



## MEMORANDUM BY AUDIT DEPARTMENT.

EXPLANATION of Difference between Receipts for Fees, &c., shown on Attached Statement and Total Receipts as per Treasury Books.

Statement.				Treasury Books.			
		£	s. d.	Collected at—		£	s. d.
Fees ... ..	...	2,913	3 8	Head Office ... ..	...	5,244	5 9
Contributions from local au-	...	4,040	7 2	Post Office ... ..	...	2,960	0 0
thorities ... ..	...			Transfers ... ..	...	11,071	0 0
Government Advances to	...						
Settlers Office ... ..	...	2,500	0 0				
Land-tax Department ...	...	9,682	8 0				
		19,135	18 10				
Add balance in Post Office,	...	259	13 4				
31st March, 1901...	...						
		19,395	12 2				
Less balance in Post Office,	...	140	15 7				
31st March, 1902...	...						
		19,254	16 7				
Add amount shown in Treasury	...						
books as revenue which should	...						
have been credited to re-	...	0	10 0				
coveries ... ..	...						
		£19,255	6 7			£19,255	6 7
Recoveries ... ..	...	£2,642	14 6			£2,642	4 6

## The Valuer-General.

THE statement is required to show, in terms of section 19 of the Act, "all moneys received and expended under this Act"—neither more or less. The moneys received are received into the Public Account, and the moneys expended are expended out of that account. The statement should not, therefore, comprise moneys received by the Post Office which had not been received by the Treasury. You will no doubt amend the statement accordingly.

17th June, 1902.

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

Valuation Department, Wellington, 20th June, 1902.

## MEMORANDUM for the CONTROLLER and AUDITOR-GENERAL.

THE amounts received by this Department include payments by the several local authorities who have been debited with a certain sum as the cost of revising or correcting their valuation-rolls, or performing some other service in connection with valuation, and it is necessary that these payments should be credited in the various accounts.

These payments are made to the nearest post-office or direct to this office, the latter going direct into the Public Account. The receipts at post-offices, however, reach the Public Account in large sums of £20,000, £25,000, or £50,000, comprising collections of land-tax, income-tax, valuation revenue, and other moneys. The amounts we are advised as having been collected by the Post Office are credited to individual accounts, whether they be taxpayers or local authorities; but the large sums mentioned do not pretend to be the exact sum collected to a particular date, or in particular localities, or for particular accounts.

It would therefore be a matter of impossibility to balance our books if we are only to take the sums paid by the Post Office to Public Account in conjunction with those received here and paid in direct. It seems to me that we must account for all the moneys received and upon which our books are balanced. I would therefore like the Audit Office to consider the matter further, because I have some hesitation in signing a cash statement which does not show the whole of the moneys received, whether they are contained in the Post Office Account or the Public Account, or partly in both.

JOHN MCGOWAN,  
Valuer-General.

## The Valuer-General.

THE statement which the statute requires, being one of moneys received into and expended out of the Public Account, cannot include any but the moneys so received and expended. To include them, indeed, makes the statement untrue. It will, however, overcome any hesitation if to the heading to the statement the words "*of the Public Account*" are added. And if a statement showing the moneys received by the Post Office in addition to those received by the Public Account, such a statement could be given independently. It could be made below the Audit Office certificate to the statutory statement.

23rd June, 1902.

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

Valuation Department, Wellington, 25th June, 1902.

MEMORANDUM for the CONTROLLER and AUDITOR-GENERAL.

THE statement required by section 19 of "The Government Valuation of Land Act, 1896," is a statement of amounts received and expended under the Act, and not a statement of amounts received into and paid out of the Public Account. A fee or contribution paid by a local authority on the 31st March is received on that date, and must be accounted for in a statement made in accordance with the provisions of the section referred to, whether it is paid into the Public Account or not.

I would suggest that the correct course would be for the Audit Department to note the difference between the figures in the statements of the Treasury and Valuation Departments in a memo., explaining how such difference arises.

JOHN MCGOWAN,  
Valuer-General.

The Valuer-General.

THE Audit Office regrets that it is unable to agree with the Valuer-General in the opinion which he is understood to hold that "received into and expended" does not mean "received into and expended out of the Public Account," and that the Audit Office must accordingly object to any other statement of the moneys received and expended, as not being the statement required by the Act.

27th June, 1902.

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

Valuation Department, Wellington, 1st July, 1902.

MEMORANDUM for the CONTROLLER and AUDITOR-GENERAL.

I AM sorry to say that I cannot submit a statement of receipts and expenditure which does not include the whole of the receipts brought to account during the year, as required by the statute, and as has been done since the Act was passed.

JOHN MCGOWAN,  
Valuer-General.

IT is regretted that the Valuer-General should thus leave the Audit no alternative but to return, uncertified, the statement which he has submitted; for that statement, as it is not, in the judgment of the Audit Office, the statutory statement of moneys received and expended under section 19 of the Act, cannot be certified by the Audit Office.

1st July, 1902.

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

The Solicitor-General.

WILL you please advise on the position?

3rd July, 1902.

JOHN MCGOWAN,  
Valuer-General.

REFERENCE approved.—C. H. M., 3/7/02.

IN my opinion the statement of accounts required by section 19 should include all moneys received up to the close of the year, whether they have been actually paid into the Public Account or not. It is true that under section 18 all moneys received are to be paid into the Public Account; but this may take time, and if moneys received but not paid into the Public Account were excluded from the statement, the true position would not be disclosed, nor would section 19 be complied with.

3rd July, 1902.

FRED. FITCHETT,  
Solicitor-General.

The Controller and Auditor-General.

I REFER the opinion of the Solicitor-General for your information. Perhaps you will now be able to pass the accounts.

7th July, 1902.

JOHN MCGOWAN,  
Valuer-General.

THE Controller and Auditor-General is very sorry that the judgment of the Audit Office in this matter should occasion so much trouble, and that a statement of the moneys received into and expended out of the Public Account is not submitted for audit.

The account of the moneys received and expended under the Act is one of the Public Accounts of Revenue and Expenditure; and the Treasury Regulations, having the force of law, provide that—

"3. In the Public Accounts the revenue of any financial year is the money received  
"into the Public Account at the bank at Wellington within the year, and the expendi-  
"ture is the money paid at the Treasury within the year."

The judgment of the Audit Office was accordingly that none but a statement of the money received into the Public Account at the bank at Wellington within the year will comply with the requirements of section 19 of the Act.

7th July, 1902.

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

Hon. C. H. Mills.

I REGRET having to send forward the accounts of the Valuation Department without the customary certificate from the Audit Office.

The correspondence which I attach explains the attitude taken up by that office, which I may mention is entirely in conflict with the invariable practice of the past. It is impossible to disclose the true financial position without including balance in hand, and moneys received and accounted for by the Post Office, and yet the Audit Office refuses to allow them to appear.

I may explain that when the Post Office advises me that it has received money on account of this office I forthwith make the requisite entries, crediting the payors according to the Post Office advice-note, and there the matter ends so far as this office is concerned.

The Post Office pays into the Public Account in round sums comprising receipts on account of this as well as other offices, and, though the bank receipts are sent to me for transmission to the Treasury, they do not disclose at the time how they are made up, or of what they consist.

The Audit Office seems to be confusing moneys received with moneys paid into the Public Account, whereas the two things are entirely different.

The dictum of the Audit Office means that balances in hand are not to be accounted for at all; and I think it is much more prudent to keep to the business rule of accounting for the total receipts, no matter in what position they may be at the close of the period.

18th July, 1902.

JOHN MCGOWAN,  
Valuer-General.

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