

the Treasury until the 24th of that month. The Wellington Account was kept open still longer in order to include some considerable Advance Accounts that it was desirable to adjust within the year. The consequence was that these accounts were not brought into the books of the Treasury until after the beginning of August, and are only now being classified with a view to the account; and it will yet take two or three weeks before any portion can be submitted to the Auditor; but at the same time, as he examines the Sub-Treasury Accounts as they are sent in, a portion of the preliminary work is done.

It is a matter worth considering, whether it would be better or otherwise to close the account absolutely on the 30th of June. If that were done, the rendering of accounts would be expedited, but with some detriment to their completeness as representing the transactions of the year.

Treasury, 16th August, 1867.

J. WOODWARD,
Assistant Treasurer.

APPENDIX II.

Memorandum by the Comptroller of Public Accounts upon the subject of Moneys which do not come into the Public Account, and Moneys paid into Deposit Account.—Submitted to the Audit Committee, 16th August, 1867.

I AM not directly officially informed of what moneys are paid into the Public Account, because I have no control over the Receipts, but only over the Expenditure; but I am aware that none of the moneys raised and expended in England have as yet been brought into my books. The ninth clause of the Comptroller's Act requires Loans to be paid into the Public Account; but where moneys are raised in England (for example, part of the Three Million Loan, the proceeds of which are applicable to discharge the debentures raised under the Debenture Acts of 1864 and 1865,) the money is raised and expended in England without passing through the Comptroller's hands. The effect of this might be to interfere seriously with the integrity of the control; because moneys might be drawn from the Comptroller in the Colony to discharge such debentures whilst they might be provided for in London out of borrowed moneys of which the Comptroller was not cognizant. The ninth clause does not seem to have contemplated this difficulty, and it would be obviously absurd that money should be transmitted to the Colony to be immediately re-transmitted to England with a loss of interest and exchange both ways.

There are also moneys paid into the Public Account which are not legally so payable. The eighth clause of the Comptroller's Act seems to contemplate only "moneys legally payable for or on account of Revenue," as coming into the Public Account; but I have been required by the Treasurer to make extensive issues for services which are payable out of moneys which are not in the proper sense of the word "Revenue;" for example, the Post Office Orders, moneys withdrawn from Post Office Savings Banks, moneys lodged on account of Intestate Estates, &c. The Treasurer has justified these requisitions by the fact that these moneys were paid into the Public Account, and were legally applicable to the purposes for which required. I have, therefore, issued them under protest until the opinion of the Assembly should be taken. I may be allowed to express my opinion that I see no reason which should exempt these moneys from control more than any others; rather, indeed, is control the more necessary in their case, in which the State becomes—sometimes compulsorily—the trustee of such moneys for private persons. But if this system is to be continued, a modification of the law will become necessary; and it should be provided that such moneys shall not be applicable to other services. If this be not provided, the admixture of these moneys with the Public Revenues in one account may be used as a means of setting aside all control. The essence of control is that Parliament has fixed a limit to the expenditure on each service, beyond which the Comptroller must not extend his issues. But there is in their nature no limit to the expenditure of these trust moneys; because it depends solely on the amounts from time to time paid in. In the case of the Post Office Orders the authority has necessarily to be given by the Comptroller in advance of the payments in. He is therefore ignorant of the limit to which he ought to confine his issues. Any provision, therefore, that the trust moneys should be paid into the Public Account would seriously interfere with the principle of control, unless accompanied by a provision that such moneys should be applied exclusively to the purposes for which they were drawn, and not to the current expenditure of the Government.

I should wish to state to the Committee that, having undertaken the duties of Comptroller in the middle of a financial year, I have not felt it right in such matters, to insist on a too rigid interpretation of the law, which I could not but feel that it is not altogether compatible with the system of the Comptroller's Act; but rather to exercise so much control as was possible without any very violent disturbance of the existing arrangements; and to wait until the Government and the Assembly, having become acquainted with the difficulties presenting themselves, should decide whether the law should remain as it stands, or whether modifications should be effected. I make this remark because the Committee may think that I should have peremptorily refused to issue in cases where I was not satisfied that the issue was authorized by law.

JAMES EDWARD FITZGERALD,
Comptroller.