

Appendix D.

ACCOUNTANT'S REPORT, No. 3.

SIR,—

Colonial Commissioner's Office, Wellington, 23rd April, 1867.

1. From the date of my first Report, 8th January, 1867, I received no further accounts from the Imperial Commissioner until the 7th March, when a Memorandum of "Supplementary Items in Commissariat Accounts" (marked A. 2) was handed to me, comprising charges for supplies for three months in 1866, Pay of Militia in Commissariat Transport Corps for a similar period, and for Transport at Tauranga, amounting in the whole, after the deduction of a small refund, to £14,069 11s. 11d.

2. On the 5th April, only three days prior to the Commissary-General's departure for England, I received a "Statement of Claims by the Imperial Treasury against the Colonial Government of New Zealand, to 30th September, 1866" (marked B. 2).

3. This altered and extended Statement contains, on the Debit side, forty-seven new items, dating so far back as 1861 (Appendix C. 2), amounting, with differences in sundry other items, to £279,305 7s. 2d.; and also compound interest at four per cent. (capitalized annually), amounting to £167,278 7s. 1d., augmenting the gross claim to £1,304,963 17s. 1d. Fourteen new items are added to the Credit side, amounting to £111,084 18s., inclusive of eleven months' interest on the Colonial payment in Debentures of £500,000—the principal of which is omitted—raising the total credit (with compound interest at 4 per cent.) to £127,781 6s. 1d., and showing a net balance against the Colony of £1,177,182 11s. (Appendix D. 2.)

4. This Account is still incomplete, the Admiralty charge, which it has been intimated will amount to about £45,000, not having been brought into the Statement, nor yet a credit for the value of twenty-two horses, the property of the Colony, sold by Her Majesty's Commissariat.

5. The new Statement bears evidence of hasty compilation in the occurrence of many errors, chiefly clerical, most of which, however, are rectified in the subsequent operation of addition, but have somewhat impeded the analysis of the Account.

6. There are some discrepancies between the first and second Statements, the most important of which I proceed to note:—

Item, Fencibles—In excess of First Account	£	s.	d.
Capitation, 1862-3—Less than in do.	102	0	0
Do. 1863-4—In excess of do	1,138	6	8
Do. 1864-5—This, in the first Statement, is charged for the twelve months at £5 per head; in the new Statement, nine months are charged at £5 per head, and three months at £40 per head, being in excess of the first Statement	919	18	4
	26,618	15	0

And subsequently, for the year 1865-6, 4,000 men are charged for at £40 per man, amounting to £160,000.

7. Under the head of Rations, the sum of £277,829 18s. 5d. is charged against the Colony. Of this I have prepared an Abstract, which has passed through the Audit Office, and it is found that several sums charged are unsupported by vouchers, while in some cases the vouchers are in excess of the charge, and in others the reverse occurs; the result being an apparent overcharge of £2,275 9s. 11d. (See Abstract and Auditor's Report, Appendix E. 2.)

8. Under the head of "Extra Issues" in the Great South Road Account, supplies amounting to £13,271 8s. 10d. are charged. Of this I have also prepared an abstract, which has been audited. The amount unvouched is £4,707 18s. 7d., a large part of which sum—£3,050 11s. 6d.—is for Rum; and the Auditor in his Report directs attention to a written memorandum of a verbal statement made by the Commissary-General, to the effect that the item, "Rum," is charged in error. (See Appendix E. 2a.) In the same Appendix I have also noted other errors and overcharges in the Great South Road accounts, amounting to £1,081 16s. 10d., made up as follows, viz:—Arithmetical and clerical errors, £1 10s.; overcharges of Field Allowance,* £737 11s.; Fuel and Light, issued to Mr. White (Interpreter), who, I am informed, was not employed upon the road, £8 19s. 9d.; items unvouched, £88 5s. 10d.; and working pay, Royal Artillery, £245 10s. 3d. This last item was specially directed by Deputy Commissary-General Jones to "remain chargeable to Army Funds." (Vide Memo. 3rd January, 1862, attached to the account); and I venture to suggest that the charge for "special transport" by the same corps (£512 1s. 6d.) should also be excluded under the same authority.

9. The War Office charge for Arms, Accoutrements, and Clothing, has also been referred to the Auditor, who, in his Report (Appendix F. 2) demurs to the second charge for 500 swords, amounting to £624 7s. 1d., as a duplicate charge; and also to the item "Supplies to Militia Prisons," &c., amounting to £140 2s. 4d., for which no particulars of date or locality are given. The sum of £102 5s. 11d., for Arms and Ammunition for the gunboat "Caroline," included in the War Office Statement, having been paid in June, 1864, has been withdrawn from the claim.

10. I observe that an amount of £280 5s. 4d. is charged, in items Nos. 20, 21, 22, and 27, for expenditure on account of Wellington Militia, which is not covered by Mr. Stafford's guarantee, dated 28th April, 1860, and which is retrospective only to the 1st April in that year.

11. Requesting your attention to the tenth paragraph of my first Report, I would now further remark, that if there be any meaning in the Commissary-General's declaration, that not one farthing of the past Extraordinary Expenditure had ever been included in his accounts against the Colonial Government, it is difficult to understand how such items as those noted in the margin came to be admitted into the Imperial claim. If, however, these items be allowed, then credit should be given to

Transport (except
for Colonial
Forces.)

* The General Order authorizing the issue of Field Allowance is dated 23rd December, 1861, and is not retrospective, while the allowance has been drawn from the 1st October preceding.