

The Controller and Auditor-General.

WITH a view to saving clerical work and expense, the Hon. Colonial Treasurer is considering a proposal to alter the present system of paying claims on the Consolidated Fund in respect of services rendered by or to the Post and Telegraph Department. It is proposed,—

(1.) That the whole of the charges of the department shall be defrayed, in the first instance, out of the funds in the possession of its officers, from whatever source for the time being derived.

(2.) That as often as may be arranged, probably daily, the Head Office of the department shall make demands on the Treasury for reimbursement of the moneys expended in defraying such charges, such demands, subject to audit and control, to be immediately satisfied out of the Public Account.

It is hardly necessary to mention, with regard to No. 1, that the funds will consist of postal and the other revenues, collected by the department, and of moneys paid into the Savings-Bank, or received for money-orders issued; or that, with respect to No. 2, audit and control will follow the payments made by the Post Office. It is not proposed to make any alteration in the mode of the Post Office collecting and paying into the Public Account postal and other revenues.

The above proposal is submitted to you by the direction of the Hon. Colonial Treasurer for your opinion whether legislation is required before effect can be given to it; also for any remarks you may think fit to make.

7th March, 1888.

JAMES C. GAVIN.

No. 65. (T. 88-378.)

I THINK there may be some doubt whether the provisions of the Revenues Acts are not technically violated by the proposed mode of payments. It is, at all events, one evidently not contemplated by the Act, if not forbidden by it.

But all the difficulty may be avoided, and the object of the Colonial Treasurer obtained, by issuing to the Postmaster-General from time to time on imprest out of the Public Account, which would be discharged by the payments he made. The vouchers sent in for claim on the Public Account would be treated as credit instead of payment vouchers. There would be no additional trouble beyond a few entries periodically. The great objection to the scheme—that it contemplates money being paid outside the Governor's warrant—would be avoided; and the new system would be on all-fours with that by which the Railway, Defence, and other departments are paid.

8th March, 1888.

JAMES EDWARD FITZGERALD.

The Hon. Colonial Treasurer.

I SEE no objection to issuing money from the Public Account on imprest to the Postmaster-General. I propose that the Postal Department shall keep the books containing the details of expenditure, and that the Treasury shall only keep an "Appropriation Account."

9th March, 1888.

JAMES C. GAVIN.

Approved.—To take effect from the 1st April.—H. A. A.

EXHIBIT Q.

8th October, 1898.

Mr. Warden Kenny represented that complaints were being made by local bodies of delay in paying over goldfields revenue, and that allocation and payment thereof would be facilitated if the system in force at the Thames and Ohinemuri were pursued at Coromandel and Te Aroha, at which latter places the practice was for the Receivers to allocate the revenues in their cash-books, and the Treasury, after receipt of the cash-books, to pay over the amounts. Mr. Kenny stated that he had in his office at the Thames all the information requisite for allocating, but the Receivers had not, and consequently confusion was caused. It was therefore decided to pursue the same system in each of the districts, and to imprest the Warden (subsequently the Receiver at the Thames) with the whole revenue from the goldfields, and that he should thereupon proceed to allocate and pay over the moneys to the rightful parties. The Justice and Audit Departments concurred in the proposal, and instructions were forthwith issued to the offices concerned.

Local bodies and the Natives are now promptly paid, and the system appears to be working well.

JAS. B. HEYWOOD.

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