APPENDIX B.

MEMORANDA ENDORSED ON SCHEDULE OF THE 18TH JANUARY.

It is requested that the Act may be quoted under which these sums can be paid as Provincial liabilities.

J. E. FITZGERALD,
Commissioner of Audit.

January 19th, 1877.

The sums have been estimated for by the Superintendent, and the estimate approved by the Governor in terms of the Provincial Appropriations Extension Acts. Under the Financial Arrangements Act, Section 19, expenditure so authorised prior to 31st December last, not then made, is deemed to be a provincial liability.

C. T. BATKIN.

January 20th, 1877.

It is requested that it may be stated under which of these Acts mentioned in Section 19 this expenditure was authorised by the Governor.

J. E. FITZGERALD,
Commissioner of Audit.

January 20th, 1877.

The Provincial Appropriation Extension Act, 1876.

C. T. BATKIN.

January 23rd, 1877.

The Commissioners of Audit can find nothing in the Act quoted which authorises the expenditure of money for any services not previously provided for by the Provincial Government, except in the case of the revenue being in excess of the expenditure voted, which is not the case in Auckland; they have no power to pass this schedule.

J. E. FITZGERALD,
Commissioner of Audit.

January 23, 1877.

MEMORANDUM.

The claim made for the re-payment to certain local bodies of bank overdrafts out of the provincial liabilities account of Auckland, raises a large question involving most of the Provinces.

The Provincial Appropriations Extension Act, 1875, dealt with two possibilities in winding up the provincial finances; it extended the appropriations of the Provincial Councils from the several dates on which they lapsed, to the 30th September, 1876, which the Act of 1876 again extended to 31st December, 1876.

The 4th Section of the Act of 1875 dealt with the case of the revenue of a Province proving to be in excess of the Appropriations so extended. The 5th Section dealt with the case of the revenue falling short. If the revenue were in excess, the balance was to be appropriated by the Governor and the Superintendent jointly; if the revenue were deficient, certain advances were to be made.

The Government has assumed that these advances, which could only be made in the case of the actual revenue being deficient, could be taken into account *as revenue* in order to show an apparent excess of revenue over expenditure, and so enable the Governor and Superintendent to authorise additional expenditure beyond that sanctioned by the appropriations of the Provincial Councils, extended, which additional expenditure the Governor and Superintendent had no power to authorise, except on the condition that the estimated revenue exceeded the authorised expenditure. The Commissioners of Audit cannot but consider this to be a strained interpretation of the law, which the language of the Acts themselves hardly justifies, and would be obliged by having the opinion of the Law Officer before determining whether this sum can be legally issued.

J. E. FITZGERALD,
Commissioner of Audit.

January 24th, 1877.

Although it is not quite clear to my mind what was the intention of the Legislature in making special provision that advances might be made in aid of revenues; yet, upon the whole, I think it would be held that a Province for which such provision had been made under the 5th Section of the Act of 1875, was entitled to regard the amount receivable as revenue for the purposes of the Acts in question.

February 2nd, 1877. W. S. REID.

February 6th, 1877. (Seen) J. E. FITZGERALD,

(Memo. herewith) C.K. February 7th, 1877.

MEMORANDUM No. 56.

I am of opinion that there is no authority for expenditure in the Province of Auckland for the period ending 31st December, 1876, in excess of the scale set forth in the Provincial Appropriation