

Audit Office, who is required by the regulations to support the return by his certificate that the stamps have been counted, will no doubt be regarded as all the more advisable when it is considered that the Audit Office would not be justified in certifying without objection the Stamp accounts of the month for which the monthly return of stamps on hand should fail to be so supported.

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

No. 4.

Head Office, Stamp Department, Wellington, 4th June, 1900.

MEMORANDUM for the CONTROLLER AND AUDITOR-GENERAL, Wellington.

REFERRING to your memorandum of the 31st ultimo, I am directed to inform you that the appointment of an officer to examine the stamps held by Deputy Commissioners at the end of every month is solely the prerogative of the Commissioner of Stamps, and all such appointments have been made by him since "The Stamp Act, 1866," came into force.

If, as you appear to contend, it is necessary that such examiners should be officers of the Audit Office, why is it that in no other part of the colony have the examiners been officers of the Audit Department, and why has the right of the Commissioner to make these appointments never hitherto been questioned?

The Commissioner directs me to state that all examiners appointed by him are so appointed "on behalf of the Audit Office," and if you think the examinations are not conducted in a proper manner there will be no objection to an officer appointed by you being also present, or, if you deem it necessary, he may conduct a special audit on his own account; but the Commissioner reserves to himself the right to manage the internal arrangements of his own department in any manner he may deem most expedient.

C. A. HICKSON,
Secretary for Stamps.

No. 5.

The Hon. the Commissioner of Stamp Duties.

Audit Office, 6th June, 1900.

On the views of the Hon. the Minister, as expressed in the communication, No. 129, of the 4th instant, respecting the appointment of Mr. Young, the Controller and Auditor-General begs leave to observe that the only question under consideration is whether that appointment answers its purpose of providing for the certificate which the regulations require to the return of stamps, that they have been counted by an officer of or on behalf of the Audit Office.

The Hon. the Minister's intimation of the 29th ultimo was that "Mr. Fowler's services in this connection will not be required after this month," and that Mr. Young had been appointed "to perform the duty above referred to in the future." Mr. Young is not an officer of the Audit Office, and it is submitted that his appointment, without reference to the Audit Office, to perform the duty which the Audit Office has instructed its own officer to perform is manifestly not an appointment "on behalf of the Audit Office."

The question is not whether, if the stamps are counted by an officer appointed by the Hon. the Minister, the Audit Office considers them to be counted in a proper manner, or whether the Minister may have no objection to an officer of the Audit Office counting the stamps or being present while another person counts them, but what may be the duty which the regulations under the Stamp Act impose upon the Audit Office.

No case is known to the Controller and Auditor-General of the Audit Office instruction to its own officer to count the stamps, as the regulations prescribe, having been overridden by the Hon. the Minister appointing another person to perform the duty. But it need hardly be remarked that if, as the Minister is understood to imply, the Audit Office has failed to question former appointments open to the objection which, in the circumstances, lies against the appointment of Mr. Young, the effect must be not that the Minister has acquired the right lawfully to continue to make such appointments, but that they would not qualify the persons holding them to give the certificate required by the regulations.

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

No. 6.

Head Office, Stamp Department, Wellington, 13th June, 1900.

MEMORANDUM for the CONTROLLER AND AUDITOR-GENERAL, Wellington.

REFERRING to your memorandum of the 6th instant, whereby you observe that the only question under consideration is whether the appointment of Mr. Young fulfils the requirements of the regulations as to the counting of stamps by an officer of or on behalf of the Audit Office, I am to inform you that the appointment of Mr. Young was not meant to affect any action which the Audit Office may deem necessary to give effect to the regulation referred to, but was merely in continuation of the departmental practice which has been in force for the last thirty-five years.

As you are aware, the Audit Office has never hitherto taken any steps to appoint officers to examine the stocks of Deputy Commissioners, but the Commissioner has no desire to question your right to do so if you are of opinion that such action is at all necessary; on the other hand, it is to be regretted that the Audit Office should have removed an officer appointed by the Commissioner and have put another in his place without reference to the Stamp Department.