

Your Committee recommend that this account should be closed, and the amount due to the Colony liquidated, either by annual payments, or by deduction from the Surplus Revenues hereafter due to such Provinces.

In the account of Interest and Sinking Fund in the Half Million Loan, there appears to be an unpaid deficiency of the Interest and Sinking Fund by the Provinces of Auckland, Wellington, and Hawke's Bay.

						£	s.	d.
Auckland	..	..	..	..	..	2,022	0	0
Wellington	..	..	..	..	..	1,620	0	0
Hawke's Bay	..	..	..	..	..	1,620	0	0

Your Committee would specially direct the attention of the House to the necessity of insisting upon this and similar reimbursements by the Provinces being paid with punctuality.

The attention of your Committee was directed to the very large amount of the Advance Accounts, under the head "Advances, Miscellaneous," &c., amounting in the year 1865-6 to the sum of £410,432 19s. 8d., and they took evidence as to what measures have been adopted to prevent the misappropriation of moneys. It appears that Paymasters of Militia and all Receivers of Public Revenue are under bond to the Crown to as large an extent as can be obtained, consistent with their willingness to act; the advances of Militia pay are only made as they are wanted, upon the certificate of the Colonel of the respective regiments that their men have been paid for the previous month. As regards other officers generally, there is no check except the personal respectability of the Imprestee, which is always taken into consideration. The Committee feel satisfied upon this subject that precautions are now taken to secure the Colony from loss by the dishonesty of public servants.

In examining into the question of how far the recommendations of the Audit Committee of 1866 have been carried out, your Committee were led to the consideration of the "Audit" and "Comptroller's" Acts, and although satisfied that the effect of the latter will materially check the expenditure of public moneys without the authority of law, they desire to point out to the House that the measure is by no means a perfect one, and that no provision exists for the control of the occasionally very large sums which are raised and expended in England, nor for the control of moneys which pass into the Treasury Chest by way of deposit, such as proceeds of Intestate Estates, deposits in Post Office Savings Banks, and payments for Post Office Money Orders; your Committee find that these moneys at present pass into the Public Account, and that the Comptroller has allowed them to be withdrawn, in order to prevent the very grave inconveniences which would have arisen had the terms of the "Comptroller's Act" been strictly complied with. Your Committee are decidedly of opinion that the receipt and issue of all such moneys should be provided for by law; and would direct the attention of the House to the Memorandum by the Comptroller upon the subject, which they append to their Report.

Your Committee are of opinion that the form in which the Public Accounts of the Colony are presented to them is very complex, and such as renders it very difficult to understand the true financial position of the Colony. Amounts appear carried on from year to year, which have long formed part of the statistics of the Colony, and consequently the Balance Sheet shows totals entirely inconsistent with the Revenue and Expenditure, and calculated to mislead even those initiated in finance. At the same time, your Committee acknowledge that, from the variety of accounts connected with the Loans, and the custom which prevailed of obtaining Bank Advances in anticipation of Revenue and proceeds of Loans, it has been almost impossible that the Accounts for 1865-6 should have been more clearly or simply drawn up. They would, however, press earnestly upon the attention of the House the necessity of effecting without delay a final settlement of the various complicated accounts which are now embarrassing the efficient administration of the Revenues.

CH. E. HAUGHTON, Chairman.

WM. WELLS,

G. MAURICE O'RORKE.

20th August, 1867.

APPENDICES.

APPENDIX I.

Memorandum by the Assistant Treasurer on the subject of the provisions of "The Audit Act Amendment Act, 1865," not having been carried out.—Submitted to the Audit Committee, 16th August, 1867.

It has been found physically impossible to comply with the terms of "The Audit Amendment Act, 1865," in respect to the time of forwarding the Annual Accounts for Audit. The Treasury has desired to include in the Accounts of the year all Receipts and Expenditure on account of that year as far as possible. To effect this the accounts were kept open at the various Sub-Treasuries until the close of business on the 9th of July. After this the accounts had to be made up and forwarded, and the whole did not reach