

In the case of direct payments, a cheque is sent by the Paymaster-General to the claimant, the voucher going by the same mail to a countersigning officer. The cheque is valueless till countersigned, and the holder of the cheque obtains the countersignature on giving his receipt on the voucher, which is then immediately returned to the Treasury. The total amount of each order on the Bank at the seat of Government, issued by the Controller and Auditor-General, is transferred from the Public Account to a Public Disbursement Account, and is distributed to the several branches to be operated on; and the Treasury sends to the Bank a list of the cheques drawn on each branch, which the Bank distributes to its branches, each branch being thus informed of the cheques it will have to pay, by the same mail which conveys the cheques to the payees and the vouchers to the countersigning officers.

In the case of imprest payments for current monthly services, each advance is closed when the payments are made, and in all cases Imprestees are required to send in an account of their transactions every week, except in special cases where the accounting period is extended by the Treasury to four weeks.

To sum up the subject of payments, there seem to be five modes in which payments of public moneys are made to the creditors of the Government:—

GENERAL
REMARKS.

Firstly. By cheque of the Treasury to the payee direct, drawn on the Public Account on the nearest Bank to the payee:

Secondly. By advances to the head of an office or a Paymaster, of the exact sum to be paid by him to the staff of his office or district:

Thirdly. By imprest advances of round sums to an Imprestee, to be accounted for by him by receipted vouchers or refunds of balances unexpended:

Fourthly. By cash credits, by which a Paymaster is authorized to operate on the Public Account by cheques on a branch Bank, or on the Bank at the seat of Government negotiable at a branch Bank, or on the Treasury directly:

Fifthly. By cash over the counter in the Treasury.

The first of these systems is in force in New Zealand, the vouchers being audited before payment.

The second is the practice in New South Wales, where the advance is made to the heads of departments; and in Victoria, where it is made to Paymasters of districts. It is also partially in use in Queensland, South Australia, and Tasmania. The audit is after payment, except in South Australia, where the audit is in some cases before payment.

The third is in use in New Zealand for the Departments of Railways, Constabulary, and Surveys, and some other services in which prompt payment of daily wages are necessary. It is used to a limited extent in all the other colonies. In all cases the audit is necessarily after payment.

The fourth plan is largely used in Queensland and in South Australia (under the name of imprests). In most cases the audit is after payment, but some such payments in South Australia are made on audited vouchers.

The fifth case applies to South Australia alone, and only to accounts which have been audited, and to payment of cheques on the Treasury issued under the fourth system mentioned above. It is also generally applied to petty-cash payments.

In order to make a fair comparison of these several modes of payment, we must first determine what are the objects at which any system should aim. It will probably be admitted that the principal requirements are, first, that payment should be made as promptly as possible after it becomes due. Salaries and fixed