

APPENDIX TO THE REPORT.

CERTIFICATE AND MEMORANDUM OF THE AUDITOR OF PUBLIC ACCOUNTS, JULY 28TH 1860.

I certify that I have examined the statements of the Colonial Treasurer for the Financial Years 1857-8 and 1858-9, and find them correct as Accounts and Balance Sheets of transactions for the period comprised therein, and that the Expenditure shewn therein has been properly classified and the part thereof which has been incurred without authority of law is separately shewn; with the exceptions stated in the accompanying queries.*

CHARLES KNIGHT,
Auditor of Public Accounts.

July 28th, 1860.

* The Auditor's queries, having been incorporated in the Report of the Committee, are not printed with the rest of the papers.

MEMORANDUM OF THE AUDITOR ON THE STATEMENTS OF THE COLONIAL TREASURER FOR THE YEARS 1857-8 AND 1858-9.

The Auditor thinks it desirable to offer the following remarks on the Audit of the Public Accounts.

The books of the Assistant Treasurer and those of the Auditor are kept independently, and are made up from the accounts of the several Treasurers, Collectors of Customs, Postmasters, and Receivers of Land Revenue. The comparison of these books, where the statements of Receipt and Expenditure differ from the Audit Accounts, forms the check on the Treasurer's statements. The queries have been forwarded with the statements. Those raised on the accounts of the Cashier of the Treasury, the Sub-Treasurers, the Collectors, and Postmasters, have not been forwarded, as the examination of these is regarded as a separate branch of the Audit, and embraces points which would scarcely come under the consideration of the Audit Committee;—such as the correctness of the computations; whether the regulations of the service are conformed to; whether there is a Ministerial authority for each expense; whether the public moneys in charge of Sub-Accountants are duly accounted for, &c.

The examination of the statements for the year 1857-8 was necessarily a laborious one. It virtually included all the statements of the previous years, for the Auditor had to satisfy himself that the balances brought forward under the new construction of the Accounts were correct. The Auditor had also to contend with the difficulty that the Act of Appropriation for the year 1857-8 was not passed until two months after the year had expired. In the absence of an Act of Appropriation, the expenditure had been classified in the Audit books according to the Estimates of the previous year. It will also be observed that the Audit Act was not passed until the 21st July, 1858; and that the Audit books had not been entered with reference to the new duties which had devolved on the Auditor of certifying the correctness of the Treasurer's statements; but in a form which experience had shewn to be most convenient for the Audit of the Accounts of the numerous Accountants of the Treasury. The Treasury, in making up the Annual statements, is of course at liberty to make any change in the arrangement of the Expenditure which may be found necessary and proper, and may transfer items from one Department to another. Unless the books of the Audit and Treasury are kept as nearly as possible alike, the Auditor would have great difficulty in following the transfers. This agreement, for the reasons above stated, could not well be effected for the year 1857-8. The Auditor, therefore, having satisfied himself that the Treasurer's statements were correct in every important particular, took the books of the Treasury for the final examination.

For the year 1858-9 the examination was based entirely on the books of the Audit Office.

The classification of the Public Expenditure adopted in the statements is that of the Estimates of the year as finally adopted by the House of Representatives; but for determining the savings or excess, the votes as set forth in the Act of Appropriation are taken.

The warrants for the Governor's signature are prepared in the Audit Office. The Auditor takes care that the service is properly classified in the warrant, and that what is in excess of the Act of Appropriation is shewn under the separate head of "Supplementary" for which a vote of the House of Representatives will be required. The Auditor's objections, if any, are endorsed either on the vouchers or on the warrant. The warrant is then laid before the Governor by the Colonial Treasurer.

These regulations are advantageous. They enable the Auditor to raise objections previous to payment, and secure an immediate examination of the vouchers. They also require that the Auditor should be early informed of the Financial arrangements of the Government.

At the same time there is a positive understanding that the Auditor has no power to control the expenditure. He can state his objections, but cannot prevent payment. The authority of the respective Minister is the order for the Auditor to place the expense in warrant for the Governor's signature.

The functions of the Audit are in fact separated from those of control and issue. The Governor alone controls the Expenditure. By the Constitution Act the Governor is the conservator of the public moneys coming into the Colonial Treasury; and none can be issued except under His Excel-