

The foregoing accounts have been examined and found correct subject to the following remarks:—

1. The "Customs," "Railways," and "Territorial Revenue" receipts are not now examined by the Audit Office.

2. The Audit Office is unable satisfactorily to verify the receipts of gold revenue, through the failure of the Mines Department to comply with a requisition for a certified statement of the amounts collectible as such revenue.

3. The Deputy Commissioner of Stamps, Wellington, failed to make to the Audit the return prescribed by the regulations under the Stamp Act, showing the value of stamps in his hands on the last Saturday in June, in July, and in August, 1900, supported by a certificate by an officer of or on the part of the Audit Office that the stock named in such return had been counted and found correct.

4. The "Advances in the hands of officers of the Government" include payments to the amount of £8,816 15s. 3d., though the accounts of the same were received at the Treasury before the close of the year.

5. The following amounts paid during the financial year are not included in the estimates for the year, as required by section 37 of the Public Revenues Act:—

(a.) £50, being the amount by which £150 paid in respect of the Khandallah Bridge, as unauthorised expenditure in anticipation of the Appropriation Act, exceeds the sum of £100 included in the estimates;

(b.) £17,866 14s. 9d., being sums paid in respect of charter of steamers to South Africa, an unauthorised expenditure in anticipation of the Appropriation Act;

(c.) £7,020 4s. 3d., being sums paid, under authority of Imprest Supply, as expenditure of the Department of Industries and Commerce for charter of ship to South Africa, &c., and transferred subsequently to the Unauthorised Expenditure Account.

6. The lodgments to the credit of Deposit Accounts include a sum of £5,657 10s. 6d., which was received for the repurchase by the Bank of New Zealand, under section 8 of "The Bank of New Zealand and Banking Act, 1895," of the preferred shares, and which, being such part of "all moneys received for the said repurchase" as consisted of "the amount of all dividends accrued and unpaid in respect thereof up to the time of payment of the price," should have been transferred to and shown in the statement of receipts and expenditure of "The Bank of New Zealand and Banking Act, 1895," Account, and paid to the Public Trustee.

7. The "Statement of the receipts and expenditure of the Government Accident Insurance Loan Account" is not satisfactory. On that account there were the following transactions which are not entered, and for the entry of which no requisition has been received from the Treasury:—

(a.) £1,000, being the sum raised by the Governor in Council as a temporary advance from the Government Insurance Office on the security of the debentures created for £2,000; and

(b.) £1,000, being the sum so raised, which was placed to the credit of the Government Accident Insurance Account.

6. The Treasury Cashier, out of moneys issued to him by way of imprest under votes, made four advances to other officers for unauthorised expenditure, though in each case the application had neither been passed by the Audit Office nor returned to it with any reply to its objection to the proposal to charge the required advance to a vote.

8th May, 1901.

J. K. WARBURTON,
Controller and Auditor-General.

The following remarks may be added in explanation of the comments made by the Audit Office as above:—

1. The usual comment: In accordance with law, the heads of revenue named are not now, and have not been for some years past, examined by the Audit Office.

2. The usual comment: It is sufficient to state that the law does not require the statement.

3. The regulations have been amended, and the Deputy Commissioner has complied with them.

4. These outstandings are known to be unavoidable, and the Audit Office has previously admitted it.

5. (a.) By mistake Parliament was asked to vote £100 instead of £150.

(b) and (c). The Audit Office should have mentioned that a vote for a net sum of £1,000 was taken for these services. It was specially worded so as to provide for recoveries, but the Audit Office decided that no more than the amount voted could be charged; therefore the sums named were transferred to "Unauthorised" until credits are ascertained.

6. The Solicitor-General was consulted, and gave his opinion that it was unnecessary to pay over to the Public Trustee more than the £500,000 of repurchase money.

7. This is a matter concerning the Accident Insurance Branch of the Government Life Insurance Department alone. So far as the Treasury is concerned, the facts are that £2,000 of debentures were issued to the Insurance Department, and this amount has to be included in the Public Accounts as a liability of the public debt.

8. The officers alluded to were the Commander of the Forces and other military officers who were ordered to visit Australia in connection with the Commonwealth and military business. The Audit Office is in error in stating that no replies were made to the objections raised.

Treasury, 11th May, 1901.

R. J. SEDDON,
Colonial Treasurer.