

" Mines Department, 23rd September, 1896.—Circular to Wardens.—I forward herewith for your information copy of a memorandum from the Controller and Auditor-General, and have to direct your attention to section 76 of ' The Mining Act, 1891.'—H. J. ELIOTT, Under-Secretary."

" Audit Office, 14th September, 1896.—The Under-Secretary, Mines Department.—The abstracts which are transmitted monthly to the Minister on the form Mining No. 84 by the Wardens are so often signed by the Mining Registrars—that is, by the Receivers whose cash receipts the abstracts are designed to check—instead of by the Wardens, that I should be glad if you would call the attention of each Warden to the matter and point out that, to promote an effective audit, his responsibility for the abstract being a true abstract of all the licenses issued by him should be acknowledged by his signature at the foot of each sheet.—J. K. WARBURTON, Controller and Auditor-General."

By this circular the Wardens all received instructions, which were the instructions of your own department, which expressed the desire of the Audit Office and explained the object in view, and which all but one of the Wardens have carried out and still carry out. In making the suggestion, which the department adopted, that the Wardens should be addressed on the subject by the department itself, I was even then judging the matter to be one in which the administration alone ought properly to do whatever it might be desirable to do.

The general circular expression of what was desired having been considered and issued by your own department, it was to be expected that the Audit Office would then, in the case of every officer to whom the circular was addressed, and who was neglecting to do as your department desired, call the attention of that officer to the matter. My memorandum of the 11th December accordingly pointed out to the Warden what was wanting, and reminded him of the circular; and, in returning to your department the Warden's explanation that the abstract which he was desired by the circular of your department to sign was the statutory statement, I remarked that "if the signature is thought to be a violation of the statute the department has only to request the officer to furnish an additional statement"—that is to say, a statement which would not be the statutory abstract, but which would answer all the purposes of the Audit Office, and leave the statutory abstract, which the Warden cannot see his way to sign, to be furnished by him as he thinks fit.

The reference to your department on the 29th January last of the memorandum of the Receiver of Gold Revenue at Kumara was only by way of offering the suggestion that, as the Warden was not carrying out the wishes of the department as expressed in its general departmental circular instruction, "a special departmental instruction appears to be necessary" to him. Thus, what I required was from the department, and to the department I referred in the matter from first to last. The difficulty with the Warden was a difficulty of the department with one of its own servants, and the Audit Office had no duty but to refer to the department in the particular case, consistently with the reference for the purpose of the general instruction. I therefore regret exceedingly to learn from you that the reason of the decision of the Government not to comply with the requisition and thus render effective the circular of the Mining Department itself is that through a fault, not the fault of the Audit Office, the matter did not come to you in the first instance.

I venture, however, to express with the greatest respect the hope that I have now made clear beyond the possibility of any reasonable doubt the facts of the case to be that it has no legal aspect; that the point really at issue is not a point on which the Solicitor-General could advise; that consequently, whatever may have been the precise question put to him, he has not advised on the point really at issue; that the Audit Office has no difference or concern but with the department; and that your decision not to interfere is only applicable to the case as a decision not to render effective the general circular instruction which your department has already issued, and with which, as I have already reported to the department, one Warden refuses to comply.

I have, &c.,

J. K. WARBURTON,
Controller and Auditor-General.

The Hon. the Minister of Mines.

No. 6.

PUBLIC ACCOUNTS for the QUARTER ended 30th SEPTEMBER, 1897, compared with Quarter ended 30th September, 1896.

SUBMITTED for audit.—J. B. HEYWOOD.—12th October, 1897.

THE foregoing accounts have been examined and found correct, except as regards the "Customs," "Railways," and "Territorial Revenue" receipts, which are not now examined by the Audit Office, and except as regards the receipts of gold revenue, which the Audit Office is unable to satisfactorily verify through the failure of the Mines Department to comply with a requisition for a certified statement of the amounts collectible as such revenue.

J. K. WARBURTON,
Controller and Auditor-General.

No. 7.

The Treasury, Wellington, 16th October, 1897.

THE Controller and Auditor-General will, I trust, recognise that the failure to obtain certain information from an outside department is not a matter which concerns the Treasury, and, with all respect, should not influence the object which the law has in view when the Treasury accounts are submitted—namely, that of ascertaining whether they are or are not correct.