

REPORT OF THE AUDIT COMMITTEE.

APPENDIX I.

I. Voucher No. 513. No Department specified on Voucher.

The Committee have observed a similar omission in several other Vouchers; and they have also noticed in several Vouchers the omission of a witness (*e.g.*, Vouchers Nos. 120, 122, 123, 288, and others); also, that several items for distinct services are sometimes grouped together in one Voucher, which they think is an inconvenient practice.

In page 23, the balance of Land Revenue, Hawke's Bay, is stated in error to be that "up to 30th September, 1860," whereas by a note appended, it appears that the Accounts for September Quarter, 1860, had not been received up to that date. It is a clerical error, and should stand thus—*viz.*, "up to 30th June, 1860."

In page 14, (E. Powell, £18 6s.) there appeared at first sight to be a clerical error; the Act fixing the sum at £18 5s.; but the explanation offered of the apparent discrepancy is that it is owing to the year being leap year.

II. A considerable portion of the sum of £604 17s 2d (page 11), classed under head "Legislative," was found to be for printing Statistics. The Committee think that this would have been more properly classified under the head "Printing and Stationery." It is true that if it had been so classified, the total amount of the unauthorised expenditure would have appeared by so much larger; and that as there was no meeting of the Legislature that year (and consequently few Legislative expenses incurred), room was left under "Legislative" to insert extraneous items. But, in the opinion of the Committee, it would have been better to have sacrificed appearances to a more direct method of entry.

III. In the "Deposit Account," two items occur, amounting to £320, for "Commissariat Pensions" and "Native Hostelry Accounts." The explanation of the occurrence of these items is, that in the one case the General Government undertakes the payment of certain pensions in places where no Commissariat Officer is established, the sums being afterwards refunded to the General Government; and in the other, that there are certain refunds from the Native Hostelrys in the shape of charges. The Committee are of opinion that no such sums ought to appear in a "Deposit Account," but should in future be transferred to "Advance Account."

IV. Under the head "District Registrars" (page 11), the Committee ascertained that no accounts had been furnished from Lyttelton or Christchurch. Application had been made, but no accounts had been received by the General Government from those places; Canterbury having for a long time refused to render any.

V. Voucher No. 1699 (£15) is for payment of one quarter's salary to John Richardson for printing postage stamps. Now as this salary of £60 per annum is a known quantity, ought it not to appear under the "Postmaster General's Department" instead of under the head "Stationery and Printing"?

VI. Voucher No. 200, amounting to £746 5s. 6d. is for stationery supplied by Messrs. Smith, Elder, & Co. An examination of this Account, and of the correspondence relative thereto, shows, that of this sum no less an amount than £175 has been reported on by Mr. Barnard, the Agent General, for Crown Colonies, as an overcharge. This order was, however, unfortunately followed by an order for a further supply of stationery from the same firm; although it does not appear that the report of the Agent General had reached the Government at the time. The Committee consider that the system of obtaining supplies from such sources as the above is not an advantageous one. They are of opinion that the recommendation of Mr. Barnard, that the stationery required for the use of the Colony should be procured from the Crown Stationery Office, or that the system of public competition within the Colony for the supply of articles should be resorted to. The latter is the plan that would be preferred by the Committee. The examination of Voucher No. 2012 (£52) confirmed the Committee in their opinion. Stationery was paid for to that amount to Mr. Sheriff, of Sydney; the merchants of the Colony being quite capable of supplying all such wants.

VII. In one voucher, amounting to £175 8s. 0d., belonging to the Attorney-General's Department, no less a sum than £143 16s. 0d. appears as expended for "District Court Forms."

So far as the Committee have been able to ascertain, the Courts at Auckland appear to be supplied from the Attorney-General's office; but not generally those in the other Provinces.

Also, amongst other items, under "Stationery and Printing," appear "Forms for Receivers of Land Revenue." As the Land Revenue is Local Revenue, it is obvious that all expenses of the Land Department should be charged locally.

Also, in Voucher No. 513, items appear for Printing, "Resident Magistrates' Courts"—a charge that should, as in the two preceding instances, have been made locally.

Without adducing a larger number of particular instances, the Committee make this general recommendation—*viz.*, that the considerable expenditure under the items "Printing and Stationery" and "General Contingencies" should, at the end of each year, be examined, with a view to transferring to the respective Provincial accounts all charges found to be local.

VIII. Under the head "General Contingencies," a sum amounting to £277 10s. 4d. for Meteorological Instruments has been included.