

REPORT OF THE SELECT COMMITTEE APPOINTED TO AUDIT THE PUBLIC ACCOUNTS OF THE YEAR 1865-6.

YOUR Committee in reporting upon the Public Accounts of the Colony for the year 1865-6, feel it their duty in the first instance to call the attention of the House to the fact that the provisions of "The Audit Act Amendment Act, 1865," have not been complied with.

The said Act requires that the Colonial Treasurer shall, not later than one month after the end of every financial year, transmit the Annual Statement of the Accounts of such year to the Auditor, who shall, within one month after the receipt of such Statement, transmit his Report thereupon, together with his certificate as to the correctness of the same, to the Colonial Secretary, for publication in the *Government Gazette*; and such Statement and Report shall be laid upon the Table of the House of Representatives within seven (7) days after the receipt of the same, or, if Parliament be not sitting, then within seven days of the next meeting of Parliament.

Your Committee find that the Colonial Treasurer's Statement of Accounts for the year 1865-6 was transmitted to the Auditor on 27th October, 1866, and that his Report thereupon was transmitted to the Colonial Secretary on the 26th of March, 1867. It does not appear that the Report has yet been published in the *Government Gazette*, nor have these documents been laid upon the Table of your Honourable House.

Your Committee do not report these matters with the view of throwing any blame whatever upon the public officers concerned, but desire, on the contrary, to call the attention of the House to the fact that it is physically impossible that the terms of "The Audit Act Amendment Act, 1865," can be complied with; the evidence of Mr. Woodward, Assistant Treasurer, appended hereto, is exhaustive upon this point and perfectly satisfactory, and your Committee recommend that a law so entirely inoperative, be no longer retained in the Statute Book.

Your Committee at the same time desire to express their opinion that nothing can be more desirable, with regard to the Public Accounts, than that the principle embodied in the said Act should be carried out, and that the accounts of the immediately expired financial year, and the Auditor's Report thereupon, should be laid before Parliament at its annual sitting; it is a question for your Honourable House to consider how this may be practically effected. Your Committee are, however, of opinion that the suggestion of the Assistant Treasurer upon the subject,—that the Account be absolutely closed upon 30th June, is worthy of consideration.

Your Committee desire to draw attention to the fact that the Act which legalized the expenditure shown in the Accounts of 1865-6, did not become law until the 30th of October, 1865, so that all moneys expended during the months of July, August, September, and October, were so expended without the authority of Parliament. The Committee is aware that a check upon unauthorized expenditure is now to some extent imposed by "The Comptroller's Act, 1865," and that by the system adopted this year, of granting supplies from month to month during the Session, a recurrence of such illegal expenditure is rendered altogether unnecessary.

The Report of the Auditor upon the Public Accounts of the Colony for the year 1865-6, drawn up in accordance with the terms of section six of "The Audit Act Amendment Act, 1865," was laid before your Committee. It is a most able and exhaustive document, conveying clear information as to the minutest details of the present very complicated system of account; and your Committee recommend that it be printed without delay, and placed in the hands of Members of both branches of the Legislature.

The Accounts of the Colony for the year 1865-6, when submitted to your Committee, were accompanied by a certificate from the Auditor, in accordance with the provisions of "The Audit Act, 1858." The Auditor certifies therein that "the statement is correct as an Account and Balance Sheet of transactions comprised therein, and that the expenditure shown therein has been properly classified, and any part thereof incurred without authority of law separately shown, with the exceptions stated in my Queries and Report." Your Committee examined officers in the Audit Department, as to the manner in which the correctness of the accounts had been ascertained, and satisfied themselves, by inspection of vouchers in some cases, as to the various items of expenditure. It then became their duty to examine carefully into the exceptions stated by the Auditor, upon which they took evidence, and desire to report as follows:—