

SECOND REPORT

OF

THE COMMISSIONERS

UPON

THE PUBLIC ACCOUNTS.

PRESENTED TO BOTH HOUSES OF THE GENERAL ASSEMBLY, BY COMMAND OF
HIS EXCELLENCY.

WELLINGTON.

—
1869.

SECOND REPORT

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MAY IT PLEASE YOUR EXCELLENCY,—

In continuation of our First Report, presented on the 6th October, we have now the honor to lay before your Excellency the conclusions at which we have arrived on the remaining matters submitted to us.

ACCOUNTS OF RECEIVERS.

1. In our former Report we dealt with that part only of the Receipt of Revenue in which some alteration of the existing law might be thought desirable. We proceed now to recommend some alteration in that part of the present system which is established by the Regulations of the Governor in Council.

2. The Regulations of the 12th November 1867, evidently contemplated that one Account only should be periodically returned by each Receiver of Revenue to the Colonial Treasurer, which should be an exact copy of his Cash Book. It has been found, however, in practice, that the form of that Cash Book has not been such as to dispense with the necessity of requiring from the Receiving Officers other returns, especially in the form of Summaries of the Receipts under the various heads of Revenue. We think that such a form of the Receivers' Cash Book may be adopted in each branch of the service, as will at once simplify the labour of the Receiving Officers, diminish the sources of error, and will convey in one return all the information which is required, both by the Treasury and by the Audit Office, in order to establish a complete Account and Audit of the Receipt of Revenue. In the amended Regulations appended in the Schedule to this Report will be found a form of Cash Book which, slightly modified so as to be applicable to each branch of Revenue, would, we think, effect the object in view. The return made to the Treasury should, as at present, be an accurate and declared copy of such Cash Book, accompanied by vouchers supporting the several entries. We believe that by the adoption of these tabular forms, summarized at the foot of each month's account, a great amount of labour may be saved, a large number of supporting documents may be dispensed with, and frequent errors, with all the delay occasioned thereby, may be avoided.

THE DISBURSEMENT OF THE REVENUE.

3. The system at present in force for disbursing the Public Moneys may be described as follows. The authority of the Minister in charge of each Department, and also of the Colonial Treasurer, is required for every payment on account of such Department. The authorities issued by the Colonial Treasurer to the Paymasters are of two kinds, "General" and "Special." "General" authorities are for the payment of all salaries and other fixed and recurring payments. These are supposed to be issued at the commencement of the financial year; but, in practice, their issue is necessarily delayed until the Estimates are passed and reprinted, by which time four months of the year have elapsed. In the meantime the authorities of the previous year are still acted on, and many corrections have to be made in consequence. After the General authorities for the current year are issued, they are acted on by the Paymasters throughout the year without further instructions. For all other, or contingent, expenditure, a Special authority is required for each payment. The claim is made out on the proper form of Abstract, and having been certified by the local head of the Department concerned, is transmitted by him to the Minister. The Minister, having signified his approval of the claim, transmits it to the Treasurer, who forwards it to the Paymaster or Sub-Paymaster of the district or service, and transmits the money for payment. The money is transmitted by draft, by arrangement with the Bank, without charge. The receipt is taken on the Abstract when the payment is made, and is returned to the Treasury in support of the Paymaster's Accounts.

4. In all such cases the Certifying Officer is guided in incurring the expenditure by the amount which has been authorized by the Minister. But there is a class of payments, of no considerable magnitude, in which a discretion is left in the hands of the local Officers as to the amount to be expended. This applies only to Sub-Paymasters who are distant from the office of the Paymaster. In such cases the paying Officer transmits the Abstract, properly receipted, to the Treasury, by whom it is sent to the Minister of the Department for approval, before being recorded in the Treasury.

5. It is the duty of the Under-Secretary of the Department, before passing each abstract from his office, to enter upon its face the vote of Parliament against which the expenditure is to be charged. But payments are sometimes made out of advances, especially upon Military, Native, and Confiscated Land services, in which considerable delay occurs in settling the vote against which the expenditure is to be charged.

6. Every payment is currently recorded by the Paying Officer in his Cash Book, of which he transmits a declared copy monthly to the Treasury, supporting his items of disbursement by the proper vouchers. After the receipt of the Paymaster's Accounts the expenditure is brought to charge in the books of the Treasury.

7. It seems to us that the whole system of disbursing the Public Moneys may be considerably simplified. Setting aside the Military expenditure, and those small sums to meet petty cash payments, which it will probably always be necessary to place in the hands of certain Officers by way of imprest, we think that the great bulk of the Public Moneys may readily be disbursed directly from the Treasury at the Seat of Government, without the intervention of local Paymasters. We recommend that all payments shall be made by cheque, signed by the Paymaster-General, drawn upon the Bank at the place, or nearest to the place, where the money is payable; but that this cheque shall not become payable until countersigned by the Officer who certified the account. The Paymaster-General would then transmit to his own account in each branch Bank the amount necessary to meet all the cheques which he had drawn upon it by the same mail. He would return the Abstract to the Officer who had certified it, and he would post the cheque direct to the payee. The cheque, being valueless until countersigned, could be transmitted by ordinary post without risk.

8. On receipt of his cheque, the payee would have to take it to the Certifying Officer, who would be the Officer with whom he had dealt throughout, and to whom he looked for payment; and the Officer would countersign the cheque upon receiving the proper receipt of the payee on the Abstract. The counter-signature of the Officer should be in the form of a certificate, printed across the cheque, that the proper receipt for the amount had been given. The Officer would return the voucher to the Treasury, the cheque would be paid at the Bank, and the transaction would be complete.

9. Claimants unable personally to present their cheques for counter-signature would be able to obtain payment with the same facility as at present, by giving an authority to an Agent to sign the proper receipt in the presence of the countersigning Officer.

10. It would be necessary to supply each Bank with a list of the Officers authorized to counter-sign cheques drawn upon it, all of whom would probably be personally known to the Bank.

11. The advantages of this system would be very considerable. The cheques, being issued from the Treasury, could be at once charged in the Treasury Accounts, without waiting for the vouchers. At present from six to ten weeks must elapse after the Public Money has been imprested to the Paymasters, before it is finally brought to account in the Treasury Books as expended. We think that it should be so charged as soon as the cheques are issued, and that although cases might arise in which cheques might not be presented for payment for a long period, or even at all, they would be so few in number, and for such small amounts, that the trouble incurred by having to make correcting entries in such cases would bear no proportion to the large amount of labour saved by getting rid of the Paymaster's Accounts.

12. Another manifest advantage of this system would be, that the Minister for each department would be able, by inquiry at the Treasury, to ascertain the actual sum which had, up to any given date, been expended on account of his Department. At present this cannot be done, because the expenditure authorized is always considerably in advance of that which is recorded in the Treasury Accounts. Under the proposed plan, the amounts authorized and expended would be identical.

13. But it is not only the normal case of a correct account which must be considered. Mistakes frequently occur in the returns of distant Accounting Officers, and the accounts have in such cases to be sent back for explanation. The period, therefore, of finally charging the expenditure is often protracted much beyond that stated above, and a great amount of explanatory correspondence is involved, the whole of which would be put an end to under the system proposed.

14. No further delay would occur in making any payment than takes place at present; with one exception. The certified Abstracts of Salaries would have to be sent to the Treasury at the end of each month, in order that the cheques might be made out, and transmitted to the public servants. The cheques would therefore not come into their hands until from a week to a fortnight after the conclusion of each month. But this would be felt as an inconvenience only at the commencement of the system. After the first month, the payments of Salaries would, as at present, be made to the Officers in each month at the same interval.

15. As some evidence of the amount of labour which may be saved by the proposed system, we may state that, during the past financial year, 1,756 specific advances, amounting to £2,526,973 3s. 2d., were made to Paymasters and Sub-Paymasters. The number of advances accounted for during the same period was 1,421, amounting to £2,447,510 11s. 5d.; a part of these being advances made prior to the period referred to. The number of Paymasters' Accounts received during the year was 963, and these Accounts, being transcripts of the Paymasters' Cash Books, represent an equivalent amount of clerical labour in the offices of the Paymasters themselves. The system of direct payments will enable the whole of these Books and Accounts to be dispensed with; and the Accounts now kept in the Treasury Books against the several Officers will be dispensed with likewise. The use of duplicate vouchers and sub-vouchers (estimated at 40,000 for the past year) will become unnecessary, and the correspondence now carried on with the several Paymasters relative to the business committed to their management will cease.

16. The system recommended will, in fact, bring the Treasury itself into direct communication with the public creditor, and all the books, forms, and clerical labour now expended in the transaction of this business by the hands of Agents will be saved. The abolition of all advances, except those to Foreign Agents, to Military Paymasters; and for petty cash disbursements, will at the same time remove from the Accounts of the Colony a class of transactions which have added much to their complexity, and have presented an insuperable obstacle to the proper control of its Finance.

THE MILITARY EXPENDITURE.

17. The Department in which we find the greatest delay and irregularity in accounting for money advanced, is that of Defence; and, considering that many of the payments in this Department have

to be made to the Forces in the field, or scattered in distant posts, this is, perhaps, to a certain extent unavoidable. For the latter reason, and especially during the time when the engagements with the Military Settlers for pay and rations were in force, it was thought that the Paymasters ought not to be called on to account more frequently than once a quarter. The result was, that very large sums were outstanding as advances unaccounted for. Matters have been gradually improving in this respect of late. The outstanding advances in the hands of Military Paymasters, on the 30th June, for the three years 1866–68, were as follows:—

30th June, 1866	...	...	...	...	...	£63,808 15 2
„ 1867	...	...	...	...	...	66,548 7 10
„ 1868	...	...	...	...	...	25,649 1 10

18. After consultation with the Hon. Colonel Haultain, we are able to recommend that the Military Paymasters, who are now reduced to five in number, should be required to render their Accounts monthly, instead of quarterly; and this may be readily done without in any way interfering with the efficiency of the Colonial Military Service, or with the arrangements of the Defence Office.

19. We are unable to advise at present that the Military Paymasters shall be dispensed with, and that the payments on Military Services be made in the manner we have proposed for the Civil Services; and this, mainly because much of this expenditure has to be made in places where there is no Bank, and the money has to be transmitted from the Treasury in notes and cash, and to be disbursed in the same manner. But we are entitled to regard this state of things as exceptional and temporary; and may fairly anticipate that when active operations in the field are at an end, and the Military Force is limited to the Armed Constabulary, the same system of payment may be adopted for this as for all the other Public Services.

THE AUDIT.

20. Under the provisions of the Public Revenues Act, the Accounts of all Receivers and Paymasters are sent to the Auditor monthly, as soon as recorded in the Treasury; and as soon as they are audited the Auditor is required to grant to each Officer his discharge. The system of payment direct from the Treasury will relieve the Audit Office of a large amount of work, by limiting the number of Accounting Officers. We think that it would be desirable if the Audit, and the discharge of the Public Accountants, were taken up, where possible, from a definite date—say from the thirtieth of June last, —to be from that point currently and rapidly conducted, without waiting for the completion of the arrears prior to that period, which might be brought up with as much expedition as the strength of the Department would allow, consistently with the important object of allowing no arrears to accumulate for the future.

21. It is the duty of the Auditor to audit the Accounts of the Treasurer once a year; but the Accounts supplied monthly by the Treasury enable the Auditor to carry on this work throughout the year, so that no great delay is necessary in completing the Audit when the final Account is rendered.

22. The Commissioners understand that a regular set of Books used formerly to be kept in the Audit Office, in which the Accounts of the Colony were recorded in detail, and almost in the same shape as in those kept by the Treasury. Since the passing of the Public Revenues Act, however, the Treasury Accounts, as described below, have been furnished to the Audit Office every month in so clear and convenient a shape, for purposes of Audit, that it has only been found necessary to keep two very simple Account Books, of the nature of Abstract Ledgers, in which the monthly totals under each head of Receipt and Expenditure are entered, for the purpose of checking the Annual Account of the Colonial Treasurer. The present system seems to be economical and efficient, and it does not appear necessary to suggest any alteration.

23. Since the commencement of the current Quarter, the vouchers for all Contingent Expenditure have been examined in the Audit Office, prior to being entered in the Treasury Books. Most of these vouchers are therefore now audited before payment; but a certain proportion of them, namely, those sent in by Officers who have had advances under imprest for particular services (including Military Expenditure), cannot be so audited. They are all, however, finally examined in the Audit Office before being entered in the Treasury Books. By this arrangement much trouble is saved both to the Treasury and Audit, and the number of Queries on the Accounts, involving considerable labour and delay in their adjustment, is very much diminished. We find that the Staff in the Audit Department has been considerably reduced during the past year, owing, in a great degree, to the change in the form in which the Treasury Accounts are now presented to the Auditor. The Staff in the Treasury has been somewhat increased, but more than corresponding reductions have been made in the Sub-Treasuries in various parts of the Colony.

THE TREASURY ACCOUNTS.

24. After a careful inspection of the Books of Account kept in the Treasury, those of the Commission who are unconnected with that Department desire to bear testimony to the accuracy, order, and completeness with which the whole monetary transactions of the Colony are recorded, and, looking to the system under which the Revenue of the Colony has been received and disbursed, the Accounts appear to us to have been kept in an economical manner. Every transaction, whether of Receipt or Expenditure, is currently recorded as soon as the Monthly Accounts are received from the Receivers and Paymasters throughout the Colony. The Accounts of these Officers, accompanied by the vouchers, are then sent to the Audit Office, embodied in a Monthly Account made up in the Treasury, in three parts—First, An Account of Receipts, the charge and discharge of which are balanced; secondly, An Account of Expenditure, the charge and discharge of which are similarly balanced; and thirdly, An Account-current of the transactions of the Colony for the month, in which the Accounts of Receipt and Expenditure are combined and balanced as a whole. These Monthly Accounts are made up to facilitate the work of the Auditor in making that final Audit of the Treasury Accounts for the year, which is required by the Revenues Act, and which is the basis of his Annual

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Report for Parliament. From these Monthly Accounts are prepared the Quarterly and Yearly Statements published in the *Gazette*, as required by the Revenues Act.

25. During the past year great delay occurred in making up and publishing the Accounts. This arose partly from the change in the form of the Account introduced by the Public Revenues Act, partly from the difficulty of incorporating outstanding transactions, especially under the head of "Advances," into the new system; and partly from technical difficulties in the adjustment of the Accounts arising out of the mode and date of operation of the financial laws of the Session of 1867. But as these causes of delay have disappeared, it is needless to refer to them further. No delay for the future will be found to arise except it be from the neglect of Officers to furnish their Accounts punctually on the last day of each month. The probability of delay from this cause will, however, be largely reduced, should the Government think fit to adopt the plan recommended in this Report of making the great bulk of the payments by cheque directly from the Treasury. The Accounts in that case to be received will be confined to those of Receivers, and to the Accounts of the Military Paymasters.

26. Another source of delay will be avoided by the practice already initiated in the Treasury and Audit Office, by which vouchers are audited before payment, and the Vote or Account against which the expenditure is to be charged is fixed at the same time.

27. But as regards the Accounts still to be received before the Monthly Account can be prepared, we think that greater stringency is necessary than has hitherto been the practice. The Revenues Act places large power in the hands of the Government for enforcing punctuality in sending in Accounts. We think that these powers should be used more vigorously than heretofore. It is a great and quite unnecessary detriment to the Public Service that the completion of the Accounts of the Colony should be delayed, because some few Officers fail to send in their Accounts at the time required by law; and we think that in every case where such neglect occurs, the fine imposed by the Act should be enforced, and should only be remitted upon good and sufficient cause being shown by the Accounting Officer for the delay.

28. It has been made a matter of complaint that in the published Financial Accounts the totals of Receipt and Expenditure have been unnecessarily swelled by the introduction of separate Accounts, which, though necessary as subsidiary and explanatory, ought not to be incorporated into the body of the Accounts current; and it may be argued that this practice, though technically correct, tends somewhat to obscure an account which is intended for general information. It is very desirable that the Accounts should be published in such a form as will not only satisfy professional Accountants of their completeness and accuracy, but as will present to ordinary readers, in the simplest and most intelligible manner, the whole transactions of the Government in the management of the Public Moneys. Changes however, have been and are being made, by which the form of the Accounts is being gradually simplified; and the modifications in the Revenues Act which were made during the recent Session, in accordance with the suggestions of the Commissioners, will, we think, tend still further to the same desirable result.

29. We see no reason to doubt that for the future the Account for each month will be prepared before the close of the following month, and therefore that the Quarterly and Yearly Abstracts of Account will be prepared and published within the time required by law. These Accounts state under general heads what the actual Cash Receipt and Expenditure of the Colony has been for the period to which they relate. They also state the sums advanced but not yet accounted for, and therefore not yet charged as Expenditure. They distinguish the Receipt and Expenditure of Current Revenue derived from taxation, from those of borrowed money, of the Land Revenue, and of money held in trust by the Government for private persons. They thus contain full information as to the management of the Public Moneys.

30. The changes in the Treasury Regulations which will be required to give effect to the recommendations contained in this Report are submitted in an Appendix hereto.

31. We transmit herewith the minutes of our proceedings, and submit the same, together with our Reports, to your Excellency's consideration.

JAMES EDWARD FITZGERALD, (Chairman.)
C. J. PHARAZYN.
J. WOODWARD.
C. T. BATKIN.
WILLIAM SEED.

Wellington, 18th November, 1868.

APPENDIX.

DRAFT TREASURY REGULATIONS.

I.—AS TO THE RECEIPT OF PUBLIC MONEYS.

1. Every person in the Public Service into whose possession or control any Public Money shall come, is constituted a Receiver by and within the meaning of "The Public Revenues Act, 1867," and becomes thereby charged with all the duties and subject to all the liabilities imposed upon Receivers by the said Act.

2. All public moneys of every description whatsoever, except as provided in the sixth, ninth, and tenth of these Regulations, whether of the nature of Revenue or of moneys to be held in trust by the Government for the use of private persons, are to be paid into the Public Account in gross, without any deductions excepting for charges on the sale of public property and for such payments as Collectors of Revenue are required by special enactment to pay out of their collections.

3. The Bank of New Zealand is hereby appointed to be the Bank in which the Public Account is to be kept, and into which all money payable into the Public Account is to be paid, and is the Bank referred to in the Public Revenues Act and in these Regulations as "the Bank."

4. Every Receiver whose office is in a place in which there is a branch of the Bank shall pay the whole of his collections into the Bank every day immediately before the Bank closes, and shall obtain from the Bank a receipt, in the form in the First Schedule annexed, and a receipt in an Office Pass-Book; and should he receive any money after the time when it would have been possible to pay it into the Bank, the Receiver shall pay in such money with his collections of the following day. Every Receiver whose office is in a place where there is no branch of the Bank, and who shall not be authorized to retain fees received by him by way of salary, shall transmit his collections to the Bank at Wellington, by Post Office Order or by Registered Letter, upon the last day of each month, with forms of Bank Receipt prepared in duplicate, and the Bank will transmit one copy of the receipt to the Receiver by return of post, and will send the other copy to the Receiver-General.

5. In cases in which a Receiver is authorized to retain fees received by him by way of salary, he shall, upon the last day of each month, send to the Bank at Wellington an order in the form in the Second Schedule annexed, upon the Paymaster-General, in favour of the Public Account, for the total amount of all fees so received and retained by him during such month, and shall at the same time transmit to the Paymaster-General a receipt for salary to the amount named in such order; and the Paymaster-General receiving such receipt shall pay the order at the Bank; and the Bank will transmit one copy of the duplicate Bank Receipt to the Receiver by the next post, and will send the other copy to the Receiver-General.

6. Moneys received on account of Land Revenue, and moneys received under the provisions of "The Gold Duties Act, 1858," and "The Gold Fields Act, 1866," shall, unless the Receivers of such moneys shall be otherwise directed by the Colonial Treasurer, be paid to the Provincial Account of the Province to which they may belong, into the Bank at which such Provincial Account is kept. And all the clauses of these Regulations which apply to the payment of money into the Public Account, and to the accounting for such moneys, shall equally apply to moneys paid into any Provincial Account under this clause; but so often as, and for so long as the Colonial Treasurer shall direct, any Receiver of such moneys shall pay the same into the Public Account, instead of into the Provincial Account as above provided.

7. Where moneys are received on account of Rents, or sales of Government property, or otherwise as Miscellaneous Revenue, full particulars of the authority for such sales, the account sales, tenders, and contracts, if any, and other documents explaining the transaction, must be appended to the accounts of the Receiver.

8. Moneys received in satisfaction or on account of Surcharges, must be accompanied by a statement prepared by the officer surcharged, containing full particulars of the transaction in respect of which the surcharge was made, together with a reference to the query or other communication directing such surcharge.

9. Moneys received for Post Office Money Orders, and for Deposits in the Post Office Savings Bank, shall not be paid into the Public Account, but shall be dealt with and accounted for in the manner directed by the Regulations of the Post Office.

10. Where a Receiver shall receive money by way of deposit for Customs Duties, or for Land, he shall give to the depositor a Deposit Receipt in the form in the Third Schedule annexed, and shall pay the amount so received day by day into the Bank to a separate account in his own name, to be called the Deposit Account; and shall obtain from the Bank a receipt in a form similar to that in the First Schedule annexed, and a receipt in an Office Pass-Book; and as soon as the transaction on account of which such deposit was made shall be completed, he shall return the deposit to the Depositor, who shall give up the Deposit Receipt for the same receipted on the proper place in the form. The Receiver shall withdraw all money from the Deposit Account by cheque, which will be countersigned by such public officer as the Colonial Treasurer shall direct and shall notify to the Bank. In cases in which there is no Bank in the Receiver's neighbourhood, he shall keep his deposits in such manner as he shall be instructed by the Colonial Treasurer.

II.—AS TO THE ACCOUNTS TO BE KEPT BY RECEIVERS.

11. Every Receiver shall keep a "Receiver's Cash Book," in the form in the Fourth Schedule annexed (which will be modified so as to suit the several departments of receipt), in which he shall enter in the debit columns all sums received by him, under their proper dates, in the order in which they are received; and shall enter in the credit column the amounts of his payments into the Bank in the same order, and the number of the Bank Receipt; and every Receiver shall balance his Cash Book at the close of every month, and shall carry out at the foot of each column the totals of receipts and of

payments respectively, and shall see that the totals balance. In every case in which a sum is received from which a deduction is made as provided by the second of these Regulations, the Receiver shall enter the gross sum received and the amount of the deduction, each in its proper column. He shall then carry out the net sum into the proper column of totals. Sums received by way of deposit and paid into the Receiver's Deposit Account must not be entered in the Cash Book, as they will appear in the Deposit Cash Book as provided by the eleventh of these Regulations.

12. Every Receiver shall, upon the first day of every month, make and transmit to the Receiver-General a correct copy of his Cash Book for the previous month, and shall transmit therewith the Bank Receipt for each payment made into the Bank, together with a Declaration in the form set forth in the Fourth Schedule annexed. If no money shall have been received during such month, the Receiver shall furnish his Return in the proper form, with the word "Nil" written in the place for writing the particulars of receipt and payment. When any deduction has been made from any receipt, the Receiver shall furnish full accounts and vouchers in support of such deduction.

13. Every Receiver who receives money by way of deposit on account of Revenue shall keep a separate Cash Book, to be called the "Receiver's Deposit Cash Book," in the form in the Fifth Schedule annexed, in which he shall enter on the debit side every sum deposited with him under the proper date in the order in which he shall have received it, carrying out the totals of daily payment into the Bank; and he shall enter on the credit side, in the same order, the sums which he shall withdraw from the Deposit Account and shall repay to the depositor, carrying out the daily totals of such repayments, which will be the amount of his cheques on the Deposit Account; and he shall enter in the proper column the number of the Bank Receipt or of the Deposit Receipt as the case may be.

14. Every Receiver shall balance his Deposit Cash Book monthly, and shall on the first day of each month transmit a copy thereof for the previous month to the Receiver-General, accompanied by the Bank Receipts for each sum paid into the Deposit Account, and by the Deposit Receipt for each sum repaid to a depositor. He shall also transmit therewith a Certificate, in the form in the Fifth Schedule annexed, from the Bank, that the amount appearing in the Deposit Cash Book, as the balance, on the last day of the month, was the amount to the credit of the Receiver's Deposit Account in the Bank. He shall also transmit the Declaration in the form in the Fifth Schedule, that the statement of account is complete and correct. In cases in which there is no Bank in the neighbourhood of the Receiver, the balance of the deposits in his hands shall be ascertained and certified in such manner as he shall be specially instructed by the Colonial Treasurer; and he will be instructed to modify the form of his Deposit Cash Book accordingly.

15. Every Receiver shall prepare such Bank Receipts as are required for signature at the Bank, and shall number them in the proper place on the form consecutively from one upwards, commencing on the first day of each financial year.

16. Receivers will be specially instructed in each case as to vouchers and any other documents which they will be required to transmit to the Treasury or to the Audit Office in support of the correctness of the amounts collected by them.

III.—AS TO THE PAYMENT OF PUBLIC MONEY.

17. All claims upon the Government must be made out upon Abstract forms: those for salaries in the form in the Sixth Schedule, and those for contingent services in the form in the Seventh Schedule annexed, and must be prepared and duly certified by the chief local officer of the department in which the expenditure has been incurred, and in the case of Public Works by the officer appointed to superintend the work. And every such abstract must be forwarded forthwith to the Paymaster-General.

18. The proportion of an annual salary payable for any part of a month is to be computed by multiplying the monthly rate of salary by the number of days for which it is payable, and dividing by the number of days in that month.

19. The amount of salary payable for any month or quarter to an officer whose salary is paid out of the fees received by himself, must not exceed the monthly or quarterly proportion of the salary authorized for the year; but if during any month or quarter there should not have been sufficient fees received to pay such proportion, then the amount may be made up out of any surplus fees received during any previous or subsequent month or quarter in the same financial year, so that the whole sum paid to such officer does not exceed either the total amount of his collections, or the sum authorized to be paid on account of the year.

20. When any public officer is removed from one part of the Colony to another, his salary abstract must be prepared up to the date of his leaving the station from which he is removed, or up to such date as may be directed by the Minister at the head of his department, and forwarded to the Paymaster-General.

21. In preparing the abstracts of such salaries, pensions, or allowances, as are to be paid quarterly, the first payment must be calculated to the end of a calendar quarter, the 31st March, 30th June, 30th September, or 31st December, as the case may be, so that payments may fall due on those dates.

22. In stating periods, the first and last day specified are both to be considered as inclusive. In computing the amount due for a specified period, on account of wages or allowances fixed according to a daily rate, the total number of days within that period is to be taken, except it is stated that the allowance is for working days only.

23. In the case of contingent services, the particulars of such claims, whether for services or for supplies, must be fully set forth; in the case of services, the exact date or period, the rate of remuneration, and the nature of the services performed; and in the case of supplies, the exact dates of supply, the quantities and prices of the several articles, and where such information is not otherwise apparent, the purpose for which the last-mentioned articles were required.

24. Such accounts must also be authenticated by the signature (opposite to the total) of the person making the claim, together with his address, and in no case are they to be so signed by an agent

except under a power of attorney, to be produced either in the original or else by a properly certified copy, and the date of such deed is to be noted on the account.

25. The claimant must take special care that his address is correctly and legibly written, as the cheque for payment, mentioned below, will be sent by post to the address so given. If the address is not so stated, the abstract will be returned for amendment before payment.

26. Officers certifying abstracts forwarded to the Paymaster-General, will be held responsible for all errors in computation.

27. Every abstract will be authorised by the Minister for whose department the service has been performed. General authorities will be lodged with the Paymaster-General for all fixed salaries, money allowances, pensions, and other regularly recurring payments authorized by law, and for payments under contracts for a specific amount duly entered into by the proper officer, and registered in one of the Executive Departments at the seat of Government.

28. When no such general authority exists, the account will be sent by the Paymaster-General to the Minister, who will give special authority for the payment. As no claim will be paid without this authority, officers of the Government are specially warned against incurring any expenditure for services beyond those which they have been specially instructed to incur by the Minister administering their department.

29. The Minister having authorized the payment, the permanent head of the department will specify on the Abstract the Vote or Item or other account against which it is to be charged, and will return it to the Paymaster-General.

30. The Paymaster-General will obtain the authority of the Colonial Treasurer for the payment, without which no public money will be paid.

31. Every Abstract, as soon as it has received the proper authority for payment, and has been marked with the Vote and Item or other account against which the expenditure is to be charged, will be sent to the Auditor for examination and audit prior to payment.

32. The Paymaster-General will pay every account due by the Government by cheque upon the Paymaster-General's Account, drawn in the form in the Eighth Schedule annexed, in favour of a number in the body of the cheque, payable after counter-signature, but not otherwise, at the Bank at or nearest to the address of the claimant, given in the Abstract, and will transmit the cheque to the claimant by post. The Paymaster-General will at the same time return the Abstract to the certifying officer, having first entered thereon the number of the cheque issued for each payment.

33. Upon receiving the cheque, the claimant will take it to the officer of the Government who certified his account. That officer will first see that the number of the cheque corresponds with the number on the Abstract. He will then obtain the claimant's receipt in the proper place on the Abstract or Voucher, and will thereupon countersign the cheque, which will then, but not before, become payable at the Bank upon which it is drawn. The officer will then forthwith return the Voucher to the Paymaster-General.

34. When any payment is made to a person unable to write, the mark of such person is to be affixed to the account, and to be vouched by a witness as being made in his presence; and when any receipt is required to be given by an agent, such agent must produce a written order from his principal in the form in the Ninth Schedule annexed, authorizing him to sign the receipt; but the power under such order cannot be delegated or transferred by such agent. When any receipt is so signed by an agent, the words "Order attached" are to be written under his signature, and the order is to be attached accordingly.

35. Accounts in favour of a bankrupt for services rendered or supplies furnished prior to the date of the bankruptcy, or of the deed of assignment to trustees for creditors, may be paid to the sequestrator or trustees, or order, provided that notice of such bankruptcy or deed of assignment shall have been lodged at the Treasury, and published in the *New Zealand Gazette*.

36. Accounts payable in respect of claims of a deceased person are to be paid to the executor or administrator, upon production of probate or letters of administration issued out of the Supreme or District Court.

37. Moneys for disbursement by way of Petty Cash will be advanced by the Paymaster-General to the officers requiring them, who will thereby become Sub-Paymasters within the meaning of the Revenues Act. Such officers will transmit by each mail to the Minister an abstract in the form in the Seventh Schedule, with proper Sub-Vouchers for the sums paid; and if approved by the Minister the amount expended will be forthwith reimbursed by the Paymaster-General. Such Voucher will constitute the Account required by the Public Revenues Act, and no further Account will be necessary for such Petty Cash payments.

38. Where it may be necessary that Paymasters shall be appointed for certain special services, such as for the payment of the Colonial Forces, such Paymasters will be supplied by the Paymaster General with money to make all authorized payments, and will be required to account for the same on the last day of every month, in such manner as the Colonial Treasurer shall direct.

VII.—GENERAL.

39. Every declaration which is required by the Public Revenues Act and by these Regulations to be made before a competent witness shall, if possible, be made before a Justice of the Peace; or if no Justice is in the neighbourhood, then before some officer of the Government, not being an officer in the department of the officer making the declaration; or if there be no such officer in the neighbourhood, then before some well known and respectable householder.

40. All vouchers and other papers transmitted in support of any account are not to be folded, but to be attached to each other at the upper left-hand corner.

41. Every Receiver, Paymaster, Sub-Paymaster, or other person in whose hands Public Moneys are placed, is made a debtor to the Crown for all such moneys until he shall have obtained a certificate of discharge from the Auditor. The Monthly Accounts of all such officers are sent to the Auditor as soon as recorded in the Treasury, accompanied by all supporting vouchers and the authorities for the

UPON THE PUBLIC ACCOUNTS.

11 D—No. 3.

I do solemnly and sincerely declare that the above is a correct copy of my Cash Book for the period above named, and is a true and complete account of all moneys received by me as and of all moneys paid by me into the Public Account during the same period. And I make this solemn declaration conscientiously believing the same to be true.

This declaration was made and signed in my presence } (Signed)
at on this day of , 186 . } (Office)
Name of Witness
Description
Fourth Form—Receiver's Cash Book.] [Clauses 11 and 12 of Regulations.

FIFTH SCHEDULE.

COPY of DEPOSIT CASH BOOK of (name of Officer) at (locality) for the Month ending the day of 186

Dr.						Cr.								
Date.	Particulars of Deposits Received.	No of. Bank Receipt.	Amounts.			Daily Totals.	Date.	Particulars of Deposits Withdrawn.	No. of Deposit Receipt.	Amounts.			Daily Totals.	
			£	s.	d.	£	s.	d.				£	s.	d.
	TOTALS ...	...								TOTALS ...	...		
	Balance in Bank on 1st	...								Balance in Bank on	...			
	TOTALS ...	...								TOTALS ...	...		

I do solemnly and sincerely declare that the above is a correct copy of my Deposit Cash Book for the period above named, and is a true and complete account of all deposits received by me as paid into the Deposit Account, and refunded to depositors, during the same period. And I make this solemn declaration, conscientiously believing the same to be true.

This declaration was made and signed in my presence } (Signed)
at on the day of , 186 . } (Office)
Name of Witness
Description

I hereby certify that the sum standing to the credit of the Deposit Account in the name of Mr. in the Bank of New Zealand, at the close of business on the day of 186 , was pounds shillings and pence.
(For the Bank of New Zealand.)
(Signed)

Fifth Form—Deposit Cash Book.] [Clauses 13 and 14 of Regulations.

SIXTH SCHEDULE.

Voucher No.....

....., New Zealand.

ABSTRACT and ACQUITTANCE of SALAR of Department, from the to the 186 , inclusive.

Number of Authority.	Number of Item.	Situation.	Names.	Period.		Number of Days.	Yearly Salary or Rate.	Daily Salary or Rate.	Amount in Sterling			Number of Cheque.	the undersigned, do hereby acknowledge to have received from the Paymaster-General the sum opposite respective Name being in full of salary respectively, for the period specified in this Abstract.	Date of Countersigning the Cheque.
				From	To				£	s.	d.			
To be charged upon Vote No.....														
TOTAL ... £														

I certify that the individual named in the above Abstract actually employed in the situation and during the period specified opposite name of each respectively.

(Signature of Head of the Department.)
[Clause 17 of Regulations.

Sixth Form—Abstract of Salaries.]

SECOND REPORT OF THE COMMISSIONERS.

SEVENTH SCHEDULE.

THE NEW ZEALAND GOVERNMENT.
Department }
or Service }

Voucher No.....
....., New Zealand.

Dr. to

No. of Authority.	Date of Service or Supply.	Particulars in full.	Sub-Voucher.	Amount.		
	186					
(Signature of Claimant)			Total £			
(Address of Claimant)						

I certify that to the best of my knowledge and belief the foregoing Account is true and correct in every particular; that the charge reasonable, and that

(Signature of Officer by whom the expense was incurred.)

To be charged to
Vote No. Item No.

..... Under Secretary.

RECEIVED from the Paymaster-General by cheque No. , countersigned this
day of , 18 , by , Esquire, the sum of pounds
 shillings and pence sterling, in full payment of the above Account.

Seventh Form—Abstract of Contingencies.]

[Clause 17 of Regulations.

EIGHTH SCHEDULE.

I hereby certify that
I have obtained a receipt
in proper form for the
amount of this Cheque.

GOVERNMENT OF NEW ZEALAND—PAYMASTER-GENERAL'S ACCOUNT.

This Cheque will not be paid unless the Certificate hereon is signed
by the proper Officer.

[Wellington].....186...

To the Manager of
The Bank of New Zealand [Wellington.]

Pay No. or bearer

£ : : Paymaster-General.

Eighth Form—Paymaster-General's Cheque.]

[Clause 32 of Regulations.

NINTH SCHEDULE.

....., New Zealand.

(Signature
of authorized
Agent.)

I HEREBY AUTHORIZE Mr. (whose signature appears in the margin) to
obtain the counter-signature of a cheque of the Paymaster-General for the sum of
pounds shillings and pence sterling, and to sign on my behalf
a receipt for the same.

(Signed)

Ninth Form—Order for payment to an Agent.]

[Clause 34 of Regulations.