

future all cheques be filled up for each individual's amount, and no cheque be made out for more than the one." I may remark that Mr. Daniel was the County Treasurer, and it seems strange, as the holder of that office, that, if he thought the practice of placing several amounts in one cheque improper, he did not, as the officer responsible by law for the proper management of the county accounts, at once direct its discontinuance, instead of invoking the assistance of the County Council. The step is the more remarkable because all these objectionable cheques were signed by Mr. Daniel himself as Treasurer (see his evidence, Appendix B.-2), and also countersigned by him, either as Chairman or, after his vacation of the chair in November, 1884, as a member of the Council. In the evidence given by Mr. Daniel, the late Treasurer (Appendix B.-2), it will be seen that he "was quite aware that in numbers of instances cheques were drawn for a sum of money representing the claims of several persons specified on the face or on the back of the cheque, and that Mr. Boulton cashed these cheques." Mr. Daniel goes on to admit that "by signing such cheques I assented to the practice."

79. The minute-book does not state whether the motion of the 7th September above quoted was adopted by the Council. It appears, however, to have been given effect to, for the practice of including in one cheque sums payable to several persons appears from the cheque-books to have ceased about this date. The Clerk seems, nevertheless, to have continued to cash the cheques intrusted to him, and to use the proceeds as he thought fit. The following is a case in point: The county had taken a piece of land at Kingston for a line of road, and had agreed, after some negotiation, to pay to the owner a sum of £33 7s. 9d. The payment was authorized, as shown by the "accounts-book," on the 7th September, 1885. The cheque drawn for the amount was cashed on the 16th September, as shown by the bank pass-book, and the amount was entered in the cash-book as paid on the 18th. The Clerk admitted to me that he had cashed this cheque (see his evidence of the 18th December, Appendix B.-1), and it was not till the 28th November—and only after repeated applications, both verbally and in writing, by the owner's solicitor—that the amount was paid.

80. It would seem that the powers of both the Chairman and the Treasurer were found insufficient to put a stop to the practice referred to, for on the 5th October, 1885, the authority of the Council was again invoked, and, as appears by the minute-book, "It was also ordered, That in future all county cheques be made payable to order, and that, in cases where it is not convenient for payees to be present for their payment at the county offices, a written order from them authorizing payment of the amount shall be sufficient to obtain payment of such amount, and these orders shall be forwarded by the Treasurer to the bank where the cheques are payable and be equivalent to the indorsement of the cheque by the payee." With a view, I presume, to give effect to this order, the Clerk had a form of authority printed on the back of the forms of abstract used in the county office, whereby the agent appointed thereunder was authorized to receive the sum named in the abstract, "or to receive and indorse county cheques made payable to my order for such amount."

81. The steps taken by the Council largely restricted the opportunities for fraud of which the Clerk had taken advantage under the previous system. Irregularities nevertheless occurred under the improved system. In the case of W. Murrish, who applied to me as to an I O U which he had received from Boulton—and still held—in part payment of wages due to him by the county, and who stated to me (Appendix B.-12) that there was one month's wages which Boulton said he had paid, but which Murrish believed he had not received. I took occasion when at the bank to examine the cheques issued for payments to this man for a period of six months, embracing the month in question. I found one of these cheques (payable to order) was indorsed by Boulton with a minute beneath signed by the teller, stating that the indorsement was made in terms of an authority exhibited to him. On inquiry for this authority the teller replied that it was indorsed on the relative voucher. I therefore looked up the voucher, and found the authority a blank. I can suggest no explanation of this matter but that either the authority exhibited to the teller was a genuine one written upon some voucher for a previous payment, or that it was a forged authority written upon a fabricated voucher, which, having served its purpose as in other instances, was afterwards destroyed. In other cases vouchers for wages payable to labourers on the roads were receipted by Boulton under authority signed with a cross which Boulton himself had attested as a witness. It is easy to perceive the facilities for fraud afforded by this practice.

82. The license permitted to the Clerk in the use of the county funds is strikingly exemplified in connection with the payment of his own salary. Up to the 31st March, 1879, his salary was drawn regularly, and at due dates, the salary for February being the last payment then drawn. In the half-year 1st April to 30th September 1879, the Clerk drew nine monthly payments of salary—viz., two in April, two in May, two in June, one in July, and two in August—the last payment representing his salary for the month of November. In the half-year 1st October, 1879, to 30th April, 1880, he drew five monthly payments, and thus reduced his overdrawn salary from three months' to two. In the half-year 1st April to 30th September, 1880, he drew seven payments, and thus again became three months in advance. In the half-year 1st October, 1880, to 31st March, 1881, he again drew seven payments, and was thus paid for four months in advance. In the half-year 1st April to 30th September, 1881, he drew six monthly payments—viz., two in April (becoming five months in advance), two in May (becoming six months in advance), and one each in June and July, continuing six months in advance; but as he drew no salary in August or September he finished the half-year only three months in advance, being then paid up to the 31st December. As a result, no doubt, of the continued representations of the County Auditor the Council directed the Clerk during this half-year to refund two months of the salary overdrawn, and authorized him to retain the remaining month's pay overdrawn as a bonus. On the 30th September, in compliance with the order of the Council, he refunded the amount, £41 13s. 4d., accordingly; and, having thus adjusted the account in preparation for the visit of the Auditor, he on the 3rd October following, that is to say, on the third day after making this refund, drew the two months' salary