

## No. 11.

The Audit Office.

PLEASE note.—R. J. COLLINS, for Secretary to the Treasury.—26th June, 1900.

The Treasury.

Audit Office, 27th June, 1900.

IN noting this Order of the Governor in Council the Controller and Auditor-General begs to remark that as, on the grounds already stated in his minute of the 25th instant, section 40 of "The Public Revenues Act, 1891," is not considered by the Audit Office to authorise the Order in Council, he will be unable to pass any transfer under it.

The Solicitor-General's opinion is that it cannot be said until the end of the financial year whether there is a surplus on any vote. It appears to the Audit Office to follow that it cannot be said, until the end of the period of three months' appropriations under section 3 of the Act of 1896, whether there is any surplus on any of these appropriations; that, therefore, an Order in Council under section 40 made before the close of that period of three months could not operate to vary such three months' appropriation, and that as the present Order in Council is made before it can be said that there is a surplus, the Order is bad.

Passing over this point, however, the Controller and Auditor-General would explain the power which, in his judgment, is given by section 40.

Section 70 of the Public Revenues Act of 1891 provides:—"70. The Treasury shall within thirty days after the end of each financial year prepare and send to the Audit Office an account to be called the Appropriation Account, showing the several sums appropriated by Parliament for the public service, and the expenditure thereon during the year, with the amount over-expended or under-expended on each vote severally, or expended under the authority of the forty-eighth section, and such account, when certified by the Audit Office, shall forthwith be laid before Parliament."

Now, during the period of thirty days that the Appropriation Account may remain open after the close of the financial year, the Treasury find that the year's expenditure on the votes requires the power of section 40 to be exercised in order satisfactorily to provide for such expenditure. But in such case the Appropriation Account, of course, shows the consequent variation of the votes, Parliament is thus informed of the exercise of the power under section 40, the extended appropriations under section 3 of the Act of 1896 are based on the votes so varied, and the "maxim of ordinary construction of statutes is observed."

If the power of section 40 could be exercised in the manner proposed by the Treasury, not only could the surplus on any vote on the estimates be correctly applied in aid of any other vote in the same class, and shown on the Appropriation Account for the financial year, but any surplus on the extended appropriations, being the balance unexpended of such vote as is increased under the section, together with one-fourth part of such increased vote, could be transferred back during the three months without Parliament, even though in session, having any knowledge of the transaction. For there is no such Appropriation Account required for the three months as is required under section 70 of the Act of 1891 for the financial year.

The Controller and Auditor-General ventures respectfully to express a fear that the Solicitor-General has misapprehended the true operations of the power of section 40.

As a minor point, it should be observed that the Order in Council is at fault in proposing to authorise a surplus on an appropriation for Class XIII. to be applied in aid of a "Suspense Account." There was no vote on last financial year's estimates for a "Suspense Account," and there is consequently no appropriation under the Act of 1896 for such an account.

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

## No. 12.

Public Account, Treasury, 27th June, 1900.

## TRANSFER REQUISITION No. 23.—VOUCHERS.

To the Controller and Auditor-General,—

IN accordance with the provisions of "The Public Revenues Act, 1891," I hereby require that the several sums hereinafter mentioned under the heads of service employed in appropriating the same, amounting in the whole to the sum of £20,000, shall be transferred in the accounts as hereunder specified.

Consolidated Fund.						Dr.	Cr.
Ordinary Revenue Account	...	...	...	...	...	£20,000	£20,000
Total						£20,000	£20,000

Recommended—R. J. COLLINS, for Paymaster-General.

W. C. WALKER, for Colonial Treasurer.

Approved for Transfer.

, Controller and Auditor-General.