Act, 1875; and that the sum of £60,000 provided by the Provincial Appropriation Extension Act, 1875, and that of £44,000 provided by the Appropriation Act, 1876, are intended simply to meet the excess of the authorised expenditure over the actual revenue up to the 1st January, 1877:—or, in the words of the Acts, are provisions in aid of the revenue should there be a deficiency.

I am unable to determine from the accompanying records, what is the total expenditure assented to by the Governor; but as no provision has been made for expenditure in excess of the actual revenue *plus* the grants in aid (£104,000) any issues in excess out of the Consolidated Revenues must be charged to unauthorised.

CHARLES KNIGHT,
Commissioner of Audit.

8th February, 1877.

I concur with Dr. Knight in the above. I think the Treasury should, as soon as possible, supply the Commissioners of Audit with a statement for each Province.

1. Shewing the Estimates of Revenue prepared by the Superintendents and approved by the Governor.
2. The Expenditure under Section 2 of the Act of 1875.
3. The additional Expenditure sanctioned under Section 4.

JAMES EDWARD FITZGERALD,
Commissioner of Audit.

8th February, 1877.

MEMORANDUM. 12th Feb.

In reference to my memo on the Grants in aid of the Revenues of the Province of Auckland for the period ending 31st December, 1876, I wish to add, in continuation, that the Provincial Appropriation Extension Act, 1875, left the control of the *Provincial account* at the bank in the hands of the Provincial Auditor; and no issues, therefore, could be made by the Superintendent without the proper certificate of that officer.

In the cases of Auckland and Westland, issues have been made out of the consolidated fund in aid of the revenues, on the assurance of the Superintendent, that the revenues were insufficient to meet the expenditure. In some instances, the certificate of the Provincial Auditor was called for, but this seems an unnecessary precaution, as whatever issues were made out of the consolidated fund, no payments could be made by the Superintendent out of these receipts in aid except on vouchers passed by the Auditors, and any issues out of the consolidated fund in excess of what was required to meet the expenditure authorised by Parliament, would be found lying in the "Provincial account" at the bank on 31st December, 1876.

The Commissioners of Audit have no control over the warrants of the Superintendents. The Provincial Auditors and Superintendents are wholly responsible for issues made out of the "Provincial account," and it may be that Parliament will call for Returns showing the revenues and expenditure of each of the Provinces in the same form and with the like certificates as would have been required had the Provincial Councils assembled.

It is scarcely necessary to point out with reference to the estimates of revenue and expenditure furnished by the Superintendent of the Province of Auckland for the period ending 31st December, 1876, that the revenue of that Province could not, at one and the same time, be *deficient* and *in excess* to the amount of the grants in aid, viz, £104,000; and for that reason, it is unnecessary to advert further to the opinion of the Solicitor-General; but it is proper to add, that no authority under clause 4, of the Provincial Appropriation Extension Act, 1875, is given to the Governor to assent to expenditure where the revenue is deficient. The Governor's approval therefore, of the estimates sent down by the Superintendent of Auckland gave no authority for expenditure. The only authority in the case of Auckland, where the revenues were deficient, is the Auckland Appropriation Act for the six months ending 31st December, 1875, and it would be the duty of the local auditor to certify no expenditure unprovided for in that Act.

CHARLES KNIGHT,
Commissioner of Audit.
