisfied with his books that you requested him to send particulars in order that you might adopt the same system in Hobart? No, it is not correct.

Upon how many occasions have you inspected Mr. Henry's office? I don't remember coming to Launceston between that time and January, 1884.

Did you at any time observe that Mr. R. M. Johnston's scheme of accounts was not being carried out? I did not.

Did you consider Mr. Henry's staff sufficient for the work to be done? I considered the staff, including the clerical assistance which he had, was sufficient.

Did Mr. Henry ever represent to you that the staff was insufficient? Frequently; all such communications were sent on to the Treasurer.

Upon any occasion of Mr. Henry having made that representation, did you ascertain by personal examination as to whether his officers were competent, and as to whether the system pursued in the office was such as would enable the work to be efficiently done? No. I forwarded Mr. Henry's representations to the Treasurer. Mr. Henry made no complaints of the incompetency of his officers previous to complaining of Mr. McQueen's incompetency.

Did Mr. Henry, as your subordinate, loyally accept and act upon your suggestions, and endeavour to the best of his ability to aid you in carrying on the work of the Department? I don't think he did.

In what particulars did he fail? I consider that a great deal more might have been done in getting the arrears collected, judging from the work done in my own office. In correspondence with me Mr. Henry almost invariably tried to ignore my position by giving any information expressly for the information of the Treasurer, and not for me.

In your verbal intercourse with Mr. Henry did he treat you with the courtesy which is due from a subordinate to the head of his department? Yes.

Did Mr. Henry ever report to you that there was any deficiency in the office? I think Mr. Henry reported, on the 7th January, 1884, letters being missing said to contain cheques; but the actual deficiencies were reported by the Auditor to the Treasurer, and forwarded on to me.

Whom do you consider responsible for moneys received at the Launceston Office being duly accounted for? The person who received the money, in the first place; but it is the Collector's duty to see that it is paid into the bank.

And what share do you consider that the Commissioner bears? I don't consider that I am at all responsible.

Refer to printed correspondence, letter, page 56, of 17th September, 1884: do you still adhere to the statements therein as to the sufficiency of the staff? I do.

As to the last paragraph? I adhere to that also. Mr. Henry wished me to apply to the Treasurer for a third clerk, as he could not do the work without. I saw that Mr. Henry had made up his mind that he could not do without a further clerk; but I did not consider it necessary, and I believe that an efficient Collector could do the work without one.

Refer to last paragraph of your letter of the 5th August, on page 49, printed correspondence: does not that contain a very strong expression of your view regarding Mr. Henry? A very distinct statement, to which I adhere.

Do you consider that, from your experience as head of the Department, you have ample grounds upon which to base such a strong opinion? I do.

By Mr. Lord.—Do you not think that it was your duty, as head of the Department, when you found that Mr. Henry appeared to somewhat ignore your instructions, that you should carefully and closely have examined the system of accounts and the general arrangement of the duties of the Launceston Office? I cannot call to mind any instance in which Mr. Henry actually ignored any of my instructions, so I don't think I had any reason to interfere with his mode of working the department.

By the Chairman.—Have you any further evidence to give? I cannot call to mind anything else.

By Mr. Henry.—By what authority at that time did you assume the title of Chief Commissioner? I cannot call to mind using it; but if I did, it was because the Treasurer so addressed me in official correspondence. Mr. Henry objected to my use of the title.

Did you not receive particulars as to the mode of keeping the books from Mr. King? Yes.

Your object, as you say, to see if the system was the same as you had in Hobart? Yes.

Did you communicate with me in reference to the systems in our two offices at that time? No, I did not.

Did not the monthly Returns to the Audit Office also pass through your office? No; I never saw them.

Do you remember that upon one occasion the salaries were not paid in consequence of the usual monthly abstract not having been received in accordance with the Audit Act? I do not remember; but it may have been so.

Which of the books enumerated on page 3 of printed correspondence are in use in your office? Nos. 1, 3, 4, 5, 6, 7, and 10.

Was not the book alluded to, called the Abstract of Duties Payable, an essential part of the scheme? We use the printed revised Assessment Rolls for that purpose, and it contains the same information.

Do you record upon the roll, as set forth here by Mr. R. M. Johnston, the date of payment? No.

Have you a column for abatement and other forms of credit? No column, but I enter particulars opposite the item where required.

As to No. 6, column for outstanding? No, nor for No. 7. It is unnecessary.

Have those entries which you enter upon the roll, as necessity arises, been objected to by the Audit Office? Not that I am aware of.

Has that system of check required by Mr. R. M. Johnston in his scheme been carried out in its entirety in your office? Yes, and has been so since I received instructions from Mr. R. M. Johnston.

Are two clerks required for completing a transaction under Mr. Johnston's system? Yes.

Do you remember that I paid a visit to the Auditor when we were first appointed? Yes. I do not remember on what subject, but possibly it was about the accounts.

Did I not inform you of the result of that visit? If you did I do not remember it.

Can you state the dates of letters before spoken of which I sent the Treasurer direct and not through you? I cannot state date, but the last occasion was as to Mr. M'Queen's removal and Mr. P. Lord Johnston's appointment.

Did you see any such letter from me to the Treasurer forwarding Mr. M'Queen's resignation? I have not; neither have I seen Mr. M'Queen's resignation.

How did you acquire the information? Simply by receiving instructions from the Treasurer to acquaint Mr. Henry of Mr. P. L. Johnston's appointment.

Would you consider it irregular for me to reply to a communication received from the Treasury by me and not through you? I do not know.

Referring to page 43 of the printed correspondence, is not my communication dated 31st August, 1883, direct to the Treasurer, in your opinion, irregular? I cannot say, but I think these instances substantiate the statement which I made.

Is not the first line of that memo. sufficient to show that it is in reply to a question direct from the Treasury? It seems to be. It speaks for itself.

Have I given effect to your instructions to write through you to the Treasurer? Some instances have occurred in which you have not done so.

Was the object of those lists to correct the rolls? Yes, it was. At that time the rateable value of such properties was altered in accordance with the number of years for which the credit had run.

When we were preparing the rolls for the current year during your visit, did you not stop me from correcting the rolls as to credit purchasers? I did not stop you from doing it, but I suggested that there was other work more pressing, but your answer was you thought not, but preferred to go on with the rolls. One of the clerks was then engaged upon the work. Mr. Henry took it from him, and was going on with it himself, when I suggested that the arrears were more pressing. My Memo. of 26th August, 1884, supports this.

Have you not overlooked the visit and inspection mentioned in Mr. King's letter, page 46? No, I can give no further information.

Why did you not use book No. 2? The roll took its place, and it was in fact the book itself. Mr. R. M. Johnston did not allude to this book in the verbal instructions he gave me.

Did you receive No. 2 book? No, I did not.

When did you find out that there was no such book as No. 10 in my office? I cannot remember. I alluded to it in my letter to you, on page 25, dated 21st January, 1884.

When did No. 10 book reach my office? I sent one immediately I learned that you had not got it, and this would be previous to the 22nd March, 1884.

I produce the payment of Demand Cheque Book you refer to: when was it commenced, and when was its use discontinued? It was begun on the 22nd March, and closed on the 7th April, 1884.

Did I not give effect to the Auditor's instructions of 7th April? I believed you did, until I received a letter from the Treasurer, which I sent on to you, and you informed me that you had faithfully carried out the instructions.

Had not the complaint been received in reference to charging poundages on P.O. Orders? I believe it was.

Did I not satisfactorily explain this to you? I believe it was satisfactorily explained.

How many official visits did you make to my office up to 1st September last? I think I came to Launceston four times.

Did you advise me on these occasions? No.

Did you find the officers at their posts, and the work apparently going on? Yes, invariably.

Did you visit the office two or three times on each day? I spent nearly the whole day in your office on each occasion.

Had you reason to suppose that any of the staff were in the habit of absenting themselves during office hours? No.

When you say "a great deal more might have been done," in a previous reply, to what date do you refer? From 1883 to the present time.

Do you know that the law with regard to the collection of Rate and Duty was altered in the Session of 1882?—did not that very materially interfere with the issue of the Demands and the collection of the Duty? It caused a temporary increase in the work.

Was not the law with regard to the collection of Police Rate neglected to be altered in Session 1882? It required alteration to give the Collectors power to enforce the Rate, and it was altered in the Session of 1883.

What alteration was made in 1882? The law was altered, substituting the Local rolls instead of the Assessment Rolls.

Did I not call your attention during the Session of 1882 to the necessity of the alteration? I cannot remember—I believe not.

Do you remember me giving it as a reason that we could not collect the Police Rate of 1882 until the Act for that year was repealed? I do not. I found no difficulty in collecting in the Southern districts.

Did I not report to you previous to the 7th January that Mr. M'Queen was not efficiently discharging his duties? On the 5th February I reported to the Treasurer that M'Queen was not able efficiently to discharge his duties,—see page 11, printed correspondence. I feel confident you did not report before the 3rd January, which I forwarded to the Treasurer,—see pages 9 and 10, printed correspondence.

What difference in the amount of work do you estimate is between the two offices? It is described in the 2nd paragraph, page 11, and Return (marked O) which I put in.

I show you Return marked K: does this represent the work in our respective offices? No, it does not.

When did I apply to you for another clerk after the appointment of Mr. Gleeson? On my last visit to Launceston, some time previous to September last, you wished me to apply to the Treasurer for a junior clerk in place of Mr. Walklate, as without it he would be no better off.

Was the clerk asked for to take the place of one of the clerical assistants? Yes.

Will you give your reasons for that paragraph? I can give no particular reasons. It is the impression our whole course of official relations has left upon me. It is what I feel and conscientiously believe, and from my previous statement before the Board.

To what particular previous statement do you allude? I think you will find in my evidence that I stated that in Mr. Henry's communications he invariably stated that the information was for the Treasurer and not for me, shows he did not loyally accept his position as subordinate to me. I pointed out on page 45, letter No. 22, from Mr. Henry to the Treasurer direct. I also refer to page 41, printed correspondence, first line, in which Mr. Henry in a letter expresses himself thus, "For the information of the Hon. the Treasurer," and that expression was used almost invariably in his correspondence with me.

Did you not answer in the earlier part of the examination that I addressed the letters to you after you desired me to do so, except the few cases you allude to? I remember writing two letters to you on that subject.

By Mr. Lord.—You have been, I believe, connected with the Civil Service for a number of years, and are therefore acquainted with official routine. Is it the usual practice in the Government service to receive verbal instructions in the matter of such an important subject as that of yours as Chief Commissioner of the Real Estates Duties, and do you not think that the absence of an official document conveying to you the appointment, and an intimation to that effect to all those under you, would not militate against the proper discipline of the department? I have; it is not regular.

By Mr. Henry.—Did you ever complain to me of the mode in which I addressed you in official letters? No; I did not consider it a matter of any consequence.

Are you not led to the conclusion that our official relations would not be pleasant from the mode in which you have written of me to the Treasurer, as contained in the latter part of your memo., date 5th August, page 49? Partly in consequence of that report, and partly from previous correspondence with you.

By the Chairman.—Have you anything further to say? I may mention, in reference to the conclusion of my letter, page 49 printed correspondence, dated 5th August, 1884, that Mr. Henry appealed to me to recommend an increase of salary to Mr. Walklate, assistant, which, as I could not recommend, I refrained from doing. Thereon Mr. Henry wrote me what I considered a letter improperly worded, dated 17th September, 1883, a copy of which I produce, urging that I should lay the application before the Treasurer, which I did, drawing the Treasurer's attention to the wording of the letter.

Exhibit
marked U.

By Mr. Belstead.—Do you consider the duties of the Collector and the officers required more than ordinary care and attention in their performance? No.

The Board adjourned at 3:30 p.m.

SATURDAY, NOVEMBER 1, 1884.

The Board met at 10 A.M.

Present—F. W. Mitchell, Esq., in the Chair, R. W. Lord, Esq., F. Belstead, Esq.

Mr. Henry attended.

MR. WILLIAM LOVETT, recalled and examined.

By the Chairman.—Do you produce the copies of queries and letters addressed to Mr. Henry and the Treasurer from your office, on his accounts, and the want of system from time to time (which do not appear in the printed correspondence), extending from October, 1880, and will you state what effect these queries and other circumstances have resulted in? I produce these copies. The particular complaint brought under notice of the Treasurer, on 20th August, had been previously referred to Mr. Henry. I put in the documents Nos. 197 and 661 (marked Q. and R.) in proof of my statement in my previous examination, that "receipts" were given on the "demands," instead of formal progressively numbered receipts being issued; similar cases having been referred to in my letter dated 20th August, 1880. The effect of this query was, that the irregularity was corrected after some delay and resistance on the part of Mr. Henry. Query No. 2 A, of 18th October, referred to an irregularity caused by the former one. This case was also afterwards corrected by Mr. Henry, as far as it could be. The irregularity referred to in letter of 23rd October, 1880, was afterwards corrected by Mr. Henry, although he took a different view to what I did as to the value of the receipt in that form. All the other letters refer to matters of minor importance, except as regards the non-completion of arrears of duties for the year 1880,—the account of the year 1880 for the collection of Estate Duties not having been finally closed yet as requested. In all the other cases of complaint the irregularities have been corrected.

Exhibit
marked P.

Exhibits
marked Q, R.

If proper attention had been paid to these queries and letters, could Mr. Henry's office have drifted into the state described in your previous examination? I think not.

Are the queries and correspondence addressed by you to Mr. Henry in excess of what you find it necessary to send to Collectors of Revenue, such, for instance, as the Commissioner in Hobart and all other departments? They are, with the exception of one other Collector, where the queries, in consequence of the complicated nature of the accounts, are of necessity greater.

Were you notified of Mr. Butler's appointment to control over Mr. Henry's office? No.

Did you communicate direct with Mr. Henry? Either direct to Mr. Henry, or through the Treasurer.

But never through Mr. Butler? I do not remember a single case of so doing.

How do you account for the Assessment Rolls used by the Collector not being the revised Rolls, as required by law, passing through the Audit Office? I was not aware of it; it had not been reported to me.

Are you aware whether officers of the Real Estate Department give security for the due discharge of their duties? I am not aware; but I have repeatedly brought the matter of public officers in receipt of Revenue generally under the notice of the Government.

By Mr. Belstead.—Apart from what appears from the correspondence which is before the Board, have you persistently endeavoured to induce Mr. Henry to get his office into proper order? On every occasion on which I visited the Real Estates Office at Launceston I have done so.

Do you consider that Mr. Henry has loyally aided you in those efforts, and shown a desire to carry out your views? I do not consider he has.

In your letter of 7th February, 1884, printed correspondence, page 13, you do not attribute fraud to the officers of the department, or any of them: are you now of the same opinion? I am not of the same opinion now.

Why the change? From the result of subsequent minute investigation, as reported in the printed correspondence.

Is it not evident, as far as documents can show, that certain moneys have been received into the office and have not been accounted for? Yes.

And, as the Colonial Auditor, could you hesitate to report that those moneys are absolutely deficient? Certainly not.

By Mr. Lord.—I place in your hands a book labelled weekly returns; do you, as an experienced accountant and auditor, consider that the book in question is, in any way, a check upon the cashier or the counter clerk? I should consider it to be of not the slightest value as a check.

By Mr. Henry.—Are you aware that the Treasurer, through the Commissioner, has closed the 1880 accounts? I am not.

What is the date of the last query in that correspondence marked P.? The 18th July, 1884.

Have similar examinations to this been made into Mr. Butler's office? The Commissioner's accounts have been examined; but it has not been necessary, as far as I am aware, for a similar examination as has been necessary with respect to the Launceston office. The special examination which has taken place in the Launceston office need not have been necessary if a proper system had been fully carried out there.

When did you make the first examination of the accounts in my office? From the commencement of the Audit examination, which would have been sufficient if the evident intention of the system recognised by the Audit Department had been fully carried out.

When were the books of my office examined? In September and December, 1880.

Was there an audit of the accounts of the office by examination in 1880? Yes.

Are you aware that the rolls in use in my office, though not the revised rolls, were compared and corrected by the revised rolls? I do not know.

Before you came to Launceston to enquire regarding the missing letters, how often had you been up before? My first visit personally was on the 2nd February, 1884, and previous to that by my subordinates, as before stated.

Could you name the dates? September and December, 1880.

Will you state the particulars which induced you to form that opinion? The circumstances connected with the issue of receipts on demand forms, and the issue of an undated receipt, given in this morning's evidence, and from the fact that when the office was visited by me in February last I had pointed out to you the gross irregularities in your office, and had then verbally requested you to adopt the system introduced with the amended form of Demand and Receipt Book, and especially with reference to the introduction of the check which was intended by that system of requiring that the duties of the Book-keeper and the Cashier or Counter-Clerk should be performed by separate individuals; and in having found upon my subsequent visit, on or about the 6th April, 1884, and also Mr. Israel's report on 20th October, 1884, (Exhibit marked H.), that this had not been carried out.

Was the system of check proposed by Mr. R. M. Johnston in 1880, in operation in any of the public offices previously or at that time? A similar system suitable to each branch was in operation.

Was it a new system? It was not.

Could you fix a date in the examination of the accounts upon which you formed the opinion regarding fraud? I am not prepared to fix a date.

The Chairman thanked Mr. Lovett for his attendance.

The Chairman then addressed Mr. Henry in the following words: The Board has examined all the witnesses considered necessary to elucidate the matter of this inquiry, and as you have been permitted to examine them, and have said that you do not require the attendance of any other person, do you desire to make any statement?

To which Mr. Henry replied: No, I have not, now; but I ask leave for time to prepare my statement and to have access, in the presence of the Secretary, to the evidence and exhibits attached thereto, up till Wednesday afternoon.

To which the Chairman said: That with every desire to give you the utmost facilities in the preparation of your statement, and, though departing from the usual mode of procedure by not requiring you to proceed at once orally, we are willing to consent to fix the time for receiving it at two o'clock on Tuesday afternoon, November the 4th instant.

A letter was received from Mr. K. J. King, which, in accordance with the request contained in it, was put in as an Exhibit, marked S.

The Board rose at 4 P.M.

TUESDAY, NOVEMBER 4, 1884.

The Board met at 2 P.M.

Present—F. W. Mitchell, Esq., in the Chair, R. W. Lord, Esq., F. Belstead, Esq.

Mr. Henry attended, and asked that his statement, which was in writing, might be read by the Secretary.

Whereupon the Chairman instructed the Secretary, and such was read and then signed by Mr. Henry, and attached as an Exhibit, marked T.

The Board adjourned at 5-30 P.M.

THURSDAY, NOVEMBER 6, 1884.

The Board met at 11 o'clock.

Present—F. W. Mitchell, Esq., in the Chair, R. W. Lord, Esq., F. Belstead, Esq.

The Board having finally considered their finding, the same was embodied in a Report, and signed by the Chairman and Members of the Board.

The Board rose at 12 o'clock.

Exhibit
marked S.

Exhibit
marked T.

REPORT of the Board of Inquiry into the working of the Real and Personal Estates Duties Department, Launceston, whilst under the control of Mr. Samuel Henry.

Launceston, 6th November, 1884.

SIR,

IN conformity with the instructions conveyed to us in your letter of the 16th of October last, directing us to enquire into the working of the Real Estates Duties Branch Office, Launceston, during the time it was under the control of Mr. Samuel Henry, as fully and completely as possible as regards the management and general working of the Office prior to Mr. Samuel Henry being relieved from duty :

Having perused the Parliamentary Paper, No. 119, and its continuation, which was laid upon the Table of Parliament and ordered to be printed on the 3rd of September, 1884, and carefully considered the same, we have the honor to report that we have examined nine witnesses, which occupied fourteen sittings, averaging about five hours each, which has extended over the period commencing on the 21st ultimo and ending on the 6th instant; and we invited the public who might be desirous of making representations to us, but none appeared. The result of our enquiries being, that we find—

First.—That Mr. Butler, the Commissioner at Hobart, assumed control of the Launceston Branch under verbal Ministerial instructions, and that neither Mr. Butler nor Mr. Henry propounded any scheme of accounts, but that an effectual scheme and system of check was elaborated by Mr. R. M. Johnston, (acting on behalf of the Colonial Auditor), which was approved by the Government in September, 1880, and that the same was explained to Mr. Henry personally by M. Johnston.

Secondly.—That the books comprised in this scheme were, with one exception, viz., the Payment of Demand Cheque Book, transmitted to Mr. Henry, but that it has not been brought into use.

Thirdly.—That in our opinion if the said scheme had been carried into effect the irregularities and deficiencies which the printed correspondence and the evidence taken before us reveals, no such irregularities or deficiencies could have arisen; and, indeed, they have not occurred in the Office of the Commissioner at Hobart, where that system has been in force.

Fourthly.—We are unable to discover any substantial reason why a scheme at once so simple, and effectually employed in the Hobart Office with entire success, should not readily have been adopted with the same satisfactory result at the Launceston Branch; and in our opinion the Commissioner, who was afterwards designated the Collector, utterly failed in his duty in not adopting, as requested, a plan which on the face of it would have secured accuracy, and which he was instructed by the Treasurer and the Audit Department to carry out. On the contrary, Mr. Henry appears to have ignored those instructions, and to have obstinately resisted the suggestions of the Auditor, and not even to have carried out the alleged self-imposed duties detailed in his letter of the 5th of August, 1884, (Appendix marked F), as proved with convincing accuracy by the evidence.

Fifthly.—We find that the staff and assistance provided have been sufficient for the due and proper performance of the business of the Office.

Sixthly.—That the duties to be performed were of a simple character, requiring nothing beyond ordinary organization, care, and attention.

Seventhly.—That the working of the Office exhibits a grave state of confusion and disorder, which has resulted in considerable and unnecessary annoyance to the public, an enormous accumulation of arrears of work, and a sum of £441 0s. 11d. unaccounted for.

The foregoing necessarily entailed an undue pressure of work upon the Colonial Auditor and his staff, and an expense out of all proportion to that incurred with other Public Departments.

Eighthly.—That this condition of affairs has been brought about by the want of industry and intelligence displayed by the Collector, and the lack of official capacity (though needing no special reference here) contributed to the faulty working of the Department; as evidenced (1) by his having failed to carry out the scheme laid down by the Audit Department in accordance with which his accounts should have been kept; (2) by his having allowed an enormous number of returned letters to remain undealt with; (3) by his having entirely neglected to inspect and check the work and books of his officers, especially that of the cashier; (4) by its having been possible for stamps to the value of about £50, and letters containing remittances to nearly £20, to have remained undiscovered in his office for a considerable time; and (5) by his having failed to recognise in any degree his responsibilities as head of the Office.

Ninthly.—That the Commissioner at Hobart has failed in his duty as head of the Department of which the Launceston Office is a Branch, in not personally making himself acquainted with the details of the working of the Launceston Branch and insisting upon a proper system of check being maintained, and the current work being properly done. Had he done this the affairs of the Office could never have drifted into the state described. We are not of opinion that the attitude assumed by the Collector in any way interfered with Mr. Butler performing this most necessary portion of his duty.

Tenthly.—We find that, with the exception of Mr. Henry, no officer of the Department has given security for the due discharge of his duty.

In conclusion, the Board having in view the gravity of the circumstances involved in this inquiry, considered it proper to afford Mr. Henry every facility in being present, in cross-examining witnesses, reference to books, papers, and documents, and at his solicitation granted him from its rising at 1 p.m. on Saturday, the 1st instant, until Tuesday, the 4th instant, at 2 p.m., to prepare a statement in reply to the representations against him, instead of, as is customary in such inquiries, requiring him to make an oral statement (if he so desired) at the conclusion of the examination of witnesses.

We append the evidence, with the exhibits attached.

We have the honor to be,
Sir,

Your most obedient servants,

F. W. MITCHELL, *Chairman.*

R. W. LORD, } *Members of the Board.*
F. BELSTEAD, }

The Hon. W. H. BURGESS, Treasurer, Hobart.

LIST OF EXHIBITS ATTACHED TO THE EVIDENCE.

- A1. Return of unopened Letters.
 B. Return of irregularities in Triplicate Demand Book.
 C. Memorandum Book.
 D. Ditto.
 E. Ditto.
 F. Mr. Henry's Letter to Mr. Butler, of 5th August, 1884.
 G. Letter, Mr. Lovett to Mr. Henry, of 2nd September, 1880.
 H. Mr. Israel's Reports to the Colonial Auditor, of 20th October, 1884.
 I. Letter, Mr. Israel to Mr. Henry, 19th September, 1884. Letter, Mr. Henry to Mr. Israel, 23rd September, 1884.
 J. Mr. Henry's Return of Items outstanding for year 1882.
 K. Mr. Henry's Return of Rates, &c., 1883 and 1884.
 L. Mr. King's Letters, 27th October, 1884.
 M. Ditto, to *Examiner*.
 N. Mr. Packer's Letter to Chairman, dated 30th October, 1884.
 O. Return showing Total Items and Amounts collected.
 P. Copy of Letters and Queries sent by the Auditor to Mr. Henry and others.
 Q. Demand, with Receipt endorsed on it.
 R. Ditto.
 S. Letters from and to Mr. King.
 T. Mr. Henry's Statement in defence.
 U. Copy Mr. Henry's letter, 17th September, 1883, and Mr. Butler's Reply, of 1st October, 1883.

No. A 1.

REAL ESTATES DUTIES DEPARTMENT.

STATEMENT showing Numbers and Description of Contents of the unopened Letters at Launceston Office, referred to in recent Correspondence.

| District. | Real Estate Duty. | | | | | | | Rural Police Rate. | | | | | | Totals. |
|--|-------------------|-------|-------|-----------|-------|------|-------|--------------------|-------|-------|-----------|-------|-------|---------|
| | Demands. | | | Receipts. | | | | Demands. | | | Receipts. | | | |
| | 1881. | 1882. | 1883. | 1880. | 1881. | 1882 | 1883. | 1882. | 1883. | 1884. | 1882. | 1883. | 1884. | |
| Campbell Town | ... | 19 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 19 |
| Deloraine..... | ... | 15 | 1 | ... | 1 | 2 | 4 | ... | ... | ... | ... | ... | ... | 23 |
| Evandale..... | ... | 6 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 6 |
| Emu Bay | ... | 37 | 39 | ... | ... | 6 | 1 | 112 | 93 | 33 | 3 | 4 | 7 | 335 |
| Fingal | ... | 15 | 2 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 17 |
| George Town... | 3 | 18 | 2 | ... | 1 | ... | 3 | 49 | 136 | 72 | 3 | ... | 4 | 291 |
| Glamorgan..... | ... | 8 | ... | ... | ... | 2 | 1 | ... | ... | ... | ... | ... | ... | 11 |
| Longford | ... | 28 | 1 | ... | ... | 4 | ... | ... | ... | ... | ... | ... | ... | 33 |
| Launceston..... | ... | 260 | 6 | ... | ... | ... | 1 | ... | ... | ... | ... | ... | ... | 267 |
| Portland..... | ... | 31 | ... | ... | ... | 1 | ... | 57 | 25 | 12 | 3 | ... | 5 | 134 |
| Port Sorell..... | 4 | 53 | 12 | ... | 2 | 9 | 3 | 135 | 155 | 125 | 6 | 4 | 13 | 521 |
| Ringarooma..... | ... | ... | ... | ... | ... | ... | ... | ... | 44 | 91 | ... | ... | 1 | 136 |
| Ross | ... | 1 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 1 |
| Russell | ... | 2 | ... | ... | ... | ... | ... | 2 | ... | ... | ... | ... | 2 | 6 |
| Selby | ... | 108 | ... | ... | 2 | 4 | ... | 158 | 184 | 102 | 3 | ... | ... | 561 |
| Westbury | ... | 92 | 9 | 1 | 1 | 2 | ... | ... | ... | ... | ... | ... | ... | 105 |
| | 7 | 693 | 72 | 1 | 7 | 30 | 13 | 513 | 637 | 435 | 18 | 8 | 32 | 2466 |
| | 772 | | | 51 | | | | 1585 | | | 58 | | | |
| Sundry Notices not sorted into Districts | | | | | | | | | | | | | | 483 |
| | | | | | | | | | | | | | | 2949 |

About 150 of the number (2949) had been taken out of envelopes, but very few of them were dealt with.

16th October, 1884.

J. W. ISRAEL, Acting Collector.

(B.)

1883 ACCOUNT.

Campbell Town, 425, 427, 428.
 Evandale, 419, 420.
 Glamorgan, 250. 214 cut out of book.
 Longford, 771 to 776.
 Portland, 294, 295.
 Port Sorell, 2580.
 Westbury, 1042, 1043.

1882 ACCOUNT.

Campbell Town, 397, 398, 399.
 Deloraine, 792, 793, 789.
 Evandale, 398.
 Fingal, 438.
 Longford, 612 to 617. 750 to 759 cut out of book.
 Selby, 1013.
 Port Sorell, 2512 to 2518, 2531, 2534, 2538, 2564. 2594 to — cut out of book.

CHAS. MITCHELL.

23 October, 1884.

(C.)—(D.)—(E.)

[MEMO. BOOKS.]

(F.)

*Real Estates Duties Office, Hobart, 31st July, 1884.*MEMO. FOR SAMUEL HENRY, *Esq.*, *Collector*.

As I shall have to make out a very strong case to the Hon. the Treasurer to justify any recommendation for extra clerical assistance, and, as in your Memo. of the 23rd July you give me the daily routine of work done by your clerks, &c., I have to request that you will give me the daily routine of your own work; that I may lay the case before the Hon. the Treasurer fully.

FRANCIS BUTLER, *Commissioner*.*Real Estates Duties Office, Launceston, 5th August, 1884.*MEMORANDUM FOR FRANCIS BUTLER, *Esq.*, *Hobart*.

I HAVE to say, in reply to your Memo. of the 31st July, that I open all letters and draft replies, and, where necessary, instruct Mr. Johnston as to the answers to be given to queries. Enter all money received by post, and endorse particulars of payment upon cheques, money orders, and vouchers. Give attendance to all persons desirous of information in connection with the business of the office. Compare receipts with vouchers, and sign the same. Prepare drafts for all special returns. Check all returns, either special or ordinary, when ready for signature. Scrutinise rough drafts of defaulters' lists. Check and compare warrants and certificates with the office lists prepared for record. Superintend and direct the preparation of the demands, and give instructions for the due posting of them according to their respective dates. Superintend and direct the general daily routine work of the office, with a view to give force and effect to the several Acts relating to the Department in the most effective manner and to the best of my ability. The staff hitherto provided (notwithstanding my repeated representations) has been totally inadequate to the amount of work to be done, consequently it has got into arrears, and has accumulated year by year until the defaulters' lists on the 14th June, 1884, numbered not less than 15,070 items, representing £6198 16s. 6d. uncollected.

I am in my office every morning before 10 A.M., and am continuously employed until I leave by the 5 P.M. train. Those are my hours every day except Saturday, when I leave by the mid-day train at 12.40.

SAMUEL HENRY, *Collector*.

(G.)

The Commissioner for collecting Real Estate Duties, Launceston.

MEMORANDUM.

REFERRING to a Memorandum of the 31st ultimo, received this day from the Commissioner, the Auditor begs to inform Mr. Henry that he has requested Mr. R. M. Johnston, at present attached to the Launceston and Western Railway Department, to wait upon him for the purpose of reporting upon the system of check proposed. Will the Commissioner be so good as to give Mr. Johnston the necessary facilities for investigating the same?

W. LOVETT.

Audit Office, 2nd September, 1880.

(H.)

COPY OF MR. ISRAEL'S REPORT.

Audit Office, Hobart, 20th October, 1884.

SIR,

I HAVE the honor to report to you, as detailed hereunder, on sundry matters which came under my observation while engaged in the duties of Acting Collector of Real Estates Duties, &c. at Launceston, from 1st September to 18th October last.

1. The Cashier was still allowed to make entries in, add up, and balance the Cash Abstract Books, notwithstanding such letters had appeared as shown in the printed "Correspondence" pages 15, 22, 23, 24, &c.
2. A large number of returned Warrants with sundry replies and advices thereon had accumulated, and were unattended to until I had dealt with them.
3. About half the letters shown in my Returns of 16th October last were evidently received at the Office in 1882, and were unopened, although there was only the 1880, 1881, and 1882 Duty, and the 1882 Rate, in course of collection. I had the 1881, 1882, 1883, and 1884 Duty, and 1882, 1883, and 1884 Rate coming in, averaging nearly £1100 a week. The 1884 Duty Rolls were all called over, the Demands issued, much correspondence conducted, all current work kept down day by day,—without extraneous aid. Yet I was able to have the whole of the letters mentioned opened and sorted, and a large number of Warrants in arrear, as stated in Item 2 above, attended to, and the information thereon made use of.
4. Much confusion was caused by the manner in which transfers had been made from the Commissioners' Rolls to Local Rolls—the differences not, in many instances, being taken to account in Returns.
5. Alterations had been made in the Rolls after the latter had passed the Audit Office.
6. No Return of Credit Purchasers seems to have been asked from the Lands Office since 1881; and much trouble is caused through the consequent correspondence with that Office, and through the writing off of numerous items.
7. Although the Act 22 Vict. No. 27 fixes 21 days as the limit for payment, the Rural Police Rate Demands have been printed 14 days.
8. Demands prepared at Mr. Henry's house, and others given outside by him, were wretchedly written, and imperfect both in preparation and in envelope addresses.
9. Receipts were evidently signed by the Collector without apparent check. My Memo. on error in taking out Receipts explains this.
10. Numerous letters of complaint were received by me from persons who had received Demands, Warrants, &c., they stating often that they had advised the Collector year after year of their non-liability through change of ownership, occupancy, Roll errors, &c., and the advices were evidently unattended to, and the Assessors or other local authorities were not communicated with to ensure future Rolls' correctness in the fore-mentioned particulars.
11. The Collector does not appear ever to have made any enquiries in the Office upon the entries in Books, or looked into them to see how matters were going on.
12. From my own observation, and enquiry from present Officers, I gathered that the Collector caused almost every letter to be written by the Clerks, and other matters to be attended to by them which the Collector might have done himself.
13. The 1881 Duty, collection of which remained in suspense for months, and I understand requested to be written off by the Collector, proved recoverable, to the extent of nearly £70 at any rate, to 18th October, 1884. (*See since.*)
14. As to Office being short-handed. On afternoon of 17th Oct. 1884, I had to find work for the Junior Clerk (ruling through printed headings of a book), and Mr. Walklate, Clerical Assistant, applied for work to go on with, as he had completed all that given to him—all files of work being clear.

I have the honor to be,

Sir,

Your obedient Servant,

J. W. ISRAEL.

W. LOVETT, *Esq.*, Colonial Auditor.*Launceston, October 28th, 1884.*

SIR,

I HAVE the honor to forward copies of sundry letters sent by me, whilst Acting Collector, to the Colonial Auditor; viz.—

1. Letter dated 5th September, 1884.
2. Letter dated 9th September, 1884.
3. Letter dated 11th September, 1884.
4. Letter dated 27th September, 1884.

I am, &c.,

J. W. ISRAEL.

W. F. MITCHELL, *Esq.*, Chairman Board of Enquiry,
Real Estates Department.

Real Estates Office, Launceston, 5th September, 1884.

DEAR SIR,

By to-night's post I forward to you 3 Rolls marked "Campbell Town, 1882," "Evandale, 1883," and "Selby, 1884," together with a book, "Totals Real Estate Duty."

I have been at considerable pains in examining the last few years' Rolls of the various districts, in order to see the effect of the entries and alterations consequent upon the Act 46 Vict., No. 11, abolishing the Commissioners' Rolls, and upon which Mr. Henry seems to base his letter of 22nd August, where he contends that the balances shown in the Colonial Auditor's letter of 15th August are imaginary, and says terms are misapplied. The balances, as the Auditor is aware, were obtained from the Returns furnished by Mr. Henry himself; but the following will show that a correct result cannot be arrived at without a considerable amount of trouble.

Real Estates Duty, 1881.

As shown in the Colonial Auditor's letter of 15th August, the Audit Return shows the outstanding amounts at the end of July last as £144 10s. 3d., while the statement furnished by Mr. Henry accounted for £160 9s. 11d., resulting in a credit of £15 19s. 8d., which he explains in his letter of 22nd August as arising, no doubt, from double payments, and from items struck off Rolls, &c. This latter operation would have the effect of bringing out a debit balance rather than a credit balance, for numerous deductions have been made in the original amounts on the Rolls, the consequence being that less money has been collected in such cases, while the original debit on the Audit Returns *has remained unaltered*, therefore the Audit Returns should show a larger outstanding amount than the list compiled from the Receipt and Demand Book, as the balances of the amounts remitted or allowed to remain in the Returns, while there is no receipt remaining in the Receipt and Demand Book from which to take down the same amounts. I think I have made it clear that some other cause, such as double payments, and that to a large extent, must be sought for to bring out a surplus as exhibited by unissued receipts. The 1881 balance, whether it be taken as £144 10s. 3d. or £160 9s. 11d., should not long be allowed to remain in the accounts, as the Demands for the 1884 Duty will be issued in a little more than a week, then there will be four years of Duty in process of collection. The warrants are all out for 1881 Duty, and this afternoon I am stirring up the Collectors by telegrams to get in the balances, or report their inability to do so, so as to clear away the 1881 amounts.

Real Estates Duty, 1882.

No detailed statement of outstanding amounts has yet been compiled to compare with the amounts shown in Audit Returns, as Mr. Mitchell, when here, ascertained the apparent deficiencies by comparing the entries from receipts, item by item; but to show you how alterations in the totals, while the attested Returns have remained unaltered, thus rendering the latter unreliable, I give the following statement:—

| <i>District.</i> | <i>Totals as shown by Rolls.</i> | <i>Totals as per Book Total Real Estate Duties, &c. (herewith.)</i> | <i>Totals, as per attested Returns.</i> |
|--------------------|----------------------------------|---|---|
| | £ s. d. | £ s. d. | £ s. d. |
| Campbell Town..... | 953 0 4 | 947 9 1 | 948 10 1 |
| Deloraine..... | 1092 2 3 | 1092 2 3 | 1092 2 3 |
| Evandale..... | 1061 10 3 | 1060 1 9 | 1060 1 9 |
| Emu Bay..... | 611 5 0 | 609 9 9 | 609 9 9 |
| Fingal..... | 924 9 9 | 922 4 9 | 921 14 9 |
| George Town..... | 220 8 10 | 217 5 1 | 217 5 1 |
| Glamorgan..... | 223 17 6 | 223 17 6 | 223 17 6 |
| Longford..... | 1375 19 9 | 1372 12 9 | 1372 12 9 |
| Launceston..... | 3696 17 3 | 3655 12 9 | 3657 11 9 |
| Portland..... | 361 11 6 | 361 11 6 | 361 11 6 |
| Port Sorell..... | 1108 4 9 | 1108 1 0 | 1108 1 0 |
| Ross..... | 509 7 4 | 509 7 4 | 509 7 4 |
| Russell..... | 225 6 9 | 225 6 9 | 225 6 9 |
| Selby..... | 796 11 6 | 794 12 6 | 794 12 6 |
| Westbury..... | 1283 17 0 | 1281 14 3 | 1281 14 3 |
| Total..... | 14,444 9 9 | 14,381 9 0 | 14,383 19 0 |

The differences between the third and fourth columns are small, and take place in the items of three districts only, but the roll differences are greater, and as the rolls should be sent to the Audit Office there is often nothing to show why the items should differ, even supposing the Collector has the power to alter the roll, which I believe he cannot do. As an example of what I mean, see Campbell Town Roll sent herewith, page 638, No. 321: the 6s. 9d. remains on the roll unaltered, and it would so pass the Audit Clerk, who would cause the attested returns to be altered to agree if omitted from Return, but you will see by reference to page 55 of the "Real Estate, &c. Book" that the 6s. 9d. is deducted, the resulting totals being supposed to form the basis of the "Total of Roll" in the Audit Return, but it will be observed that the last total is £947 9s. 1d., while the return total is £948 10s. 1d., being in fact the total at a certain stage only of the alterations as seen higher on the page with a pencil entry "May 31." I should like to point out here that the Roll sent for inspection is not the revised one, so many insertions and other amendments are made afterwards. I suppose the reason is that the *Gazette* Rolls are of a uniform size; but I think the revised roll, with the Town Clerk's and Council Clerk's certificates as required by law, should be those used. There does not seem to be much care taken to see that these certificates are given. The greater part of the rolls are in the same condition as that sent, and the same remarks apply.

Real Estates Duty, 1883.

The Evandale Roll is forwarded to show an alteration of 19s. therein, thus reducing the total to £765 4s. 6d., while the original amount stands in the Audit Return as £766 3s. 6d. The total of the George Town Roll, £173 12s. 9d., is shown in return as £172 7s. 9d. The other districts agree. I must, however, point out that none of these rolls have passed through the Audit Office for examination.

Police Rate, 1882.

It was in this rate that the large difference was exhibited between the outstanding amounts as shown by the Audit Return and Mr. Henry's list obtained from Receipt and Demand Books, amounting to £281 5s. 11d. The items on the return to audit, with the exception of that for Port Sorell, were compiled from the Commissioners' Rolls, these items even being the results of amendments not similarly amended in the Demands. (See reverse of Total of Real Estates Duties Book.) 46 Vict. No. 11 abolished the Commissioners' Rolls, and Demands were re-issued from the Local Rolls for uncollected amounts. In the meantime, however, large amounts had been collected on the first rolls, for the re-issue was not made until December, 1883, although the Act passed in October, 1882. So there were collections being made for same period on different rolls. The following effects probably resulted:—Some of the ratepayers paid on both demands. Some paid even after the re-issue on the original and higher demand, the amount being marked off as against the lesser amount in the Local Rolls. (Mr. Johnston says these were rectified where found.) To cap all, Mr. Henry's Outstanding List has been compiled from the Local Roll Receipt and Demand Books, although the corresponding results in the Audit Return are made up from the totals of Commissioners' Rolls, with the exception of Port Sorell, which latter exception further complicates matters. I do not propose to make an attempt to unravel this entanglement, as my time can be more profitably employed here.

Police Rate, 1884.

The Rolls for this have been audited, but since their return to this office an alteration affecting the total has, at least in one instance, been made, while the Audit Office has not been advised, nor any correction made in the returns. I send the Selby 1884 Roll for your inspection. You will see on page 11 an alteration of £100 in rateable value amount in item 706. The occupier refuses to pay, and I do not see how the £3 15s. can be enforced; but my object is to draw attention to the alteration after audit, and without the sanction of the Audit Office. I omitted to point out when dealing with the Real Estates Duty that numerous alterations have been made in the Demands and Receipts, thus:—

1883—Launceston.

| | | | | | |
|----------|-------------|-----------|------------|------|------------------------|
| No. 878. | H. J. Dean, | 26s., | reduced to | 13s. | } Collected 19. 9. 83. |
| " 879. | " | 26s., | " | 13s. | |
| " 880. | " | 26s., | " | 13s. | |
| " 881. | " | 26s., | " | 13s. | |
| " 1344. | John Hely, | 17s. 6d., | " | 5s. | } Collected 3. 11. 83. |
| " 1345. | " | 17s. 6d., | " | 5s. | |
| " 1346. | " | 17s. 6d., | " | 5s. | |
| " 1347. | " | 17s. 6d., | " | 5s. | |

The reductions are not brought to account anywhere as rebates or outstanding items, although they are left in the totals on Returns. This further complicates the accounts with regard to balances. Much labour would be saved to the officers if it could be arranged that all Local Rolls should be made of uniform size, the consecutive numbers printed thereon, and the Crown Lands shown at the end of the Roll. There should then be no excuse for using and patching up the non-revised rolls; the numbers would be available first for Real Estates Duties, and then for Police Rates, the latter only taking in the Crown Lands and should ensure the "No. of Demand" and "No. of Property" to be in agreement—an evident advantage.

There are two large ledgers and a large cash book (in addition to another cash book compiled from same sources) in daily use by the Chief Clerk. These give a great amount of trouble, and take up much time. With regard to the ledgers, the posting to them is utterly absurd, as all the information required from them may be arranged for in the Abstract Cash Book by simply carrying forward the aggregate totals, as is done in the Council Clerk's cash books, with the difference that such totals are to be carried forward until the end of collection of each Duty and Rate. With your permission, I shall abolish these books and draw up an improved form of cash book, which will save much trouble.

I have deemed it my duty to send you this lengthy communication, as you should be in full possession of any information affecting the matters now under investigation. I should feel obliged if you would give Mr. Butler a perusal of my remarks, or, if you prefer it, I shall write separately.

I have, &c.

J. W. ISRAEL.

Real Estates Office, Launceston, 9th September, 1884.

MEMORANDUM FOR THE COLONIAL AUDITOR.

Two Rolls—Russell and Ringarooma—are forwarded for examination. Kindly return immediately after audit.

To-day I made up the Audit Office Returns for July. This occupied, for Real Estates Return, 48 minutes, and for Police Rate Return, 35 minutes. Mr. King's letter said it took him only 2 days (!) and Hobart 14 days. I should make allowance for his using more forms, as I condensed to one each for Duty and Rate, but he had then not so many years to deal with, and scarcely any Police Rate. Perhaps he was "misapplying terms" merely.

Shall I sign declaration? I was not here in July. Kindly advise as to this.

J. W. ISRAEL, *Acting Collector.*

Real Estates Office, Launceston, 11th September, 1884.

MEMORANDUM FOR THE COLONIAL AUDITOR.

THERE is at present being used in this office pieces of paper only to supply the place of Demands which are not sent or presented when moneys are paid in. The enclosed forms are submitted for the approval of the Colonial Auditor. Forms are required, not books. The written (?) form enclosed is one found in office, from which it appears printed forms were once used. It may be retained in Audit Office.

If the Auditor approves, will he be good enough to send on the drafts to the Commissioner with this request that a number be sent here as soon as the printer can possibly print them off, not waiting for the whole?

J. W. ISRAEL, *Acting Collector.*

Real Estates Duties Office, Launceston, 27th September, 1884.

MEMORANDUM FOR THE COLONIAL AUDITOR.

Westbury Roll, 1884.

THIS is forwarded for examination. Kindly telegraph if found correct, as the Demands are to go out on Monday (29th). I only just received the Roll, and greater part only of letters, from Mr. Henry.

Enclosed replies on 1881 Duty Warrants.

Do you think it would be better for me to suggest that the 1881 Duty be written off as such replies come in, the claim being so old? As to replies, for the most part, the recent leading article in the *Devon Herald* must have prompted them.

Rural Police Rate, 1884.

M. Conroy—*Port Sorell*—Demand 1060, with payment 3s. 9d. forwarded, 25. 9. 84. On reference to R. and D. Book to get out receipt, it is discovered that the receipt is gone, 25. 4. 84. Reference to Cash Book shows no entry on that date for Conroy, but same No. 1060, *Selby*, 2s. 8d. appears. Reference to R. and D. Book shows receipt for latter not sent; so assumption is that Conroy had receipt sent him without payment (in first place), and Mr. Watts, of *Selby*, is open for proceedings. Previous entry in Cash Book tried with result that No. 435, *J. Helbourne, Selby*, is entered, no receipt sent; but 435, *Port Sorell, G. G. M'Donald*,* 12s. is sent, no entry; thus a non-payor of 12s. gets receipt, and the payor of 1s. 11d. is liable. Item on other side of first error tried, 948, *Emu Bay, C. Kent*, 2s. 3d., no receipt gone; but 948, *Port Sorell, G. Williams*, 15s. gone, no entry in Cash Book; so latter non-payor (probably) gets receipt, while C. Kent is left liable. Another error occurred in 1882 Duty, transposition taking place for same District, *different names and amounts*. Mr. Henry when signing used to check by comparing receipt with an attached Demand. In above cases—the only ones tested—he did not observe the utter dissimilarity between districts, names, amounts, and in some instances numbers. I dare not attempt the examination of books myself further—I am too busy.

I am in receipt of your letter, and will write further when I get leisure.

J. W. ISRAEL, *Acting Collector.*

* NOTE.—Mrs. M. E. M'Donald has since paid G. G. M'Donald's 12s.; and Helbourne's 1s. 11d. receipt has been forwarded to him, 17. 10. 84.

J. W. ISRAEL.
28. 10. 84.

(I.)

Real Estates Duties Office, Launceston, 19th September, 1884.

MEMO. FOR S. HENRY, *Esq., St. Leonard's.*

DEAR SIR,

THE "Ross" and "Portland" butts and Receipts had a number of errors thereon, and, except in less than a dozen instances, I believe the words "owner" and "occupier" were not cancelled in the usual way. I did not open the envelopes to see if the Demands were in similar condition, as time for posting was near and I should not care to return them to you. Will you kindly see that the Deloraine and Westbury Demands are sent in correctly made out. I shall have to open and re-date and re-enclose all Port Sorell Demands, as they bear Sunday (28th September) date. Mr. Oliver sent in his addresses in a most disgraceful state, and gave me a lot of unnecessary trouble.

Apologising for troubling you during your illness, and trusting you are recovering,

Yours truly,

J. W. ISRAEL.

Real Estates Duties Office, Launceston, 23rd September, 1884.

MEMO. FOR J. W. ISRAEL, *Esq.*

DEAR SIR,

YOUR Memo. of the 19th instant only came to hand yesterday. I do not think the 28th being Sunday will, of itself, necessarily invalidate the Port Sorell Demands. It is of importance, as I understand the Act, that the demands shall be posted upon the date named, and you could arrange for the delivery of them at the Post Office on that date without any difficulty. I cannot refer you to the particular Clauses in the Act having reference to these matters, but you will find the main object and intendment of the date is to determine when the Duty is made payable, and when proceedings may be taken for its recovery. The date, when posted, completes the delivery of the Demand in accordance with the Act. I do not think the day of the week matters one jot, as I understand the Act. You will also find a Clause which provides for errors and omissions of this character,—I mean so immaterial to the issue. You say the words "owners" and "occupiers" were not cancelled in the usual way on the butts, &c., *re* Portland and Ross Districts. I regret it has not been done, but it really is of no importance one way or the other, as it does not invalidate the Demand; such inaccuracies are provided for in the Act. It pains me to read your remarks *re* Mr. Oliver's work; "disgraceful" is a strong term, and I regret its necessity in connection with that gentleman's work. Thanks for your kind wishes in reference to my health.

Yours very truly,

SAMUEL HENRY.

MR. LOVETT will see how Mr. Henry realises the importance of attending to the necessary details in Demands.

J. W. ISRAEL.
23. 9. 84.

(J.)

RETURN showing the Total Number of Items and Amounts outstanding for each District, Police Rate for the year 1882. Compiled from the Issue Demand Books.

| <i>District.</i> | <i>No. of Items.</i> | <i>Amount.</i> | | |
|------------------|----------------------|----------------|---|-----------------|
| | | <i>£ s. d.</i> | | |
| Emu Bay..... | 166 | 83 10 8 | TOTAL NUMBER of Items and Amount outstanding for Police Rate, 1882, as per Return of 2/8/84. Compiled from Commissioners' Rolls, <i>i.e.</i> , Old Issue. | |
| George Town..... | 177 | 70 4 2 | | |
| Portland..... | 245 | 116 11 2 | | |
| Port Sorell..... | 390 | 127 12 1 | | |
| Russell | 28 | 9 9 0 | | |
| Selby | 183 | 118 5 7 | | |
| Total..... | 1189 | 525 12 8 | <i>Items.</i> | <i>Amounts.</i> |
| | | | 1755 | £806 17s. 1d. |
| | | | 1189 | £525 12s. 8d. |
| | | | 566 | £281 4s. 5d. |

SAMUEL HENRY, *Collector.*

*Real Estate Duty Office, Launceston,
August 7, 1884.*

(K.)

POLICE RATE, 1883.

RETURN of Police Rate for the Seven Police Districts, Northern Division, for the year, showing the Number of Items, Total Rateable Value, and Amount of Police Rate, the Amount Rates collected, Amount remitted, and Total Amount outstanding, on the 31st May, 1883.

| No. | Name of District. | No. of Items. | Total Rateable Value. | Total Amount of Rate. | Total Amount Rate collected. | Amount re-mitted. | Total Amount of Rate outstanding. |
|-----|-------------------|---------------|-----------------------|-----------------------|------------------------------|-------------------|-----------------------------------|
| | | | £ s. d. | £ s. d. | £ s. d. | | £ s. d. |
| 1 | Emu Bay..... | 969 | 18,700 0 0 | 701 5 0 | 266 3 9 | ... | 435 1 3 |
| 2 | George Town..... | 1192 | 15,370 10 0 | 576 7 10 | 58 9 3 | ... | 517 18 7 |
| 3 | Portland | 500 | 8911 0 0 | 334 3 3 | 136 7 9 | ... | 197 15 6 |
| 4 | Port Sorell..... | 2579 | 30,328 0 0 | 1137 6 0 | 325 1 0 | ... | 812 5 0 |
| 5 | Ringarooma | 684 | 16,028 5 0 | 601 1 2 | ... | ... | 601 1 2 |
| 6 | Russell | 345 | 6315 0 0 | 236 16 3 | 146 13 3 | ... | 90 3 0 |
| 7 | Selby | 942 | 21,348 0 0 | 793 1 0 | 410 18 9 | ... | 382 2 3 |
| | Totals..... | 7211 | 116,800 15 0 | 4380 0 6 | 1343 13 9 | ... | 3036 6 9 |

SAMUEL HENRY, *Collector.*

REAL ESTATES DUTY, 1883.

RETURN of Real Estate Duty, Northern Division, showing the Number of Items, Total Rateable Value, and Amount of Duty, for the year 1883.

| No. of District. | Name of District. | No. of Items. | Total Rateable Value each District. | Total Amount of Duty at 6d. in the £. |
|------------------|---------------------|---------------|-------------------------------------|---------------------------------------|
| 1 | Campbell Town | 425 | 25,634 15 0 | 640 17 4½ |
| 2 | Deloraine | 959 | 29,092 0 0 | 727 6 0 |
| 3 | Evandale | 398 | 30,647 0 0 | 766 3 6 |
| 4 | Emu Bay | 828 | 15,041 0 0 | 376 0 6 |
| 5 | Fingal | 600 | 24,857 0 0 | 621 8 6 |
| 6 | George Town | 393 | 6895 10 0 | 172 7 9 |
| 7 | Glamorgan | 235 | 6366 0 0 | 159 3 0 |
| 8 | Launceston..... | 3071 | 109,966 0 0 | 2749 3 0 |
| 9 | Longford | 770 | 36,615 0 0 | 915 7 6 |
| 10 | Portland..... | 218 | 4116 0 0 | 102 18 0 |
| 11 | Port Sorell | 2567 | 29,419 0 0 | 735 9 6 |
| 12 | Ringarooma..... | 499 | 10,490 10 0 | 262 5 3 |
| 13 | Ross | 142 | 13,823 19 0 | 345 11 11½ |
| 14 | Russell | 339 | 6239 0 0 | 155 19 6 |
| 15 | Selby | 862 | 20,189 0 0 | 504 14 6 |
| 16 | Westbury | 1038 | 34,283 0 0 | 857 1 6 |
| | | 13,344 | 403,674 14 0 | 10,091 17 4 |

SAMUEL HENRY, *Collector.*

*Real Estates Duties Office, Launceston,
26th June, 1883.*

APPROXIMATE Returns for the Sixteen Districts, Northern Division, showing the Number of Items, Valuation of Property, and Amount of Duty for each District, also Totals under each heading, for the year 1884.

| <i>Number of District.</i> | <i>Name of District.</i> | <i>Number of Items in each District.</i> | <i>Total Valuation of Property in each District subject to Duty.</i> | <i>Total Amount of Duty for 1884, at 6d. in the £.</i> |
|----------------------------|--------------------------|--|--|--|
| | | | £ s. d. | £ s. d. |
| 1 | Campbell Town | 427 | 25,721 10 0 | 643 0 9 |
| 2 | Deloraine | 972 | 30,602 0 0 | 765 1 0 |
| 3 | Emu Bay | 988 | 19,764 0 0 | 494 2 0 |
| 4 | Evandale | 409 | 30,959 0 0 | 773 19 6 |
| 5 | Fingal | 622 | 25,142 0 0 | 628 11 0 |
| 6 | George Town | 477 | 8618 0 0 | 323 3 6 |
| 7 | Glamorgan | 242 | 6886 0 0 | 172 3 0 |
| 8 | Launceston | 3208 | 108,866 0 0 | 2721 13 0 |
| 9 | Longford | 795 | 37,800 0 0 | 945 0 0 |
| 10 | Portland | 331 | 6007 0 0 | 150 3 6 |
| 11 | Port Sorell | 2699 | 35,361 0 0 | 884 0 6 |
| 12 | Ringarooma | 572 | 10,989 0 0 | 274 14 6 |
| 13 | Ross | 144 | 14,138 19 0 | 353 19 6 |
| 14 | Russell | 351 | 6320 0 0 | 158 0 0 |
| 15 | Selby | 1138 | 23,457 0 0 | 586 8 6 |
| 16 | Westbury | 1086 | 35,598 0 0 | 889 19 0 |
| | | 14,461 | 426,428 9 0 | 10,763 19 3 |

SAMUEL HENRY, *Collector.*

*Real Estates Duty Office, Launceston,
9th June, 1884.*

RETURN showing the Number of Items, Total Valuation, and Amount of Police Rates, for the Seven Police Districts, Northern Division, for the year 1884.

| <i>Number of District.</i> | <i>Name of District.</i> | <i>Number of Items in each District.</i> | <i>Valuation of Property in each District.</i> | <i>Amount of Police Rate, at 1s. in £. Crown Lands, ½ Rate.</i> |
|----------------------------|--------------------------|--|--|---|
| | | | £ s. d. | £ s. d. |
| 1 | Emu Bay | 997 | 19,746 0 0 | 671 14 10 |
| 2 | George Town | 1148 | 15,008 0 0 | 443 8 2 |
| 3 | Portland | 548 | 9600 0 0 | 273 9 11 |
| 4 | Port Sorell | 2694 | 35,361 0 0 | 1310 16 8 |
| 5 | Ringarooma | 1440 | 20,334 0 0 | 589 19 6 |
| 6 | Russell | 351 | 6320 0 0 | 235 17 0 |
| 7 | Selby | 1138 | 23,457 0 0 | 862 17 1 |
| | | 8316 | 129,886 0 0 | 4388 3 2 |

SAMUEL HENRY, *Collector.*

*Real Estates Duties Office, Launceston,
6th June, 1884.*

(L.)

October 24th, 1884.

DEAR SIR,

I HAVE carefully perused the Paper 119 containing correspondence &c. relative to the Real Estate Duty Office, Launceston, as requested by you, and I find that the charges you have made against me are of so serious a nature, and so thoroughly wanting in truth, that I have to inform you that I expect you will correct the misstatements without further delay, before the Board of Enquiry now being held in the Public Buildings, that your correction may duly appear in the Minute Book. I find on page 17 in your letter to the Hon. Treasurer, that by reference to the Auditor's list of deficiencies you find they all occur during the time I was Head Clerk; also on page 18 in the same letter, you allude to deficiencies in my accounts, on page 20 you speak again of my deficiencies, and in strange contradiction to your letter in page 17. You speak also of deficiencies of Mr. M'Queen. Again (page 38) you state that deficiencies were even found in my accounts, and on page 39 you speak again in the same terms, and also of defalcations of Mr. M'Queen. On the whole these charges are of such a serious character that, unless corrected by you, I must, in protection of my own reputation; take legal action against you. The absence of receipts was the only basis upon which you made the charges, which receipts were, as you know, not issued by me or with my authority, and, I believe, were issued by yourself principally. My accounts were, as you also know, always clear and satisfactory in every case, and never once questioned by the Auditor. Even the missing receipts, during my time of clerkship, were unimportant, and they may have been dated back to that time for all I know. In view of these facts, I think I may expect you to explain the case to the Board without further delay, and so make what amends you can.

I am,

Yours faithfully,

SAMUEL HENRY, *Esq.*, *Public Buildings.*

KEITH J. KING.

St. Leonard's, 27th October, 1884.

DEAR SIR,

I REGRET to find, by your letter of the 24th instant, that you think I have done you an injustice in my letters as published in Report (Parliamentary paper 119) in reference to the so-called deficiencies in the accounts of the Real Estates Duties Office during the time you held the position of Chief Clerk, as reported by the Auditor. I now have to say that I consider the word "deficiencies" as an improper term to use. I do not recognise the recent examination of the books of the office as a reliable audit, nor do I admit the several amounts reported by the Auditor, from time to time, as deficiencies—*i.e.*, as so much money lost to the Revenue. I feel sure, and I think I have so stated in several parts of the correspondence, that I look upon the accounts and books, during your term of office, as substantially correct; and I have no hesitation in saying that I believe the whole of the items reported by the Auditor as deficiencies up to the end of July, 1883, when you left the office, are susceptible of explanation and corrections if the necessary opportunity was afforded.

I remain,

My dear Sir,

Yours faithfully,

K. J. KING, *Esq.*, *Launceston.*

SAMUEL HENRY.

(M.)

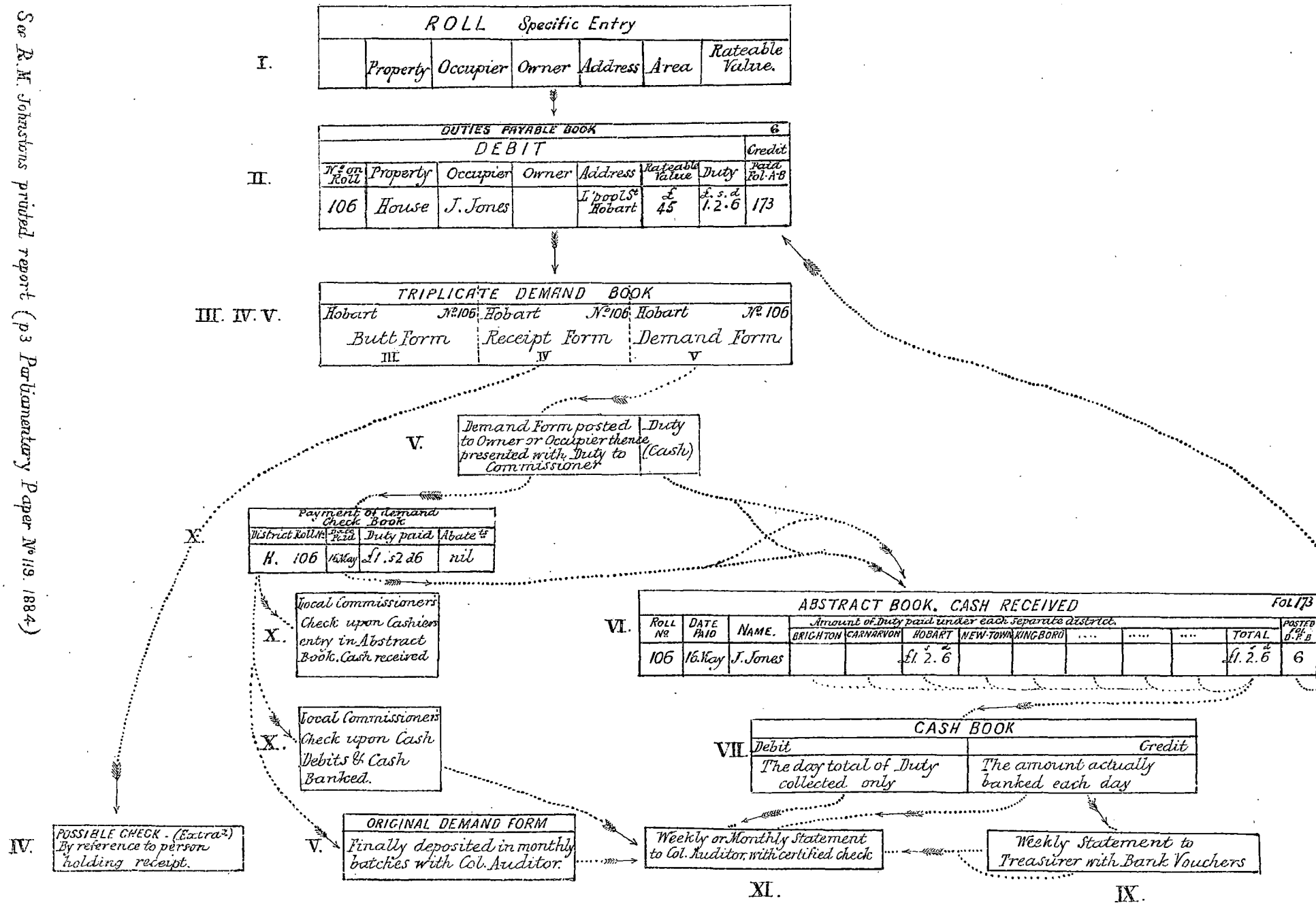
REAL ESTATE DEPARTMENT.

TO THE EDITOR.

SIR,—As a good deal has been said lately relative to the system of keeping accounts in the Real Estate Duty Department, Launceston, perhaps a brief sketch from me of how I kept the cash accounts up to the date of my resignation (August 7, 1883) may prove acceptable.

On entering the department in 1880 (April) I found no instructions whatever as to the mode in which the books were to be kept, or as to what should be done with cash received. I therefore opened the accounts on a plan of my own. I kept a counter book for each district for entering payments as they were made (which were afterwards replaced by the abstract cash books which I had proposed). At the end of each day I carried the totals from these books into a general cash book, under their several headings. These, with the balances of cash on hand on the previous day brought forward, balanced the credit side, which contained the amount banked and the total cash still on hand at the time of closing the books for the day. From this general cash book I posted my ledger—in which I opened an account for each district—crediting each with amount received on its account, so that at any time I could tell how much had been collected for each district. In my ledger I had a Real Estate Duty account for each year, which I credited with total receipts and debited with total disbursements. The balance between these would be the same as the balance of cash on hand, and in this way I could check all the cash accounts. This was very useful, afterwards especially, when the number of collections increased, as I could tell at a glance to what different years the cash on hand belonged. The police rate accounts I treated in the same way. I also kept bank accounts.

Plan showing in sequence the order in which certain books and forms are related to each other for the purpose of readily securing the entry of specific debits and credits, checks, reference and full information.



* See R. M. Johnstons printed report (p 3 Parliamentary Paper No 119, 1884)

In keeping the accounts as described, I was enabled to make up the weekly returns for the Hon. Treasurer, and the monthly returns for the Colonial Auditor with comparative ease, and where in the Hobart office it took 14 days to make up the Auditor's return for month (so the Commissioner informed Mr. Henry and myself), I could make out mine in two days.

I think you will see that my system of keeping the cash accounts was complete. I am unable to say in what way the accounts were kept after I resigned.

Owing to the small staff, great trouble was experienced in recovering outstanding amounts,—all the available strength of the office was required making out demands, defaulters' lists, &c. In *re* demands, a clerk could only make out 100 a day, as he had at the same time to fill up receipts and butts for each; but although I often assisted in this work, yet it was, as it were, apart from my department, which consisted in making out returns, receiving cash, attending to the counter and letters, &c.

The present complications I feel sure are not due to any dishonest acts. I also have reason to believe that money has been paid into the Treasurer's account which has not been credited in the office accounts by the late chief clerk, which I should imagine would reduce the amount supposed to be deficient. In conclusion, I beg to thank you for the considerate manner in which you have mentioned my name in connection with the Real Estate Duty office, and to say that you are at liberty to make what use you please of this letter.

Yours, &c.

KEITH J. KING.

Launceston, September 6th, 1884.

(N.)

Treasury, Hobart, 30th October, 1884.

SIR,

MR. BURGESS has handed me the following telegram received from you:—"I can dispense with Mr. Packer's presence if he will write stating whether or not any instructions *re* Mr. Johnston's system of accounts were sent from the Treasury to Mr. Henry in 1880 or 1881, or at any time;" and in reply I have now the honor to state for your information that Mr. R. M. Johnston's improved system of accounts specially prepared by him for the Real Estates Department was submitted to the Treasurer by the Colonial Auditor, accompanied by a sketch showing the working of the system (copy herewith) on the 28th September, 1880. On the 29th, Mr. Giblin approved of the adoption of the system, and returned the papers to the Auditor. No further written instructions were issued, because the Treasurer was aware that, at his verbal request, Mr. R. M. Johnston had been engaged at the Branch office for a considerable time explaining and perfecting the system, which the Treasurer immediately afterwards formally approved of in its entirety, which rendered further instructions from the Treasury unnecessary. In addition to this, I recollect that Mr. Henry had an interview with two Ministers, also with Mr. R. M. Johnston, with respect to modification in certain details of the system approved, especially with regard to the form of the butt of the Triplicate Demand Book, modifications in the Abstract of Duties Payable Book, and in the form of printing the Rolls. (A.)

When at any other time attention was drawn to matters connected with the accounts of the office, the communications were sent on in the usual way in order that the points referred to might be attended to.

I have the honor to be,

Sir,

Your obedient Servant,

J. E. PACKER.

The Chairman Board of Enquiry, Launceston.

(O.)

RETURN of Real Estate Duty for the Years 1880, 1881, 1882, and 1883, and Rural Police Rate for the Years 1882 and 1883, showing the No. of Items, the Total Amounts, the No. of Items collected, and the Total Amounts collected up to 30th August, 1884.

| | No. of Items on Roll. | Amount. | No. of Items collected. | Amount collected. |
|-----------------------------------|--------------------------|--------------|----------------------------|----------------------|
| 1880. | | £ s. d. | | £ s. d. |
| Hobart—Real Estate Duty | 11,946 | 12,330 17 1 | 11,506 | 12,168 14 9 |
| Launceston—Real Estate Duty | 11,985 | 13,464 15 0 | 11,611 | 13,318 12 8 |
| 1881. | | | | |
| Hobart—Real Estate Duty | 12,837 | 12,435 11 11 | 12,409 | 12,311 18 1 |
| Launceston—Real Estate Duty | 13,454 | 14,177 0 6 | 12,854 | 13,855 16 9 |
| 1882. | | | | |
| Hobart—Real Estate Duty | 12,189 | 12,601 2 6 | 11,898 | 12,333 0 5 |
| Rural Police Rate | 3433 | 2206 12 1 | 2985 | 1910 3 7 |
| TOTALS | 15,622 | £14,807 14 7 | 14,883 | £14,243 4 0 |
| Launceston—Real Estate Duty | 12,887 | 14,383 19 0 | 10,529 | 14,016 1 6 |
| Rural Police Rate | 6811 | 4055 19 3 | 5058 | 3249 14 2 |
| TOTALS | 19,698 | £18,439 18 3 | 15,587 | £17,265 15 8 |
| 1883. | | | | |
| Hobart—Real Estate Duty | 11,777 | 8471 4 1 | 11,527 | 8423 6 11 |
| Rural Police Rate | 3157 | 1839 0 0 | 3104 | 1827 10 2 |
| TOTALS | 14,934 | £10,310 4 1 | 14,631 | £10,250 17 1 |
| Launceston—Real Estate Duty | 13,944 | 10,094 7 3 | 10,836 | 9255 10 6 |
| Rural Police Rate | 7211 | 4378 0 0 | 5272 | 3197 10 7 |
| TOTALS | 21,155 | £14,472 7 3 | 16,108 | £12,453 1 1 |
| 1884. | | | | |
| Hobart—Real Estate Duty | 12,271 | 9537 4 7 | .. | .. |
| Rural Police Rate | 3509 | 2109 3 7 | 2986 | 1925 12 5 |
| TOTALS | 15,780 | £11,646 8 2 | | |
| Launceston—Real Estate Duty | 14,461 | 10,423 10 4 | .. | .. |
| Rural Police Rate | 8316 | 4388 17 5 | 4626 | 2503 7 5 |
| TOTALS | 22,777 | £14,812 7 7 | | |

N.B.—On the 30th August no portion of the Real Estate Duty for 1884 had been collected.

FRANCIS BUTLER, *Commissioner.*

(P.)

Audit Office, Hobart, October 24, 1884.

F. W. MITCHELL, Esq., *Chairman Board of Enquiry into the Management of the Real Estate Duties Office, Launceston.*

MEMORANDUM.

HEREWITH please receive copies of the following queries and letters referring to returns and accounts of the Real Estate Duties Office, Launceston, addressed from this Department, in addition to those in the printed correspondence :—

Query A., No. 2, 18 October, 1880.

Letter, 20 August, 1880, to Treasurer
 ditto, 23 October, 1880, to Commissioner
 ditto, 19 February, 1881, ditto
 ditto, 12 August, 1881, ditto
 ditto, 20 August, 1881, ditto
 ditto, 16 September, 1881, ditto
 ditto, 26 September, 1881, ditto
 ditto, 27 September, 1881, ditto
 ditto, 21 October, 1881, ditto
 ditto, 27 October, 1881, ditto
 ditto, 24 November, 1881, Collector
 ditto, 25 November, 1881, ditto
 ditto, 10 January, 1882, ditto
 ditto, 12 January, 1882, ditto
 ditto, 13 January, 1882, Assistant Treasurer

Letter, 23 January, 1882, Collector
 ditto, 25 January, 1882, ditto
 ditto, 27 January, 1882, ditto
 ditto, 1 February, 1882, ditto
 ditto, 3 February, 1882, ditto
 ditto, 30 March, 1882, ditto
 ditto, 17 April, 1882, the Treasurer
 ditto, 17 July, 1882, Collector
 ditto, 12 September, 1882, ditto
 ditto, 28 November, 1883, the Treasurer
 ditto, 21 April, 1884, Collector
 ditto, 20 June, 1884, ditto
 ditto, 24 June, 1884, ditto
 ditto, 4 July, 1884, ditto
 ditto, 18 July, 1884, Commissioner, Hobart,
 and statement

Also Mr. Israel's report of irregularities noticed by him whilst acting temporarily as Collector at Launceston.

W. LOVETT, *Colonial Auditor.*

MEMO.

Audit Office, Hobart, February 19, 1881.

IN future when forwarding your usual weekly statement to the Treasury, supported by the Bank receipts, please be so good as to cause the statement to be made out for the exact number of days in those cases when the end of the month falls in the middle of any week, attaching the Bank receipts for the number of days, thus closing each month's transactions separately.

W. LOVETT, *Colonial Auditor.*

The Commissioner Real Estate Duties, Launceston.

Audit Office, Hobart, August 12, 1881.

THE Commissioner is requested to keep all moneys received on account duty for the year 1881 separately from moneys received on account of year 1880, and to maintain this distinction when paying these sums into the Treasury.

It will also be necessary for the present, until the close of 1880 accounts, to furnish two monthly returns, marking one 1880 and the other 1881.

W. LOVETT, *Colonial Auditor.*

The Commissioner Real Estate Duties, Launceston.

Audit Office, Hobart, August 20, 1880.

MEMO. on Mr. Henry's letter respecting the method adopted in giving Receipts for Real Estate Duties at Launceston.

THE Auditor begs to refer this correspondence to the Honourable the Colonial Treasurer, and to remark that he does not think it possible to maintain an efficient check upon the receipt of this description of revenue unless the system indicated in his private note to Mr. Henry is adopted. It is evident that unless the money paid in each case is immediately recorded in the butt of the Receipt Book, and a receipt issued for the amount, that the risk of error is very much increased, and that the proof of the correctness of the detail of the accounts which will be required by this office cannot be given.

W. LOVETT, *Colonial Auditor.*

The Hon. the Treasurer.

QUERY A.—No. 2.

REVENUE.

Statement of Collections, Real Estate Duty, Launceston Branch, for Month of September, 1880. } The Demands have not been forwarded with the Monthly Return as instructed.
 1. Demands paid.

W. LOVETT, *Colonial Auditor*,
 18th October, 1880.

ANSWER.

THE Demands in ninety-nine cases in every hundred are returned to the person paying the Duty or forwarded to the address. Not unfrequently duplicates have to be made, in consequence of the loss of the original or it has become so worn as to be useless.

I pointed out to Mr. Johnston some of the difficulties in the way of carrying out his wishes this year in reference to the demands, and submitted for his adoption another form of Demand and Receipt combined, similar to those used by the Corporation of Melbourne. Mr. Johnston subsequently recommended that the Demand should be printed next year in triplicate, one of which would be a receipt. I approve of his suggestion, as it would overcome many of my objections to the present system, and I think would not entail much, if any, extra work.

SAMUEL HENRY, *Commissioner*.

Real Estate Duty Office, Launceston, 22 October, 1880.

Audit Office, Hobart, 23rd October, 1880.

DEAR SIR,

I AM in receipt of your favour of the 22nd, with Receipt for Duty returned by me for completion, also Demand form receipted; the last named I return upon the supposition that it will be required by you as a supporting voucher to forward with your October Return to the Audit Office.

I regret to differ with you as to the respective value of a dated and undated receipt. It is clear that the latter would have no legal value as proof of payment, and in that sense is useless. I am also sorry that I cannot admit that I was aware that it was usual in your office to do more than return the Demand receipted, but was under the impression that after the receipt of the Hon. the Treasurer's Minute of the 23rd August you would have issued a receipt in the form prescribed for all Duty received by you subsequently.

Yours faithfully,

W. LOVETT.

S. HENRY, *Esq., Commissioner Real Estate Duties, Launceston.*

Audit Office, Hobart, 20th August, 1881.

The Commissioner Real Estate Duty, Launceston.

I HAVE received the Monthly Return of Collections *re* Real Estate Duties for the month of July on account of the year 1880. Would the Commissioner be so good as to furnish me with a similar Return for the month of July on account of the year 1881. If no moneys were received in July on account of 1881 please forward a "Nil." return.

W. LOVETT, *Colonial Auditor*.

Audit Office, Hobart, 16th September, 1881.

MEMO. FOR THE COMMISSIONER REAL ESTATE DUTY, LAUNCESTON.

WOULD the Commissioner be so good as to cause receipts for abatements of Duty to be attached in all cases to the particular abatement vouchers to which they respectively refer each month, in support of the undermentioned items of rebate allowed; viz.—

| 1881. | £ | s. | d. |
|---------------|----|----|----|
| January..... | 0 | 10 | 6 |
| February..... | 18 | 5 | 5 |
| March..... | 15 | 5 | 0 |
| April..... | 5 | 3 | 3 |
| May..... | 5 | 14 | 7 |
| July..... | 0 | 15 | 11 |
| August..... | 6 | 1 | 7 |

Vouchers for the above months are herewith for completion as requested.

It is noticed that some portions of the above sums are not actually abatements of Duty for credit purchases, but are payments of costs of collection, &c., in which case these payments are irregular. Any such payments for purposes other than abatements of Duty must be immediately repaid to the Treasury, and a claim put in against the Government by bill in the usual manner.

W. LOVETT, *Colonial Auditor*.

Audit Office, Hobart, 26th September, 1881.

The Commissioner Real Estate Duty, Launceston.

THE Commissioner is requested to pay to the credit of the Colonial Treasurer the amount paid by him to Sub-Collectors of Real Estate Duty for commission on their collections, also forwarding at same time to the Colonial Treasurer a claim on the Government for a repayment. Please let me know when this has been done. I shall be glad to receive receipts for *all* items of rebate allowed.

W. LOVETT, *Colonial Auditor.*

Audit Office, Hobart, 27th September, 1881.

The Commissioner Real Estate Duty, Launceston.

ON the 12th August last I wrote to you requesting that you would be so good as to cause all moneys on account of the year 1880 to be kept distinct from moneys received on account of the year 1881, and also to maintain this distinction when paying these amounts into the Treasury.

I return to you Treasury Deposit Slips A to D for the period from 1st August to the 3rd September, 1881, in order that the same may be amended as requested above by the insertion of the years separately, as shown therein in red ink; this will be necessary when paying in moneys in future.

I have also to request that each month's collections may be paid to the Treasury immediately after the close of each month, whether the period breaks into a week or otherwise, that the examination of each month may be complete. Please arrange for this in future, and correct Treasury Slip D of 3rd September with regard to this matter.

W. LOVETT, *Colonial Auditor.*

MEMO.

Audit Office, Hobart, 21st October, 1881.

The Commissioner Real Estates Duties, Launceston.

RETURNS of Real Estates Duties on account of 1881 for the months of August and September, 1881, are herewith.

The amount of *Duties payable as per certified Roll* as shown in the September Account, against the under-mentioned Districts, do not agree with the amounts shown in the August statement. Please fill in the correct amount in both Returns, and also carry amounts out into the *Total* column—viz., George Town, Longford, Launceston, and Portland.

In the September Return the item 9s. for cost of collection should be struck out of the Abatement column. A direct claim by bill must be made for the amount.

The total amount received for September on account of 1881, as per Return, is £3672 14s. 7d., whilst the amount paid to the Treasury is £3673 1s. 8d. Please explain this difference.

I have to request that in future these Returns will only show the exact amounts paid over daily and weekly to the credit of the Colonial Treasurer for and on account of 1881.

It will be noticed that the sum of £2 14s. 5d. on account of 1880 had to be adjusted in the September Return, which might be obviated in future. I have endeavoured to show what is required by inserting certain portions in red ink as a guide.

W. LOVETT, *Colonial Auditor.*

Audit Office, Hobart, 27th October, 1881.

The Commissioner Real Estate Duty, Launceston.

In reply to your Memo. of the 26th inst., I have to point out that it is necessary that the payment to the Colonial Treasurer each month should correspond exactly with each month's receipts. This can be easily arranged by paying over to the Colonial Treasurer on, say, the 2nd or 3rd of the following month, the exact amount required to make up the total of the previous month's collections, without any deductions whatever.

Please cause the September Return herewith to be made up accordingly.

Any alterations in the Rolls since last month should be noted in the column "Supplementary Charges," to show how these differences occur from time to time. The refunds of amounts taken previously from takings has not yet been adjusted. Please inform me when done.

It would be better for the Commissioner to obtain from the Colonial Treasurer a sum of, say, £10 as an advance to be afterwards accounted for. This would obviate the necessity of keeping running cash.

W. LOVETT, *Colonial Auditor.*

Audit Office, Hobart, 24th November, 1881.

The Collector of Real Estate Duty, Launceston.

I notice that on the 4th November instant a sum of £12 7s. 6d. was paid to you on account of payment made by you out of your collections of Real Estate Duty.

This cheque should be now placed to the credit of the Hon. the Colonial Treasurer to adjust your former collections.

W. LOVETT, *Colonial Auditor.*

Audit Office, Hobart, 25th November, 1881.

The Collector Real Estate Duty, Launceston.

There appears to be an item of 9s. improperly deducted from your September collections on account of 1881, for charges. This sum should be immediately paid into the Colonial Treasury as balance of September moneys. This sum may be again obtained from the Treasury by bill.

I have to draw your attention to the enclosed "deposit statements"—viz., 31st October, for £117 3s. 9d. Should not £3 0s. 9d. of this amount be for and on account of 1880? Also, 2nd November, of £21 13s. 8d. Should not this sum be stated as balance of *October* collections, not *September*?

Please amend statements if found as stated, and return to this Office as soon as possible.

W. LOVETT, *Colonial Auditor.*

Audit Office, Hobart, 10th January, 1882.

DEAR SIR,

IN reply to your Memo. of 9th inst., I have to state that a "cash account current" form is now being printed, wherein provision is made for carrying on the balances of "cash account" in a clearer and more definite manner. The value of stamps necessarily on hand, together with cash, which could not reasonably be banked within the current month, are given in detail, and, of course, carried forward as the first item of debit to next month's "cash account current." Of course it would be impossible for you to bank within the current month all the duties paid under the circumstances without a fixed amount of floating cash to work upon. The method suggested, however, will serve equally well.

Yours truly,

W. LOVETT, *Colonial Auditor.*

SAMUEL HENRY, *Esq., Collector,*
Real Estates Department, Launceston.

Audit Office, Hobart, 12th January, 1882.

DEAR SIR,

I AM sorry that you have found it difficult to understand such a simple form as the one originally submitted to you. You will perceive now not only that it can show clearly the correct balance, but it discloses the fact that where in your form you have departed from its simple provisions you have been led into error, both in regard to the position of the item "*balance to debit of next month*," and also as regards the *true amount of balance at the close of the month* of the £3669 10s. 1d. banked; as shown by you, the sum of £117 3s. 9d. was not actually banked in *October*, and therefore should form part of the balance at the close of that month. I think, therefore, when you give the matter more careful study, that the form originally submitted, now in printer's hands, will be both simple and effective.

Yours truly,

W. LOVETT, *Colonial Auditor.*

SAMUEL HENRY, *Esq., Collector,*
Real Estates Department, Launceston.

Audit Office, Hobart, 13th January, 1882.

The Assistant Colonial Treasurer.

WILL the Assistant Colonial Treasurer be so good as to request the Real and Personal Estate Duties Department to adopt the form used by the Launceston and Western Railway Department when paying in money to the Treasurer?

W. LOVETT.

Audit Office, Hobart, 23rd January, 1882.

DEAR SIR,

YOURS of 13th has escaped attention hitherto owing to press of business. The reason why your Department is not credited with the amount £117 3s. 9d. in Treasury Books within the current month (*i.e.*, October) is that it has been the habit hitherto to re-bank in Hobart, and the dates during which the moneys were re-banked or transferred did not always correspond at the close of definite periods. New arrangements have been made with Treasury, however, which will obviate differences of this kind in the future.

Yours truly,

W. LOVETT, *Colonial Auditor.*

S. HENRY, *Esq., Collector,*
Real Estates Department, Launceston.

Audit Office, Hobart, 25th January, 1882.

DEAR SIR,

IN order to render the state of Cash Account more explicit at the close of each month, a printed form has been specially prepared, which is to be sent in, in future, with the usual general monthly abstract. The debits are composed of the actual receipts during the month, minus authorised abatements, together with the balance, if any, from last month. The credits are composed of the moneys actually banked during the month to the credit of *Colonial Treasurer*, the balance being stamps, &c. not yet converted into cash, plus the last day's cash or other collections (which must be specified), which could not reasonably be banked before the first banking day of the following month: the new form to take effect from the 1st January, 1882. A number of forms are now enclosed.

Yours truly,

W. LOVETT, *Colonial Auditor.*

S. HENRY, *Esq., Launceston.*

Audit Office, Hobart, 27th January, 1882.

The Collector Real Estates Duty, Launceston.

Re Statement of Real Estates Duty for the months of November and December, 1881.

I NOTICE that the total amount of receipts for the month of November on account of the year 1881 was £1108 10s. 7d., whilst the amount set forth against the different districts compute only to £1103 11s.; and with regard to the December receipt on account 1881, which appears to be £1048 1s. 5d., the amount distributed against the various districts compute to the sum of £1045 14s. 11d. only. Explanation is requested.

W. LOVETT, *Colonial Auditor.*

Audit Office, Hobart, 1st February, 1882.

The Collector Real Estates Duty, Launceston.

RETURNS for the months of November and December last are herewith forwarded to you, with a request that the items £5 2s. and £2 6s. 6d., as mentioned in your Memo. of the 28th January, may be again added to the amounts of the particular districts from which same were deducted.

The Returns in question would not be affected, as the above amounts were paid direct from the Treasury.

A foot-note might be added to the Return, though not absolutely necessary, that the above amounts were repayable.

W. LOVETT, *Colonial Auditor.*

Audit Office, Hobart, 3rd February, 1882.

The Collector Real Estates Duty, Launceston.

RETURNS of Real Estates Duty for the months of November and December last are to hand, with the necessary alterations duly made.

The cash received in your office should not be affected by payments made by the Treasury. A separate Memo. will qualify any discrepancies in "*outstandings, &c.*" which may be occasioned by direct payments from the Treasury.

W. LOVETT, *Colonial Auditor.*

Audit Office, Hobart, 30th March, 1882.

SIR,
I NOTICE that on the 23th February, 1882, the total "outstandings" of Real Estate Duty on account of the year 1880 was £169 9s. 4d., as under; viz.—

| | £ | s. | d. | | £ | s. | d. |
|---------------------|-----|----|----|-------------------|------|----|----|
| Campbell Town | 4 | 10 | 0 | Longford | 8 | 16 | 3 |
| Deloraine | 7 | 1 | 9 | Launceston | 10 | 19 | 3 |
| Evandale | 1 | 14 | 6 | Port Sorell | 40 | 15 | 0 |
| Emu Bay | 26 | 12 | 6 | Russell | 6 | 6 | 9 |
| Fingal | 4 | 13 | 9 | Selby | 20 | 4 | 3 |
| George Town | 21 | 10 | 7 | Westbury | 10 | 13 | 9 |
| Glamorgan | 5 | 11 | 0 | | | | |
| | | | | | £97 | 15 | 3 |
| | £71 | 14 | 1 | | 71 | 14 | 1 |
| | | | | | | | |
| | | | | TOTAL | £169 | 9 | 4 |

I shall be glad to receive a detailed list of the sums opposite the above-named Districts, with your remarks appended stating reasons for non-collection in each case.

In case any of the foregoing items should be deemed by you to be irrecoverable, it would be advisable for you to obtain the authority of the Government to remit the same, that the Accounts for 1880 may be closed. Please forward the Rolls for 1880, setting forth the totals Duty payable.

I am, Sir,
Your obedient Servant,
W. LOVETT, Colonial Auditor.

The Collector Real Estates Duty, Launceston.

MEMO.

Audit Office, Hobart, 17th April, 1882.

The Collector Real Estates Duty, Launceston.

LISTS of all non-collections up to the 31st March, 1882, on account of the year 1880; are herewith returned to you as requested.

There is a slight difference of 4s. 6d. in Evandale, which appears in Return as £1 5s. 6d. outstanding. I have to request that these lists of outstandings may be submitted to me again at a later period, with any items that may then be paid duly struck out. There are several items in the Longford district still outstanding that should be recoverable without any difficulty, which I have marked with a x.

W. LOVETT, Colonial Auditor.

Audit Office, Hobart, 17th July, 1882.

The Collector of Rural Police Rates, Launceston.

RETURN for the month of May is forwarded herewith to you, that the manner of showing the repayments made direct from Treasury may be altered as shown in pencil against George Town.

Any repayments made by the Treasury on account of sums received by the Collector in excess through errors in the Roll need not affect the Collector's Return, the necessary alterations to the Roll being noted for the due correction of next year's Roll.

If the George Town Roll showed incorrectly a sum of 2s. 3d. excess debit, and the extra 2s. 3d. was received thereon in consequence, it should remain as stated until amended for next year, the extra 2s. 3d. received being brought to account as usual, to be repaid by the Treasury upon the Collector's certificate that the item is repayable.

W. LOVETT, Colonial Auditor.

Audit Office, Hobart, 12th September, 1882.

The Collector of Rural Police Rates, Launceston.

STATEMENTS re Rural Police Rates for the months of May, June, July, and August are herewith returned.

The alteration of 2s. 3d. made in the George Town District in the May return has been departed from in the July statement. Please cause the George Town items to be amended throughout the Returns now forwarded (where required) in accordance with my Memo. to you of 17th July last. (Copy enclosed.) Please also return the above Statements as soon as possible.

It is noticed that very frequent changes occur in the amounts of the certified Rolls; the use of the columns "supplementary charges" was not intended for the adjustment of such numerous and large discrepancies, which alterations, it is hoped, may be obviated as much as possible in future.

W. LOVETT, Colonial Auditor.

Audit Office, Hobart, 28th November, 1883.

SIR,

I HAVE the honor to point out that owing to the non-collection of some Real Estate Duties payable for the year 1880 and 1881, a multiplicity of Returns is sent each month to this office; but as the outstanding Duties do not appear to be collectable (the sum of £13 1s. 11d. only having been collected at Hobart and Launceston on account of the years mentioned, from 1st January to 31st October last,) it is suggested that the Commissioner be required to explain the cause of the non-collection of the items outstanding, and the accounts for the years referred to closed if the explanation be deemed satisfactory.

I have the honor to be,
Sir,

Your obedient Servant,

The Hon. the Treasurer.

W. LOVETT, *Colonial Auditor.*

Audit Office, Hobart, 21st April, 1884.

MEMORANDUM.

THE Collector of Real Estate Duties at Launceston is requested to forward to this office returns showing the names of owners, description of property, and amount of duties representing the amounts of Real Estate Duty uncollected for the years 1880 and 1881, viz., £66 11s. 8d. and £144 10s. 3d. respectively; also a return showing the names of owners, description of property, and amount of rates representing the amount of Rural Police Rates uncollected for the year 1882, viz., £815 13s. 5d.

The Collector Real Estate Duties, Launceston.

W. LOVETT, *Colonial Auditor.*

Audit Office, Hobart, 20th June, 1884.

SIR,

BE good enough to forward to this office, for examination, copies of the Rolls upon which the Rural Police Rates are being collected for the current year.

I have the honor to be,
Sir,

Your obedient servant,

J. W. ISRAEL,

pro Colonial Auditor.

The Collector, Real Estate Duties Department, Launceston.

Audit Office, Hobart, 24th June, 1884.

THE Rural Police Rate Rolls for Emu Bay, George Town, and Selby are forwarded by this post. Your attention is called to the following corrections:—

| | | | |
|--------------|----------------|-----------|---------------|
| Emu Bay..... | £671 14s. 10d. | should be | £673 8s. 6d. |
| George Town | £443 8s. 2d. | „ | £445 12s. 7d. |

and you will be good enough to amend your next account for this office accordingly.

I would also draw your attention to the manner in which the Rolls were prepared; the totals of each page being in pencil only, and such totals not being carried forward, necessitated the addition of them separately. I trust that when the Real Estate Duty Rolls are forwarded for examination there will be no difficulty in the way of checking them expeditiously.

The Collector of Real Estate Duties, Launceston.

W. LOVETT, *Colonial Auditor.*

Audit Office, Hobart, 4th July, 1884.

MEMORANDUM.

I HAVE to remind you that the request contained in my communication of the 21st April last, for Returns of uncollected Real Estate Duty for the years 1880 and 1881, and Rural Police Rate for the year 1882, has not yet been complied with.

Your earliest attention to this matter is requested.

The Collector Real Estate Duties, Launceston.

W. LOVETT, *Colonial Auditor.*

Audit Office, Hobart, 18th July, 1884.

SIR,
REFERRING to your Memorandum of yesterday's date, enclosing the lists of outstanding Real Estate Duties for the Northern Division on account of 1881, I have to point out that the lists forwarded amount in the aggregate to £160 9s. 11d., while the amount outstanding, as per returns furnished to this office, amount to £144 10s. 3d. only, or a difference of £15 19s. 8d., as per detailed statement enclosed. An explanation is requested.

I am, Sir,
Your obedient servant,
W. LOVETT, Colonial Auditor.

The Commissioner Real Estate Duties Department, Hobart.

REAL ESTATE DUTIES, NORTHERN DIVISION, 1881.

| DISTRICT. | Amount per Mr. Henry's statement, 15. 7. 84. | Amount as per Returns, October, 1883. | DIFFERENCE. | |
|-------------------|--|---------------------------------------|-------------|-----------|
| | | | Increase. | Decrease. |
| | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| Deloraine | 2 15 6 | 1 9 3 | ... | 1 6 3 |
| Evandale | 1 18 3 | 1 18 3 | ... | ... |
| Emu Bay..... | 28 4 9 | 28 2 6 | ... | 0 2 3 |
| Fingal | 6 5 3 | 6 3 0 | ... | 0 2 3 |
| George Town | 6 11 3 | 5 8 9 | ... | 1 2 6 |
| Glamorgan | 2 6 6 | 1 8 6 | ... | 0 18 0 |
| Longford | 0 13 6 | 0 13 6 | ... | ... |
| Launceston | 3 10 6 | 4 0 3 | 0 9 9 | ... |
| Portland | 16 7 0 | 14 6 6 | ... | 2 0 6 |
| Port Sorell | 45 5 11 | 42 1 3 | ... | 3 4 8 |
| Russell..... | 4 4 9 | 4 4 9 | ... | ... |
| Selby | 21 9 9 | 19 3 3 | ... | 2 6 6 |
| Westbury | 20 17 0 | 15 10 6 | ... | 5 6 6 |
| TOTAL | £160 9 11 | 144 10 3 | 0 9 9 | 16 9 5 |

W. LOVETT, Colonial Auditor

Audit Office, 18th July, 1884.

(Q.)

DISTRICT OF FINGAL.

"THE REAL AND PERSONAL ESTATES DUTIES ACT, 1880."

DEMAND of Duty under Schedule A. of the said Act for the Year 1880.

To WILLIAM LOVETT, Esq., Hobart.

I HEREBY require you to pay to me, at my office, Public Buildings, Launceston, between the hours of Ten and Four o'clock of the day, the sum of Seven Shillings and Sixpence, being the amount of Duty under Schedule A. of the said Act due and payable by you as the owner of certain Property situate as under:—

| No. on Roll. | Name or Situation of Property. | Occupier or Owner. | Assessed Value. | Amount of Duty. | | |
|--------------|--------------------------------|--------------------|-----------------|-----------------|----|----|
| | | | £ | £ | s. | d. |
| 386 | Woodford Parish | Owner | 10 | 0 | 7 | 6 |

Dated the 3rd day of August, 1880.
Posted at Launceston on the 3rd day of August, 1880.

SAMUEL HENRY,
A Commissioner and Collector of the Duty under Schedule A. of the said Act.

MEMO.—The Office closes on Saturdays at 1 o'clock.

N.B.—Take notice that, in default of payment of the above sum within 14 days from the date on which this Demand should be received at the Post Office at which Letters addressed as above are finally received for delivery, the said Duties may be recovered by judgment in the Supreme Court or may be levied by Distress without further demand being made.

The said sum may be forwarded to me by Post in Registered Letter free of charge, if the Letter containing the same is endorsed on the outside thereof with the words "Real Estate Duty" and your Name and Address. Sums of Five Shillings (5s.) and under may be remitted by Tasmanian Postage or Revenue Stamps.

Please to send or bring this Notice with you.

Paid 10, 10, 80. KEITH J. KING, pro Commissioner.

(R.)

DISTRICT OF WESTBURY.

"THE REAL AND PERSONAL ESTATES DUTIES ACT, 1880."

*DEMAND of Duty under Schedule A. of the said Act for the Year 1880.**To TRUSTEES CHURCH OF ENGLAND, Westbury; Agent, W. Lovett, Hobart.*Paid 27.10.80.—K. J. K.,
pro Commissioner.

I HEREBY require you to pay to me, at my office, Public Buildings, Launceston, between the hours of Ten and Four o'clock of the day, the sum of Two Shillings and Threepence, being the amount of Duty under Schedule A. of the said Act due and payable by you as the owners of certain Property situate as under:—

| No. on Roll. | Name or Situation of Property. | Occupier or Owner. | Assessed Value. | Amount of Duty. | | |
|--------------|--------------------------------|--------------------|-----------------|-----------------|----|----|
| | | | | £ | s. | d. |
| 821 | Land, Westbury | Owners | £ 3 | £ 0 | 2 | 3 |

Dated the 1st day of September, 1880.

Posted at Launceston on the 1st day of September, 1880.

SAMUEL HENRY,

*A Commissioner and Collector of the Duty under Schedule A. of the said Act.**MEMO.—The Office closes on Saturdays at 1 o'clock.*

N.B.—Take notice that, in default of payment of the above sum within 14 days from the day on which this Demand should be received at the Post Office at which Letters addressed as above are finally received for delivery, the said Duties may be recovered by judgment in the Supreme Court or may be levied by Distress without further demand being made.

The said sum may be forwarded to me by Post in Registered Letter free of charge, if the Letter containing the same is endorsed on the outside thereof with the words "Real Estate Duty" and your Name and Address. Sums of Five Shillings (5s.) and under may be remitted by Tasmanian Postage or Revenue Stamps.

Please to send or bring this Notice with you.

(S.)

Launceston, 20th October, 1884.

SIR,

SINCE writing you this morning, I have considered it advisable to forward you copies of my letter to Mr. Henry re alleged deficiencies, and his reply thereto. You will, therefore, please find them enclosed herein. I venture to hope that you will cause the contents of them to be entered in the Minute Book, in order that the facts of the case may be known.

I am, Sir,

Yours faithfully,

KEITH J. KING.

F. W. MITCHELL, Esq., Public Buildings.

Launceston, 1st November, 1884.

SIR,

HEREIN please find copy of my letter to Mr. Henry, dated 5th September, and that gentleman's reply thereto dated 8th September. During my examination on the 30th ult., I spoke of the cheque for £7 10s. banked by my successor for which there were no corresponding entries, and that no credit appears to himself in the matter (or words to the same effect). I beg to explain that the entries I referred to should have been made in the Abstract Cash Book as debits, but as the absent receipts are taken as debits by Auditor, the entries in Abstract Cash Book would, in such case, stand as his credits—this may seem paradoxical, but it is the case. Will you kindly have this explanation added to reply in the Minutes?

I am, Sir,

Yours faithfully,

KEITH J. KING.

F. W. MITCHELL, Esq., Public Buildings.

Launceston, 5th September, 1884.

DEAR SIR,

I NOTICE in the published correspondence *in re* the Real Estates Duty Department, that you state that nearly all the "deficiencies" occurred in my time—this, you are aware, is incorrect, and should have been so represented. You are also aware that I cannot be identified with any of the so-called deficiencies, which should have been clearly shown in your letters.

I am, Dear Sir,

Yours faithfully,

KEITH J. KING.

S. HENRY, *Esq.*, *Public Buildings.*

St. Leonard's, 8th September, 1884.

DEAR SIR,

IN reply to your note of the 5th inst., I have to say that when I penned my Memo. to the Treasurer, dated 13th May, 1884, *re* alleged deficiencies reported by the Auditor up to the 5th May, I was dealing with that report, and not those of a subsequent period. You will see, by a reference to the dates in the Auditor's list, that they are all within the time of your official connection with the office. I do not see how I could otherwise have alluded to them, and I regret very much indeed at your implied dissatisfaction with my remarks thereon as contained in the Memo. above named. If the vouchers had been returned from Audit Office as requested, I feel confident the so-called deficiencies would have proved to be errors, and could have been adjusted long ere this.

I am, Dear Sir,

Yours faithfully,

SAMUEL HENRY.

K. J. KING, *Esq.*, *Launceston.*

(T.)

MR. HENRY'S STATEMENT IN DEFENCE.

I now beg to submit the following in rebuttal of the various complaints which have been the subject of this enquiry.

Before entering into the details of my explanation, I would express my regret that I was unable to have the assistance of a professional adviser or of a friend during the enquiry. I was still suffering from the remains of severe and exhaustive illness, and felt myself physically unequal to the task. If my request could have been acceded to, I believe the enquiry would not have occupied so long, and I would have been better able to take part in the proceedings. I also desire to place upon record that no official intimation was given me when the Board would meet, nor when they would commence the enquiry; and I am indebted to the courtesy of the Board for the information which enabled me to give my attendance at 3 p.m. on the 21st ultimo, some hours after the Board had commenced taking the evidence of Mr. Lovett. As the Board were considerate enough to give me permission, I would also at the beginning respectfully place on record my protest against the refusal of questions and evidence showing that since I was relieved from duty a larger staff has actually been required to carry on the work of the office, whilst I was over and over again refused any extra assistance. Since I was relieved of my duties three of the staff, who were exclusively employed by me in preparing warrants, &c. for the enforcement of outstanding duty for 1881, 1882, and 1883, and the unpaid Police Rate for 1882, 1883, and 1884, have been employed in doing the ordinary routine work of the office. I was prepared to prove that the staff from January, 1883, when I was placed under the supervision of the Commissioner in Hobart, consisted of myself, Mr. King, Mr. M'Queen, and the Clerk Assistant, Mr. Walklate; and now the staff consists of Mr. Israel (now Mr. Ferguson,) Mr. Johnston, Mr. Hogg, Mr. Walklate, Mr. Blackwell, and Mr. Ryan. The Board, however, felt compelled to restrict the enquiry to the time I was relieved by Mr. Israel.

My duties are clearly detailed in my letter to Mr. Butler of 5th August last, to which I respectfully refer the Board. I loyally carried out the whole of these duties, and I submit the complaints made of me are all outside of these duties. The complaints really more closely refer to the neglect and inefficiency of my staff than to my own default. If the Board will carefully analyse the complaints it will be found that this is so. In the year 1882 I began directing the attention of the Government to the inefficiency of and insufficiency of my staff (see correspondence) whilst there was a contemporaneous increment in the work of the Department; and in letters dated 17th May, 1883, and 7th January and 21st March, 1884, addressed to Mr. Butler, I foreshadowed the state of matters more recently found to have been actually brought about. However efficient the Head of the Department may be, and however attentive he may be to his duties, I submit that a fair result cannot be expected unless "all things are equal," that is, unless he is supplied with the necessary staff in numbers and ability. Take the Heads of other Departments in the Colony and apply this principle, or the Manager of a banking institution—unless he is ably assisted the result cannot be satisfactory. The chief of an establishment relies upon his subordinates for the proper performance of their duties, and whilst he exercises a general supervision over the department, he cannot check and examine every book and document. Is such ever done from the highest branch of Government to the lowest?

I am first complained of by the Auditor with want of intelligence. As to that charge, I think the correspondence and enquiry will exhibit sufficient evidence that I am not wanting in intelligence in reference to the administration of my office.

The next is of a more serious character,—that I ignored the system of check which was provided for my protection at considerable trouble to the Audit Office in 1880. Fortunately for me the independent testimony of Mr. King proves beyond the shadow of a doubt that no such system was forwarded for the use of the office: that he considered Mr. Johnston's visit was for the purpose of gleaning information and making himself acquainted with the various modes followed in the different Government offices before leaving Launceston to join the Audit Department, in order to prepare a proper and uniform system of accounts as far as practicable. Mr. King looked upon the matter as by no means finally settled when Mr. Johnston terminated his visit, and I likewise viewed the scheme as in its first stage—in *embryo*—but not worked out, and when the scheme was perfected I should officially hear more about it. And the correspondence fully bears out this interpretation (*see* page 6.) The endorsement of the Honorable Treasurer giving his approval is dated the 29th September, 1880, about three weeks after the date of Mr. Johnston's visit of inspection to my office. However that may be, I received no communication whatever in reference to the new system of accounts, either from the Treasurer or from the Audit Office, until the 7th April, 1884—(*see* letter No. 21, page 45, signed Wm. Lovett.) A search of the records unexpectedly proved this, and refuted the impression the Auditor appeared to have. I direct the attention of the Board to the evidence of the Auditor in reference to the account books Nos. 2, 6, 7, and 10, enumerated on page 3 of Mr. Johnston's report to the Auditor. No. 7, the cash book, was in use previous to Mr. Johnston's visit; the others, *i.e.*, Nos. 2, 6, and 10, were new, and formed essential parts of Mr. Johnston's scheme, as will be seen by referring to the report—(*see* pages 4, 5, and 6.) It will be observed upon reference to the evidence that the Auditor stated that all those books had been duly forwarded to my office. He afterwards, in reply to my question, qualified his former evidence by stating that he was not sure as to No. 2, as he thought that was already in use in the office, but reiterated his former statement as to the other books.

Now, subsequent evidence proves that No. 2, "Abstract of Duties Payable Book," had never been in use, nor has any such book ever reached the office. No. 6, "Abstract Book Cash Received," reached the office from the Government Printer, but I do not know the date. According to the date of the first entry, it was opened by Mr. King in August, 1881. As to No. 10, "Payment of Demand Check Book," the evidence of the Commissioner proves that he forwarded the above-named book, No. 10, on or about the 18th or 19th of March, 1884, with instructions from the Honorable Treasurer to open it. It was opened on the 22nd March, and ceased to be used on the 7th April, *as the Auditor considered it useless*. The "Triplicate Block Demand Book" for the year 1881 was received from the Government Printer, but found to be useless, as the block or butt did not fulfil the requirements of the Act; fresh demands had therefore to be printed. Mr. Johnston's evidence proves that no letter of instruction on the subject was sent from the Audit Office, and the records of the Treasury have been searched with the same result.

That I am not now drawing attention to these things for the first time, but that I have on several occasions before alluded to them, but unfortunately appear to have been misunderstood, is evident from my letters in the printed correspondence, to which I respectfully refer the Board, and particularly to the following quotation from my letter of the 3rd ultimo to the Treasurer:—"My system of accounts and books were examined by Mr. Johnston in September, 1880. Every facility and assistance was afforded him, and when he had finished I understood he would recommend an alteration in some of the books, and the mode of keeping them, with a view of introducing a better system of check. After Mr. Johnston's visit of inspection *I never had any communication either from the Audit Office or from the Treasury in reference to a change of system in the office, until the 7th April, 1884, when I received the letter of that date which appears in the printed correspondence on page 15, signed William Lovett*. Now, one of the complaints against me is that a system of check was provided for my protection at considerable trouble to the Audit Office, and which I ignored. Now this I most emphatically deny. No system of check or instructions were received by me until the receipt of the letter of the 7th April, 1884, and I immediately gave effect to the wishes of the Auditor by introducing the system. I dwell upon this matter because your Memo. on pages 52, 26, 28, 84 leads me to infer that you are under the impression that I had neglected to give effect to the system of check provided, and had ignored the instructions of the Auditor. In further confirmation of my statements I beg to refer you to letter 25 from Mr. King, on pages 45 and 46, having reference to the subject. I hope you now have a correct conception of this portion of the correspondence, and that the errors you were under in reference to this matter have been removed.

"In reference to the deficiencies reported by the Auditor after Mr. King had left the office and Mr. M'Queen taken his position, I beg to call your attention to the state of my office at the time Mr. King sent in his resignation, *viz.*, 9th July, 1883. My difficulties, as I before stated, commenced with the reduction of the staff in 1883. I protested, but to no purpose, and from that date every person in the office was overworked. Mr. King repeatedly told me that he had to work at all hours at his books, otherwise he could not keep them straight, and he found after six months' trial it was too much for him, hence his resignation. You will see by my letters at the time how urgently I kept the matter before the Treasurer, through Mr. Butler, but all to no purpose, as will be seen by the time allowed to elapse before any person was appointed in his place. Mr. King left because of overwork, and you can, I am sure, fully realise the importance of an immediate appointment of his successor. He sent in his resignation on the 9th July, and I immediately advised Mr. Butler (*see* letter No. 9, page 42), and I think it was not until some time in September when Mr. Johnston was appointed as junior and Mr. M'Queen appointed to Mr. King's previous position."

Another complaint brought against me with much seriousness is, that I had recommended to the Treasurer that the uncollected Duty for the year 1881 should be written off as I considered the outstanding

amount irrecoverable. I am to be pardoned for here calling the attention of the Board to the apparent want of care in making charges against me. In this instance had the records of the office been examined, or myself or clerks interrogated, the impression would have been at once removed. The Board will remember that the Auditor stated that £70 of the amount in default for 1881 had been recovered by Mr. Israel; when the facts are as follows, and were admitted by Mr. Israel in his evidence: I did not recommend the outstanding Duty for 1881 to be written off, and the amount received by Mr. Israel was the natural outcome and result of the steps taken by me for its recovery before Mr. Israel relieved me.

It is also alleged that I did not loyally aid in carrying out the Auditor's wishes. Here the Auditor's evidence proves the very reverse of the charge. He produced a mass of queries and memos; a few were copies of those sent to me, but the greater part to the Treasurer, and in going over them *seriatim* he admitted that his wishes had been attended to. In one case he stated I had differed in opinion, but gave effect to his wishes nevertheless. This seems to be the only instance arising out of the whole of his official correspondence with me, extending over a space of four years. I then thought that (without remembering the circumstances) I might probably in some way have failed to satisfy the requirements of the Auditor in my personal intercourse with him in his official visits. But the evidence disclosed no visit from the Auditor or any one of his subordinates since Mr. Johnston, in September, 1880, until 7th February, 1884 (see page 12 of the correspondence), when Mr. Lovett attended at the request of the Honorable Treasurer, Consequently the allegation of want of loyalty, &c., fails also, as Mr. King, in reply to questions put by Mr. Belstead, proves that effect was given as far as practicable to the scheme of accounts in 1880; and Mr. Lovett, in his evidence, that I carried out his instructions. The correspondence will show that the first communication that I received on the system of check reached me on the 7th April, 1884. This was written to me whilst Mr. Lovett was in Launceston. Copy will be found on page 45, letter 21. My letter, 22, will show that I immediately attended to this matter. The additional assistance was soon after granted by the Honorable Treasurer, and the Auditor's wishes as to the system of check were given effect to as soon as practicable.

It is next asserted that I did not deal with the returned demands as they reached the office. The greater part of these were for the year 1882, and were returned to the office the latter part of that year. The Estates Duties Act was altered in the Session of 1882, directing the duty for that year and afterwards to be collected upon the local rolls, and the Commissioners had no longer any power to prepare any Assessment Roll. In the Session of 1881 the Police Rate Act, No. 5, was enacted, whereby the Police Rate was collected upon the Commissioners' Rolls. When the Estates Duties Act was altered in the Session of 1882, the Police Rate Act, No. 5, ought to have been repealed. Consequently no rate could be legally collected until the Session of the following year. It became very generally known in the North that the Police Rate for 1882 and 1883 could not be enforced, and it is to this cause, and the extreme pressure of work in consequence of the necessity of having to re-issue 5000 Rate Demands (see page 9 of the correspondence), that it became useless to deal with them.

Mr. Lovett in his evidence was led to think that the work of the Launceston office did not exceed that at Hobart. I am sure that gentleman had no intention to mislead, but again the facts give a contrary conclusion. In the table below I give the exact figures of the two establishments, from a Return furnished by Mr. Butler:—

COMPARATIVE Return of number of Items 1882, 1883, and 1884, for the Northern and Southern Divisions, also for Police Rate during the same period:—

| | | Items. | Number. | Amount. | | |
|------|------------------|--------|---------|---------|----|----|
| | | | | £ | s. | d. |
| 1882 | Hobart..... | 12,189 | 15,622 | 14,807 | 14 | 7 |
| | Ditto | 3433 | | | | |
| 1882 | Launceston | 12,887 | 19,698 | 18,439 | 18 | 3 |
| | Ditto | 6811 | | | | |
| 1883 | Hobart..... | 11,777 | 14,934 | 10,310 | 4 | 1 |
| | Ditto | 3157 | | | | |
| 1883 | Launceston | 13,944 | 21,155 | 14,472 | 7 | 3 |
| | Ditto | 7211 | | | | |
| 1884 | Hobart..... | 12,271 | 15,780 | 11,646 | 8 | 2 |
| | Ditto | 3509 | | | | |
| 1884 | Launceston | 14,461 | 22,777 | 14,812 | 7 | 7 |
| | Ditto | 8316 | | | | |

In my letter of 3rd October last I made these remarks:—"The Commissioner states that the work in the North is about one-third more than in the South; but I contend the work in many of the districts North is double to what it is in the South. The same number of items and the amount on the rolls is not a correct indication of the work required to be done in the office for that district. The real work is shown by the number of returned demands caused by errors on the rolls, either from land having changed hands, finding new owners or occupiers, or mineral lands forfeited to the Government, or the owner or occupier having left the district. No provision is made in the Act to meet cases of this sort; and one of such cases may and does often cause more work and enquiry than twenty items when no such changes occur. In this respect I consider the work in the North is largely in excess of the South.

"I think a fair indication of the work done in the office is the number of letters, &c., passing through the Post Office; and if this standard be taken, it will be found that the work in the North is double to what is done in the South."

At one time during the enquiry I was led to fear that I was blamed for the missing forms out of the Triplicate Demand Book, up to the end of 1882; but on Mr. Atkinson being called he cleared the matter up, and further he proved that no possible loss could have accrued to the revenue through the irregularity.

During the sitting of the Board it was asserted that the discrepancies in the amounts had not been cleared up by me. I feel sure that if a proper audit were taken the apparent deficiencies would not amount to as much as is now roughly stated. And even if there were delinquencies clearly proved on the part of any of my clerks, there is no provision in the Audit Acts or the Regulations of Government fixing responsibility upon the Head of a Department, unless such delinquencies are clearly traceable to his neglect or connivance. Now the evidence of witness after witness clearly showed that I was very punctual and assiduous in my attendance at the office, and I assert that so far as I could I exercised proper supervision over the staff: but if a desire to defraud exists in the mind of a clerk, he may so scheme and work out his plans as to prevent his chief making a discovery. This, unhappily, is of frequent occurrence in various public institutions. It will be convenient here to quote the following from Mr. M'Queen's evidence as taken by Mr. Lovett:—"I receive all letters addressed to the Real Estates Duties Office, Launceston, arriving by post, partly from Mr. Johnston and partly from the Post Office Messengers. I open all letters, all cash enclosed is counted and checked with the stated amount placed in the till, and afterwards paid into the Bank; letters after having been opened, accompanied by remittances, as well as those not containing remittances, but referring to payment of rates, are dealt with by myself as a rule, but matters of difficulty or serious complaint are always referred to the Head of the Office. Cash received over the counter is not immediately entered in the Abstract Book, but the demand or memo. of particulars (when the demand is not forwarded) is placed on the file, and the entries are made in the Abstract Book next morning. I do not make an immediate entry of cash received in any book. I am responsible to the Head of my office for all cash received. Mr. Johnston acts for me sometimes during pressure of work whilst I am in the office; on these occasions I do not check the cash received by him, but when I am absent for a whole day and he acts, I do check the cash on my return." He gives instances himself where he did not acquaint me of complaints and enquiries made. I may again remind the Board that I combated these endeavors to fix me with responsibility in my correspondence with the Hon. the Treasurer. I cannot more forcibly put this matter than to use Mr. Butler's words in his memo. of 9th June last, to the Hon. the Treasurer, as follows: "I do not consider that Mr. Henry's statements are conclusive as against his responsibility; at the same time I think it would be unjust to hold him responsible for moneys received by his clerk but not accounted for, unless the deficiencies are clearly traceable to neglect of duty on his part. The Collector cannot be personally cognisant of the moneys that are paid in the office to the Chief Clerk. If the receipts are not given, and the entry of the money is neglected, Mr. Henry would have no means of discovering such error." If to this is added the testimony of Messrs. Lovett and Israel, that some of the defalcations were probably *frauds*, I would ask how I could possibly be held liable for cool frauds on the part of my clerks? With as much force could such a responsibility be fixed upon the Collector of Customs, the Postmaster, or other Heads of Departments, when they unhappily happen to have a dishonest or culpably negligent official in their office. The inefficiency of Mr. M'Queen is testified to by Mr. P. Johnston. As to the alleged deficiencies during Mr. King's term of office, I may remind the Board that they cannot, with the present information, admit that there are such. I am afraid the conviction in the mind of the Auditor that every detail had been arranged for the introduction of the new system of books was so strong that it was difficult afterwards for him to believe that such was not the case. I can easily understand that holding that belief he would be greatly annoyed at discovering, as he thought, that I was obstinately declining to second his efforts at improvement. The same misunderstanding, I fear, has also militated against the acceptance of my letters as being true, for I find that my explanations apparently failed to carry conviction to the Auditor. But I am thankful to say that during his examination before the Board he frequently admitted his misconception when the stern facts of the case were brought to light. As two instances of ineffectual attempts on my part to convince the Government of the state of matters in the North, permit me to quote as follows from my letter to Mr. Butler of 7th January last:—"I feel confident if the Hon. Treasurer had a correct conception of the amount of work which must be attended to day by day so as to keep the office in creditable working order, he would not have considered it necessary to use the word 'apathy' in connection with the discharge of my official duties, or indifference in endeavouring to give effect to his instructions. More work cannot be done by the present staff. I have from time to time pointed out that the work is increasing enormously year by year, and the staff has been reduced in number and efficiency. The returned demands for duty arising from changes of occupancy, ownership, and errors on the roll, number close upon 2800. In Launceston alone they amount to over 800. These numbers signify a large addition to the usual work in seeking out the required information, making the necessary alterations on the office rolls, and preparing in many cases fresh or duplicate demands. As I have before stated, the staff is not equal to the requirements of the office, and since the resignation of Mr. King it has become every day more apparent. Mr. M'Queen, who succeeded him, is not able to discharge his duties satisfactorily, and consequently nearly the whole time of the junior (Mr. Johnston) is occupied in assisting him."

And, again, in my letter of 21st March last:—"The miscarriage of so many letters—six since the Auditor's visit—covering cheques is utterly beyond my comprehension, and what is still more remarkable, all the letters of enquiry are likewise missing. In fact, Mr. M'Queen ought to be removed from his present position as soon as possible, as he has shown himself totally incapable of carrying out the very important duties of his office, and consequently part of his work has to be done by others, and this state of things does not conduce to the public interest, but rather the reverse. I believe Mr. M'Queen to be thoroughly honest, but in all other essentials necessary to ensure the efficient discharge of his duties he is, I regret to say, sadly deficient,—in fact he has deteriorated, and I no longer have that confidence in him which induced me to recommend him as Mr. King's provisional successor. I therefore wish the matter brought under the immediate attention of the Honorable Treasurer, with the hope that an efficient accountant may be appointed as soon as practicable; and I would desire to bring under the notice of the Honorable Treasurer that whilst doing all I possibly can towards the proper and efficient discharge of the duties of the office, it is

utterly impossible that I can do so to my own satisfaction under present circumstances, and I most respectfully request that my responsibility as Head of the Estates Duties Office, Launceston, may be held in abeyance until a thoroughly competent clerk is appointed and the books examined and a balance brought out."

This failure on my part to carry conviction to my correspondents was very disheartening to me, but I am sure that one result at least of the patient enquiry of the Board will be to exonerate me from the aspersions that my complaints of inefficiency and insufficiency of the staff were unfounded. Had the audit of the books been taken earlier, say during the time Mr. M^cQueen was in the Colony, it would have been more satisfactory.

And now a word or two in recognition of the help I have had from my staff during my term of office. With scarcely an exception my clerks willingly aided me in the discharge of the duties of the office with their utmost ability. One was admittedly incompetent for the position he was placed in under peculiar circumstances (*see* my letter No. 15.) The office was a very busy one, the business increasing, errors in the rolls perplexing, the depression in the times causing greater difficulty in payment, and the numerous changes of residence owing to the same cause. Yet from the other two I believe I had their active co-operation.

Owing to the short space of time that I have had to prepare this statement it was impossible to deal thoroughly and methodically with the mass of evidence taken. For instance, the important evidence given by Mr. Butler furnishes a good defence of my conduct, but cannot be more than just alluded to. So with the evidence of several other witnesses, and of the letter of Mr. King published in the *Launceston Examiner* of 8th September last. I am also sensible of the fact that from the hurry in preparation this statement is very defective, but as the Board may have an opportunity of perusing the testimony, these defects may perhaps be excused.

SAMUEL HENRY, *Collector*

4th November, 1884.

(U.)

Real Estate Duty Office, Launceston, 17th September, 1883.

DEAR SIR,

YOUR Memo. in reply to mine of the 12th, *re* increase of salary to Mr. Walklate, came to hand on the 14th instant. You state that you have not submitted my letter to the Hon. the Treasurer, but would do so "if I desired it." I most assuredly do desire it, otherwise I should not have written. This is either the third or fourth time I have stated my reasons why the increase should be granted, in the full confidence that the matter would receive the consideration of the head of the Department. It would appear now that he has not had an opportunity of doing so. I certainly think you have mistaken your legitimate functions, and I consider that questions of this and a similar nature ought certainly have been brought under the view of the Chief. I unquestionably ought and am the best authority as to the worth of Mr. Walklate's services; and if I did not think he deserved the increase I would not have so repeatedly asked for it. The work of the office could not be done without Mr. Walklate or some other person in his place. He has now been in the office for nearly three years, and is thoroughly conversant with the work; and since the resignation of Mr. King his services are even more valuable to me than before.

Mr. Miller in your office, and Mr. Atkinson in mine, received the same pay, and I therefore trust you will bring this letter and my former communication on this subject before the Hon. Treasurer; and I also hope you will, upon reconsideration of the circumstances, see your way to endorse my recommendations.

I am, &c.

SAMUEL HENRY.

F. BUTLER, *Esq., Commissioner, Hobart.*

Real Estates Duties Office, Hobart, 1st October, 1883.

MEMORANDUM FOR S. HENRY, *Esq., Collector.*

COPY OF MEMO. from the Hon. the Treasurer, for Mr. Henry's information.

"IN view of the Commissioner's remarks, I cannot accede to the application for an increase to Mr. Walklate's salary. I regret that it has been necessary to call attention to the tone of Mr. Henry's letter, and presume that inexperience of official routine has led Mr. Henry into a mistake which I feel sure he will not again make.—J. S. DODDS, 29 Sept. 1883."

FRANCIS BUTLER, *Commissioner.*

Treasury, 11th November, 1884.

SIR,

I HAVE the honor to acknowledge the receipt of the Report of the Board appointed to enquire into the working of the Real Estates Duties Office at Launceston during the time the branch was under the control of Mr. Samuel Henry ; and I have to request that you will do me the favour, at an early date, to convey to the Board the thanks of the Government for the prompt attention which has been given to the enquiry. I propose at an early meeting of the Cabinet to bring the Report under the notice of my colleagues.

I have, &c.

The Chairman Board of Enquiry, Launceston.

W. H. BURGESS, *Treasurer.*

Treasury, 13th November, 1884.

SIR,

I FORWARD herewith for your perusal a copy of the Report made by the Board of Enquiry appointed to investigate the working of the Launceston Branch of your Department, and I shall be glad if you will read the Report and favour me with any observations you desire to make thereon before the subject is brought under the notice of the Governor in Council for consideration.

I have, &c.

The Commissioner Real Estates Department.

W. H. BURGESS, *Treasurer.*

St. Leonard's, 13th November, 1884.

SIR,

I CONCEIVE it my duty to take the earliest opportunity afforded me by the publication in yesterday's *Mercury* of the Report of the Board of Enquiry into the working of the Launceston Estates Duties Office, to thus bring under your notice my formal protest against the said Report, on the ground of general inaccuracies and erroneous conclusions ; and also, that all the serious charges and complaints submitted to the Board by the Auditor have not been borne out by the evidence.

I have, &c.

The Hon. the Treasurer.

SAMUEL HENRY.

Treasury, 14th November, 1884.

SIR,

I HAVE to acknowledge the receipt of your letter dated 13th instant, and in reply I have to state that the Report made by the Board of Enquiry will very shortly be taken into consideration by the Government, and the decision of the Executive will be communicated to you without delay.

I have, &c.

S. HENRY, *Esq., Launceston.*

W. H. BURGESS, *Treasurer.*

Real Estates Duties Office, Hobart, 17th November, 1884.

SIR,

I HAVE the honor to acknowledge your communication of the 13th, forwarding copy of the Report made by the Board of Enquiry appointed to investigate the working of the Launceston branch of this Department.

The only paragraph on which I wish to make any observations is the ninth, and in respect thereto I have the honor to make the following statement :—

1. When the office of Commissioner at Launceston was abolished and Mr. Henry was appointed Collector, I was aware that the change was made from motives of economy only, and I had no reason to believe that Mr. Henry had in any degree forfeited the confidence of the Government.

2. I was aware that Mr. Henry, when appointed Collector, had organised and had had sole charge of that branch of the Department, from April, 1880, to the end of 1882, and, as I had every reason to believe, had conducted the business of that branch to the satisfaction of the Government.

3. From the beginning of 1883, besides the routine business of the Department, I had imposed on me, by 46 Vict. No. 11, the duty of appealing against the rateable values of any properties in the several Districts I might have reason to believe were undervalued. This duty absorbed a great deal of my time in that year which might otherwise have been given to the other work of the Department, and during this time I had no extra assistance in the work of my own branch.

4. All the time spent in the supervision of the Launceston Office reduced the assistance I was able to afford the officers of my own branch, and as the strength of the office with my assistance is only sufficient to keep the daily work from getting into arrear, if I had spent any considerable time in the supervision of the Launceston branch the consequence must have been that arrears would have accumulated in my Office as they did there.

5. Having a well-founded belief that the Collector appointed to the Launceston branch had a thorough knowledge of the work to be done, and was quite capable of doing it to the satisfaction of the Government, I did not consider it necessary to interfere with the details of the working, or to spend time in that personal supervision of the branch which I should have thought necessary if a person had been appointed who was new to the work, until at least a necessity arose, which I had no reason to expect.

6. No amount of personal supervision short of the exhaustive examination made by the Audit Department could have enabled me to discover the deficiencies reported.

I trust that I have shown to the satisfaction of the Hon. the Treasurer that the personal supervision of the Launceston Branch, for the neglect of which the Board censure me, could not have been carried out without extra cost to the Government, and was, at the same time, as far as I could tell, and should have been, unnecessary, and that therefore I have been unfairly censured for the occurrence of irregularities which I had no reason to foresee.

I have, &c.

FRANCIS BUTLER, *Commissioner.*

The Hon. the Treasurer.

TELEGRAM.

MINISTERS will see you at Chief Secretary's Office, on Friday, at 3 P.M. Reply.

W. H. BURGESS, *Treasurer.*
17. 12. 84.

S. HENRY, *Esq., St. Leonard's.*

TELEGRAM.

St. Leonard's, 17. 12. 84.

I WILL leave for Hobart by the express train to-morrow.

S. HENRY, *Collector, St. Leonard's.*

Hon. W. H. BURGESS, Esq., Treasurer.

Treasury, 19th December, 1884.

SIR,

As arranged this morning with you, I now forward the whole of the evidence taken by the Board of Enquiry in the case of Mr. Samuel Henry, lately held in Launceston; and in placing these papers in your hands I do so in the knowledge that you accept the responsibility of their safe keeping during the time you continue to retain possession of the same.

I have, &c.

D. H. CRISP, *Esq., Solicitor.*

W. H. BURGESS, *Treasurer.*

Stone Buildings, 20th December, 1884.

SIR,

Re SAMUEL HENRY.

I HEREWITH return these papers, and have to thank you for your kindness in permitting me to peruse same.

I have, &c.

Hon. W. H. BURGESS, Esq., Treasurer.

D. H. CRISP.

Audit Office, Hobart, 22nd December, 1884.

SIR,

I HAVE the honor to inform you that the examination of the books and accounts of the Real Estate Duties Office at Launceston, with respect to Real Estate Duties for 1880 and 1881 and to Rural Police Rates for 1882, have now been completed, and, as far as can be ascertained, the deficiency reported in my letter of the 28th and 30th June last is increased by the sum of £1 16s. 9d. only, making the actual known deficiency £145 11s.; thus:—

| | | | |
|---|-------|----|----|
| | £ | s. | d. |
| Reported 28th June | 183 | 8 | 6 |
| Reported 30th June..... | 9 | 9 | 4 |
| | <hr/> | | |
| | 192 | 17 | 10 |
| Less cash and stamps discovered in a drawer in the Launceston office .. | 49 | 3 | 7 |
| | <hr/> | | |
| | 143 | 14 | 3 |
| Subsequent examination— | | | |
| Received but not accounted for, items 54 and 190, George | £ | s. | d. |
| Town Rural Police Rate, 1882..... | 3 | 17 | 3 |
| Items 98 and 197, Selby, ditto | 0 | 14 | 3 |
| | <hr/> | | |
| | 4 | 11 | 6 |
| Less amounts paid on account of 1883 posted in error to | | | |
| 1882, included in deficiency reported 28th June | 2 | 14 | 9 |
| | <hr/> | | |
| | | 1 | 16 |
| | | 9 | |
| | <hr/> | | |
| | £145 | 11 | 0 |
| | <hr/> | | |

There cannot be any reasonable doubt that an actual deficiency of £145 11s. is proved, as the amount is made up of items recorded as received in the Demand and Receipt Books, and not accounted for in the Cash Book nor paid to the Treasury.

In my letter of the 18th August an apparent further deficiency on collection of Rural Police Rate for 1882, and apparent surpluses on collection of Real Estate Duties for 1880 and 1881, were reported, and for the purpose of minutely examining these accounts one of the Inspectors of Accounts has been employed in the Launceston Office for 69 days, and has now completed this examination. It is found that, from the absence of proper rolls and the complications caused by altering the basis of collection of rates for 1882 from the Commissioners Rolls to the Local District Rolls after part of the rates had been collected, it is almost impossible to obtain proof of the actual sum collectable from the several districts. It should be understood that the apparent deficiency for 1882 is the difference between the total amount of the Commissioners' original rolls as a debit, and the amount collected and paid to the Treasury added to the amount of uncollected rates as a credit. It is quite possible that the reduction in the assessments caused by the adoption of the Local Rolls for the Commissioners' Rolls may account for a considerable portion, if not all, of the apparent deficiency, but no proof of this has been furnished to this Department by the Collector, nor has the Inspector of Accounts during his examination been able to obtain from the records in the Launceston office sufficient proof that the balance is accounted for in this way; however, he was enabled to satisfy himself that the receipts recorded in the butts of the Demand and Receipt Books have been brought to account, with the exception of items previously referred to.

The apparent surpluses in the Estate Duties for 1880 and 1881 are explained as being caused by alterations in the original rolls which were not explained by the Collector when his returns of non-collections were forwarded to this Department.

I have, &c.

The Hon. the Treasurer.

W. LOVETT, *Colonial Auditor.*

MINUTE PAPER FOR THE EXECUTIVE COUNCIL.

Treasury, Hobart, 29th December, 1884.

The Real Estates Duties Office, Launceston Branch.

THE Treasurer submits that, in consequence of irregularities reported in connection with the working of the Launceston Branch of this Department, arising from a want of proper supervision and management on the part of the officer in charge, the services of Mr. S. Henry be dispensed with, and that no salary in respect of the period during which he has been relieved from duty be paid to him unless he satisfactorily explain the deficiencies brought under notice.

W. H. BURGESS, *Treasurer.*

THE Governor in Council approves.

E. C. NOWELL.
29 Dec., 1884.

Treasury, Hobart, 29th December, 1884.

SIR,

I HAVE the honor to inform you that, at a meeting of the Executive Council held this day, your case was taken into consideration, and I have now to state that the Governor in Council has approved of your services being dispensed with from this date; and further directed that no salary shall be paid to you for the period during which you have been relieved from duty, unless you satisfactorily explain the deficiencies brought under notice.

I have, &c.

S. HENRY, *Esq., Launceston.*

W. H. BURGESS.

Treasury, 30th December, 1884.

SIR,

I HAVE to inform you that, at a meeting of the Executive Council held yesterday, the Governor in Council approved of Mr. Samuel Henry's services as Collector at Launceston being dispensed with from that date; and further directed that no salary should be paid to Mr. Henry for the period during which he has been relieved from duty, unless he first satisfactorily explains the deficiencies brought under notice. In making this known to Mr. Ferguson I shall be glad to have instructions given at the same time for him to afford Mr. Henry every reasonable assistance in his endeavours to account for the discrepancies reported by the Colonial Auditor.

I have, &c.

The Commissioner Real Estates Office, Hobart.

W. H. BURGESS, *Treasurer.*

MINUTE PAPER FOR THE EXECUTIVE COUNCIL.

Treasury, Hobart, 29th December, 1884.

The Real Estates Duties Office, Launceston.

THE Treasurer submits and recommends that Mr. Frederick Ferguson be appointed Collector of Real Estate Duty and Police Rate at Launceston, at a salary of Three hundred pounds per annum, from the first of January next.

W. H. BURGESS, *Treasurer.*

Treasury, 30th December, 1884.

MEMO.

THE Governor in Council has been pleased to appoint Mr. Frederick Ferguson to be Collector of Real Estate Duty and Police Rate at Launceston, *vice* Mr. Henry, removed,—the same to take effect from the 1st January next,—at a salary of Three hundred pounds a year.

W. H. BURGESS, *Treasurer.*

The Commissioner Real Estates Department.

THE Governor in Council approves.

E. C. NOWELL.
29 Dec., 1884.

St. Leonard's, 31st December, 1884.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 29th instant, in which you inform me as follows: "Your case was taken into consideration, and I have now to state that the Governor in Council has approved of your services being dispensed with from this date."

To such a communication my only reply can be the expression of regret that my earnest and zealous attempt to administer a new Department has not been more favourably considered by the Government, and should have resulted in so painfully unexpected a manner to myself; but when you go on to intimate "that no salary shall be paid to you for the period during which you have been relieved from duty unless you satisfactorily explain the deficiencies brought under notice," I feel that it is due to me that you should refer me to the legal authority or principle upon which the Government assumes to take so high-handed a proceeding as confiscating or even delaying the payment to me of the salary affixed by Parliament to the office which I have held up to the 29th instant. I have a right also to ask what is the exact deficiency, if any, found to exist between the receipts by and the payments out of my Department; and also by whom, and sums received but not paid into the Treasury, have been ascertained to have been withheld? I assume that no accusation of dishonesty has been made against me personally.

Trusting to receive an early reply upon matters so urgently important to myself,

I have, &c.

The Honorable the Treasurer.

SAMUEL HENRY.

WILL the Auditor be good enough to state the amount of the deficiencies up to date?

W. H. BURGESS.
6. 1. 85.

THE actual known deficiency to date is £145 11s.; there is also an apparent deficiency of £281 5s. 11d., which may possibly be explained as the difference between the amount of the Commissioners' original Roll and the Local Rolls, as explained in my letter of the 22nd December last; but such explanation has not been received.

The Hon. the Treasurer.

W. LOVETT.
Audit Office, 8th January, 1885.

Treasury, 2nd January, 1885.

SIR,

YOUR letter of the 31st ultimo has been duly received, and will be laid before the Treasurer on his return to the Treasury on Monday next. Mr. Burgess is at present out of town.

I have, &c.

SAMUEL HENRY, *Esq., Launceston.*

J. E. PACKER.

Treasury, 9th January, 1885.

SIR,

ADVERTING to my letter of the 2nd instant, acknowledging yours of the 31st ultimo, in which you ask for information in respect to a communication from this Office dated 29th ultimo, I have the honor to state that on the 8th instant the Colonial Auditor replied to a query from the Treasury on the subject of deficiencies in connection with the Real Estates Duties Branch Office at Launceston as follows:—"The actual known deficiency to date is £145 11s.; there is also an apparent deficiency of £281 5s. 11d., which may possibly be explained as the difference between the amount of the Commissioners' original rolls and the local rolls, as explained in my letter of the 22nd December last; but such explanation has not been received."

You will observe, therefore, that the sum of £145 11s. has been lost to the Treasury, and that there is an unexplained further deficiency of £281 5s. 11d.

I have, &c.

S. HENRY, *Esq., St. Leonard's.*

W. H. BURGESS, *Treasurer.*

St. Leonard's, 9th January, 1885.

SIR,

I HAVE the honor to draw your attention to my letter of the 31st ult., and respectfully request that you will favour me with an early reply thereto.

I have, &c.

SAMUEL HENRY.

Hon. Treasurer, Hobart.

St. Leonard's, 14th January, 1885.

SIR,

I HAVE the honor to acknowledge your communication of the 9th inst., in reply to my letter of the 31st ultimo asking for information in reference to the extraordinary and unwarranted action of the Government in my wrongful dismissal, and refusal to pay the salary due to me up to the end of December. I thank you for the information contained in your letter as to the amounts, or balance said by you to exist between the receipts by, and the payments out of, my department. This balance amounts to £426 16s. 11d., made up, according to your letter, as follows:—£145 11s. "has been lost to the Treasury, and that there is an unexplained further deficiency of £281 5s. 11d." This latter amount (£281 5s. 11d.) has already been accounted for by a Return dated the 7th August, 1884, showing that amount as the difference between the Commissioners' and the Local rolls. I now enclose a copy of the Return for your information. The original was made out by Mr. Hogg, and is amongst the evidence taken by the Board of Enquiry, and marked Exhibit J; a copy will be found in the proper book in the Office on the date named. I am surprised at the persistency of the Auditor in treating this amount as in any way deficient, when he must know beyond all doubt or cavil that the Return is correct; but it illustrates the old adage, "There are none so blind as those who will not see." In reference to the other amount (£145 11s.) which you say has been lost to the Treasury, I again unhesitatingly reiterate my previous reply, that if the rolls for the several years are corrected and the totals taken and balanced with the total amounts paid into the Treasury no such amount as £145 11s. will be found deficient. I am borne out in this belief by the repeated assertions of

Messrs. King and Atkinson. Whether the amount is attributable to errors or, as the Auditor states, the result of deliberate frauds, I most emphatically protest against the action of the Government in holding me responsible for such frauds. However, I am willing, if assistance be granted me for the purpose, to go over the books and to do my best endeavour to bring out a correct balance. In consenting to do so I desire to protest in the strongest terms to the arbitrary and high-handed decision of the Ministry. There are other queries contained in my letter of the 31st ultimo to which I have received no replies. I have now the honor to refer you to them, with a hope that I may receive your answers thereto as early as convenient.

I have, &c.

SAMUEL HENRY.

The Hon. Treasurer, Hobart.

RETURN showing the Total Number of Items and Amounts outstanding for each District, Police Rate, for the year 1882; compiled from the Issue Demand Book.

| <i>District.</i> | <i>No. of Items.</i> | <i>Amount.</i> | | | |
|-------------------|----------------------|----------------|---|-----------------|--|
| | | <i>£ s. d.</i> | | | |
| Emu Bay | 166 | 83 10 8 | TOTAL NUMBER of Items and Amount outstanding for Police Rate, 1882, as per Return of 2/8/84. Compiled from Commissioners' Rolls, i.e., old issue. | | |
| George Town | 177 | 70 4 2 | | | |
| Portland | 245 | 116 11 2 | | | |
| Port Sorell | 390 | 127 12 1 | | | |
| Russell..... | 28 | 9 9 0 | | | |
| Selby | 183 | 118 5 7 | <i>Items.</i> | <i>Amounts.</i> | |
| | | | 1755 | £806 17s. 1d. | |
| | | | 1189 | £525 12s. 8d. | |
| Total..... | 1189 | 525 12 8 | 566 | £281 4s. 5d. | |

SAMUEL HENRY, *Collector.*

*Real Estate Duty Office, Launceston,
August 7, 1884.*

FORWARDED to the Auditor for his remarks.

W. H. BURGESS.
16. 1. 85.

MEMO.

WITH regard to matters introduced in Mr. Henry's letter of the 14th January, referred herewith, relating to action since taken by his Department, the Auditor begs to state that he is not prepared to withdraw anything he has written in his several reports to the Government respecting the irregularities in the Real Estate Duties Office at Launceston, notwithstanding Mr. Henry's assertions.

The Return furnished to the Board of Enquiry referred to has not been supported by proof as regards the sum of £806 17s. 1d., although at Mr. Henry's suggestion endeavours have been made to obtain such proof from the Office at Launceston, copy of a letter dated 23rd December herewith, which was written and shown to Mr. Henry, who expressed himself as satisfied that one of the suggestions therein could and would be furnished by Mr. Hogg, a Clerk in the Office at Launceston; but from replies received from the present Collector at Launceston it appears that Mr. Hogg is not able to supply the same. A subsequent letter dated 29th December, copy also herewith, not having been replied to satisfactorily, the correspondence has been again referred to the present Collector, who, it is understood from a conversation held with him a few days since, is of opinion that the proof required cannot be furnished.

With reference to the amount £145 11s., stated to be a known deficiency, Mr. Henry evidently attempts to mislead in stating "that if the rolls for the several years are corrected and the totals taken and balanced with the total amounts paid into the Treasury that no such amount as £145 11s. will be found deficient," because, as explained in previous letters, this sum is made up almost entirely of items recorded as received in the butts of the Demand and Receipt Books of the Launceston Office which have not been brought to account or paid to the Treasury.

W. LOVETT, *Colonial Auditor*
16th January, 1885.

The Hon. Treasurer.

Audit Office, Hobart, 23rd December, 1884.

DEAR SIR,

Mr. Samuel Henry has called upon me and suggested that it was possible to satisfy me with reference to the apparent deficiency in the Rural Police Rates for 1882,—viz. £281 5s. 11d., (see printed correspondence, page 51), without furnishing a detailed return of the items in the Commissioners' Rolls uncollected, and I have told him I would be satisfied if any of the Clerks (not being Cashier at the time) who were in the office under his management would either forward a declaration (statutory) to the effect—

- 1st. That the Abstract furnished to the Commissioner of Enquiry on 7th August, 1884, as regards the sum of £806 17s. 1d. being the amount of uncollected items of Rural Police Rate for 1882 under the Commissioners' Rolls had been compared and made up with the Rates appearing at the time as uncollected, and represented the aggregate of the several rates collected; or
- 2nd. Give a Return showing the aggregate of the totals of the Commissioners' Rolls, also one showing the aggregate of the totals of the Local Rolls upon which the rates for 1882 were eventually collected.

If the information either under No. 1. or No. 2 can be furnished, please inform me, and arrange for it being done as soon as possible.

Yours truly,

F. FERGUSON, *Esq., Acting Collector*
Real Estate Duties, Launceston.

W. LOVETT.

Audit Office, Hobart, 29th December, 1884.

DEAR SIR,

YOUR letter of the 24th duly received and contents noted.

In the declaration required with No. 1 suggestion in my letter of the 23rd, you will notice the words "compared and made up with the rates appearing at the time as uncollected;" therefore unless the amount in the Return (£806 17s. 1d.) has actually been made up from the items on the Commissioners' original rolls uncollected, it would not be proper that a declaration should be attached to the effect that this had been done. Anyone making a false statutory declaration wilfully or knowingly is guilty of perjury, notwithstanding the protection which the words "to the best of my knowledge and belief" gives.

I have already received returns of Rates uncollected under the Local Rolls, but the difference between the two has not been properly explained.

Yours truly,

F. FERGUSON, *Esq., Acting-Collector*
Real Estate Duties, Launceston.

W. LOVETT.

Treasury, Hobart, 17th January, 1885.

SIR,

I AM in receipt of your letter of the 14th instant, acknowledging mine of the 9th, and at same time enclosing a copy of the Return presented by you to the Board of Enquiry, and marked by them Exhibit J.

As this Return has been put forward by you to account for the discrepancy of £281 4s. 5d. alluded to in my letter of the 9th instant, I sent it on to the Colonial Auditor for his observations, and he has replied as follows:—"With regard to matters introduced in Mr. Henry's letter of the 14th instant referred herewith, relating to action since taken by this Department, the Auditor begs to state that he is not prepared to withdraw anything he has written in his several reports to the Government respecting the irregularities in the Real Estates Duties Office at Launceston, notwithstanding Mr. Henry's assertions. The Return furnished to the Board of Enquiry referred to has not been supported by proof as regards the sum of £806 17s. 1d., although, at Mr. Henry's suggestion, endeavours have been made to obtain such proof from the office at Launceston, copy of a letter dated 23rd December herewith, which was written and shown to Mr. Henry, who expressed himself as satisfied that one of the suggestions therein could and would be furnished by Mr. Hogg, a clerk in the office at Launceston; but from replies received from the present Collector at Launceston it appears that Mr. Hogg is not able to supply the same. A subsequent letter dated 29th December,—copy also herewith,—not having been replied to satisfactorily, the correspondence has been again referred to the present Collector, who, it is understood from a conversation held with him a few days since, is of opinion that the proof required cannot be furnished. With reference

to the amount £145 11s. stated to be a known deficiency, Mr. Henry evidently attempts to mislead in stating 'that if the Rolls for the several years are corrected and the totals taken and balanced with the total amounts paid into the Treasury, that no such amount as £145 11s. will be found deficient,' because, as explained in previous letters, this sum is made up almost entirely of items recorded as received in the butts of the Demand and Receipt Books of the Launceston Office which have not been brought to account or paid to the Treasury.'"

From this you will observe that the Colonial Auditor maintains the position he has taken up from the first; therefore until you are prepared to fully explain the discrepancies connected with the Launceston Office, and to supply proof of the correctness of any explanation you may put forward, I cannot see that any good purpose can be served by prolonging this correspondence.

So far as the Government is concerned, you will not be provided with any clerical assistance at the expense of the Treasury, but you will be afforded every facility to make such examination of the records of the Launceston Office as you may think necessary to enable you to satisfactorily explain the discrepancies brought under notice; but any reference you desire to make must at all times be with the full knowledge and consent of the Collector in charge of the Launceston Office.

I have, &c.

SAMUEL HENRY, *Esq.*, *Launceston.*

W. H. BURGESS, *Treasurer.*