

There appears by remark No. 4 in your report to have been a difference between the balance shown by the cash-book and the sum in the Bank, amounting to £1073 15s. 4d. Did you ask for any explanation of this; if so, what was it? Yes, we did. The Treasurer stated that part was in the hands of Mr. Price, but could give us no satisfactory information about the rest. We also made trial balances at different dates, and found the balance correct at date of previous audit, but deficiencies, sometimes as much as £1800, at various subsequent dates.

*By Mr. Dick.*—At the previous audit, did you examine the accounts of the Road and Education Boards? No; but Mr. J. Gillies and myself then recommended to the Treasurer that the balances on these accounts should be lodged in the Bank.

*By the Chairman.*—Were the Road and Education account balances included in this £1073 15s. 4d.? No.

Did you at any time in the course of the audit, prior to 24th October, 1860, ascertain whether the balance which, according to the cash-book, ought to have been in the Treasurer's hand, was actually there? No; we endeavoured to do so, but could not.

You have stated in your report that you believe the full balance of the Provincial Account was lodged in the Bank on the 30th September; do you believe the full balance to have been in the Bank previous to that date? No.

Can you tell at what time between the 30th June and the 30th September the full balance was lodged? No, I cannot.

What is your reason for believing that this balance was not in the Bank prior to the 30th September? Because the Bank-book showed it.

Did you ever ask the Treasurer what amount he had in his cash-book at any particular date, or did he ever volunteer such information? No.

Did he ever state to you officially whether any portion of the public funds were in the hands of any other party? Yes; he said that part of the Road Board balance was in the hands of the Superintendent. I understood from the Treasurer that the sum was about £700. The Superintendent, however, told me that he had only about £400; the remainder being in the Treasurer's own hands.

Did the Treasurer say how this money came into the Superintendent's hands? Yes; he said he had got the loan of it.

When the discrepancies appeared in the trial balances, did you ascertain whether these amounts were in the Treasurer's chest? No.

Did the Auditors at any time count the cash in the Treasurer's hands? No.

*By the Speaker.*—You have stated that part of the sum deficient was said by the Treasurer to be in the hands of Mr. Price: do not the whole of the remittances to Mr. Price appear duly vouched for? There is no entry made of any part of the deficient sum represented as being with Mr. Price, while other remittances are duly entered.

*By Mr. Walker.*—From your experience in auditing the public accounts during previous years, can you say whether it is usual for a discrepancy to appear between the cash-book and the Banker's book? No, certainly not; on all previous occasions the accounts were correct on counting the cash balance in the Treasurer's hands.

*By Mr. Dick.*—After a Bank was opened, did you understand that all moneys were kept there, and had you any reason to believe that the Treasurer kept any moneys in his chest? I always understood that the whole Provincial balance was in the Bank.

THURSDAY, DECEMBER 13, 1860.

At a Meeting of Select Committee. *Present*—Messrs. Gillies, Richardson, Dick, Tarlton, and Walker.

CHARLES STREET, Government Accountant, produced warrant No. 738, dated May 7th, 1860. Contains as follows: "Service, works in connection with Clutha Gold Fields. Pay to James Paterson and Co., for Bill of Ex., the sum of one thousand pounds. James Macandrew, Superintendent."

Across the face of the warrant is written, apparently in Mr. Logan's hand—"In absence of the Provincial Treasurer, the Manager of the Union Bank of Australia is hereby authorized to pay the thousand pounds, for which the Treasurer's cheque will be issued when that gentleman arrives." On the voucher attached, it is stated, dated 7th May, 1860—"To Bill of Ex., one thousand pounds. Received on the 8th day of May, 1860, from John McGlashan, Esq., Provincial Treasurer, the sum of one thousand pounds sterling, in full payment of the above account. (Signed) James Paterson and Co."

*By the Chairman.*—On what date does this thousand pounds appear in your cash-book? On the 7th May, 1860.

Have you got the Bank-book? No, I do not keep it; Mr. McGlashan has it himself.

*By Mr. Dick.*—Was it through your hands the £1000 was paid? No.

*By the Speaker.*—Do all moneys pass through your hands? Almost invariably.

*By Mr. Dick.*—Do you know who received this £1000? No.

Have you seen the Bill of Exchange alluded to in Voucher 738? I have not.

Have you ever known of Bills of Exchange being purchased by Government except in this case? Not to my recollection; but in an old ledger I have seen an entry of purchase of a Bill of Exchange in Melbourne to defray part of Mr. Reynold's expenses when there on Government business; this was before the establishment of a Bank.

*By the Chairman.*—With regard to Voucher No. 437, Immigration per "Gala"—have you that voucher? No, it is locked up at present; I cannot get at it till to-morrow.

Do you remember whether you paid this sum? No, I did not pay it.

Do you happen to know who did make the payment? Mr. Macandrew brought the warrant and voucher himself to the Treasurer, and the Treasurer himself gave a cheque. I signed the voucher as witness to the payment.

Have you made payments on account of Immigration formerly? I think almost invariably.

To whom were the former Immigration payments made? To the party or parties to whom the