

shape perfectly intelligible to the public. Your Committee is of opinion that every endeavour should be made to attain such a result.

For the sake of supplying information on some points not touched on in this Report, your Committee appends a copy of the printed statement, with marginal annotations and explanations, of a character to make the accounts more easily understood, and to shew the connection between the different statements. In the Examination of the accounts, your Committee went back to the books of the Treasury, and in some cases to the returns of the Sub-Treasurers and Collectors of Revenue. The Committee did not think it by any means necessary to go through the vouchers by which the statements of expenditure are supported. In one case, however—partly as a test taken at hazard, and partly for the sake of investigating the process—it searched to the root of an item, tracing its origin, its component parts, the progress of each from one stage to the next, and the system of checks between the Collectors of Revenue, the Sub-Treasurers, and the General Treasury, so far as each was concerned with the item in question. Appended hereto, and marked K, is a memorandum furnished by the Auditor-General of the practice of the various departments of the Government with respect to Finance.

The attention of your Committee has been called by the Auditor-General's queries to the fact that supplies for barrack repairs have not been obtained in the usual manner by tender. Your Committee concurs with the Auditor-General in deprecating any departure from the rule of inviting public competition in the execution of the works referred to.

The Auditor-General has remarked upon the method in which the Public Accounts are kept—viz., as those of the Treasurer, and not of the Colony. Your Committee, while agreeing generally with the spirit of the Auditor-General's remark, cannot foresee any practical advantage to be derived from a change sufficient to counterbalance its evident disadvantages.

Your Committee deems it important that full particulars relative to the charge for Native purposes of 5 per cent. on certain lands sold in the District of Wairarapa, in the Province of Wellington, and of 10 per cent. on certain lands sold in the Province of Auckland, should be, as soon as possible, presented to the House. But your Committee has not sufficient information before it to offer any practical suggestion on the matter.

Your Committee has had forcibly brought before it, by the report of the Auditor-General, and by further enquiries instituted thereon, the fact that issues of money from the Public Chest are not controlled by the Legislature: that virtually there is no check upon the improper use of the Revenue of the Colony but the general political responsibility of Ministers: and that, in fact, by present practice, the responsibility in matters of Finance is made to rest chiefly upon the Governor himself.

A certain expenditure is authorised by a Minister, and incurred in his Department. When the Bill is sent in and the vouchers prepared, the Auditor-General (should the account be payable in Auckland) is permitted to protest if the expenditure be not according to law; but it is nevertheless paid. After payment it is grouped with other expenditure in a form of warrant for the Governor's signature, the unauthorised items being separately shown for His Excellency's information. The Governor then signs the warrant and releases the Treasurer from liability. Your Committee submits that the issue of public moneys, the payment of which is not sanctioned by law, is necessarily illegal, and that the practice of obtaining the Governor's warrant for illegal expenditure is full of danger. The ancient and salutary practice of the English Government prevents any issue whatever of moneys from the Exchequer without sanction of law. Without recommending the formation of a new department in the Government, as would be necessary if the English practice were to be followed in this Colony, your Committee is of opinion that Ministers should be held solely responsible for the expenditure of the public moneys, and therefore recommends that the memorandum* of the Auditor-General attached to his report be adopted.

Subject to the foregoing remarks, your Committee concurs in the Auditor-General's Certificate, dated 28th July, and laid on the Table of the House, 8th August, 1860.

THOMAS KING, *Chairman*.
WILLIAM C. DALDY,
CROSBIE WARD.

House of Representatives,
Auckland, 9th October, 1860.

* See Appendix at the end of the Tables page 32.