

A P P E N D I X.

No. 1.

REPORT BY THE AUDITOR-GENERAL (DR. KNIGHT).

MONEY ORDER OFFICES.

Early in the year 1862, the attention of the Postmaster-General, Mr. Ward, was directed by the Post Office authorities to the necessity of framing regulations for the conduct of the Money Order business in New Zealand. Under Mr. Ward's instructions, a set of regulations and forms of accounts were prepared, slightly modified, from those which had been framed by the Post Office authorities in England.

One of the rules laid down by the London Office, for our acceptance, required the advices of Money Orders issued in New Zealand to be transmitted to the United Kingdom by the Postmaster-General at Auckland. But when Mr. Ward was about to promulgate his regulations, he found that the requirement of the British Post Office offered a serious difficulty, owing to there being no less than nine ports in New Zealand for the despatch and receipt of Foreign Mails, from each of which Money Orders would be sent to Foreign places; so that in most cases a month would elapse before the Postmaster-General at Auckland could receive the necessary information to enable him to advise the Foreign Offices of the Money Order drawn upon them, thereby delaying the payment of the Orders at least a month, and it might be in some cases two months, after their arrival in the United Kingdom.

In the United Kingdom, and in the Australian Colonies, this obstacle in the way of a central department does not exist. In each of those countries, the Money Orders and the Advices are sent from a single Port. It was evident that the numerous Ports in New Zealand, for the despatch and receipt of Mails, would complicate greatly any scheme to centralize the business of the Money Order Offices, in the Office of the Postmaster-General.

In this difficulty, which is more important than appears on first sight, the Auditor, at the request of Mr. Ward, undertook a complete revision of the regulations, with a view to make such alterations as would suit the peculiar circumstances of the Colony; the Postmaster-General having first concurred in the Auditor's recommendation, that the following modifications should be adopted:—

1. The Postmaster-General's Department is not to have, as it has in England, any local charge, or to issue Money Orders.

2. The Postmaster-General's Department is neither to receive remittances of money from Money Order Offices, or remit money to them; and in respect of Money Order business, its duties are to be confined to the control and regulation of the Money Order Offices, and to the correspondence with Foreign Offices.

3. In each Province there is to be a chief Money Order Office, which, by its machinery, is to collect the whole of the Money Order business of its Province, and to amalgamate with its accounts the whole of the transactions of the Subordinate Offices.

4. The Chief Office in each Province is to transmit the Money Order advices to the respective Foreign Money Order Offices, and to forward to the Chief Foreign Office a list of such advices.

5. All balances of money, in excess of an authorised working balance, are to be paid by the Chief Officer into the nearest Sub-Treasury.

6. When in adjustment of exchange, remittances are to be made to Foreign Offices, Bills of Exchange are to be sent by the Colonial Treasurer, and the Foreign Office duly advised.

7. The Money Order Accounts to be sent direct to the Auditor for examination, in the same way as those of the Post Office, the Customs, and Treasury Accounts are.

The whole of these leading propositions have been enforced by the regulations now in operation; and the Post Office authorities in England readily consented to that part of the arrangements which had reference to the immediate despatch of the Money Order advices, and the lists thereof by the Chief Provincial Postmaster.

In these leading propositions, the Auditor kept in view the advantage of keeping the Money Order business of each Province distinct and independent; and of saving the expense of a large Postmaster-General's Department, where the time of the officers would be frittered away in attending to details, which could be far better done by the Chief Provincial Offices under general rules.

By clearing the Central Office of the receipt and issue of monies, the Auditor was enabled to frame a set of accounts, which, while it supplies every information that is required for adjusting the transactions with Foreign and Inland Offices, is simple, and so easily understood that no difficulty has been found in conducting the Money Order Offices in any of the Provinces. The business, in fact, has been so arranged that the public have, at small cost, and with great facility, obtained the full advantages of this convenient means of remitting small sums of money to the United Kingdom, the Australian Colonies, and throughout New Zealand.

The framing of the accounts, the drawing up of instructions for the guidance of Postmasters in charge of Money Order Offices, watching the working of the system, and devising measures to meet contingencies, which had been overlooked; the keeping the accounts with former offices, have all added to the work and responsibilities of the Auditor. Moreover, up to the present time, it has been necessary to refer much of the Correspondence between Foreign Money Order Offices and the Postmaster-General, to the Auditor for his report.