

There is no previous audit of the vouchers before payment, nor have the Commissioners, at the time they countersign the order on the Bank for the issue of money, any means of knowing whether the payments proposed to be made are duly authorized by law. They do not see the vouchers on which claims are made until some time after payment. Their duty consists only in taking care that the proposed issues are within the warrant, and that the warrant is within the vote. There is nothing in the system to prevent a payment, which was described in the order as due under a particular vote, being actually made for a different service altogether; nor could the Audit discover that such had been the case until some time afterwards when the vouchers come up for audit. Nor even then has the Audit any power to rectify the error except by reporting to the Treasury, and if necessary to Parliament. Meanwhile the Order-book of the Commissioner would necessarily show erroneous balances.

When the paid vouchers come up for Audit, they are entered by the examining clerks in ledgers called "Posting-books," under the head of each division, subdivision, and item of the Estimates, for the purpose of providing that no item shall be overdrawn. In case it appears that any item is exceeded, the Commissioners call the attention of the Treasury to the fact, and the overdraft is covered, usually by transferring an unused balance from some other item to the credit of that overdrawn, which is done under the provisions of the Act by an Order in Council. The Audit Office thus keeps a detailed account of the whole expenditure of the colony. But these ledgers are not balanced with the warrant and other books, which show the actual issues made. The accounts of the Audit Office are not kept by double entry.

All debentures are signed by one of the Commissioners of Audit, certifying that they have been registered in the Audit Office. A full and detailed account is kept of every debenture and every coupon issued by the Victorian Government, and of all debentures and coupons paid off. When paid-off debentures and coupons are cancelled and sent out to the colony they are checked with the accounts of such payments rendered by the Banks. The charges of the public debt are paid at the London and Westminster Bank and the London Joint Stock Bank on behalf of the Associated Banks, by whom the ordinary business of the Government is conducted. Lists of outstanding coupons are made out periodically in the Audit Office. The whole of this account is stated to occupy the time of one clerk for seven months in the year. The number of coupons paid annually is about 230,000. No similar account is kept in the Treasury, which relies wholly on the Audit for the accuracy of the accounts submitted by the Banks.

The accounts of the revenue and expenditure of Victoria are kept by an elaborate system of double entry in the Treasury. The books kept are numerous, providing many cross-checks to secure accuracy of account. Experience has no doubt dictated the necessity, or at least the convenience, of the several books, although on a casual inspection the impression is left that the same end might be obtained by a less complicated machinery. The accounts are no doubt rendered more complicated by the fact that the Government deals with ten Banks instead of one.

The receipts are first entered, from the daily summaries of receipts supplied by the Receivers, in two books—one for Consolidated Fund, the other for Loans, divided under the heads of the several Banks, showing the amounts paid into each; and these books are checked with the Bank-sheets required by the Act to be sent daily both to Treasury and Audit. The day's receipts as returned by the Bank-sheets are the receipts for each day on which the lodgments are made in the Bank or branch Banks, not the day on which such lodgments are credited in the Melbourne Bank. The Bank-sheets are, therefore, two days in arrear.

The cash-book required to be kept by the Audit Act is kept in two books for receipts and payment separately. The receipt side is entered from the Receiver's Summaries, which are also entered in a "Record of Summaries," with which, and also with the Bank-sheets, the cash-book is checked daily. The cash-book entries