

No. 7.

The Audit Office.

THE accompanying papers show a decided difference of opinion between the Treasury and the Audit Office as regards the account or vote to be charged with expenditure incurred for claims now covered by the Governor's warrant.

16th May, 1901.

JAS. B. HEYWOOD.

No. 8.

The Treasury.

THAT difference of opinion was as to the vote to which should be charged the particular expenditure set down in the schedule to the former order of the Governor. The Audit Office will, however, regard that difference of opinion as extending to the expenditure set down in the schedule to the present order, and will pass the vouchers charged as this order determines that they should be, and the Controller and Auditor-General will in ordinary course lay before Parliament, in accordance with section 9 of "The Public Revenues Acts Amendment Act, 1900," a copy of the correspondence between the Audit Office and the Treasury on the matter.

18th May, 1901.

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

CASE No. 4.

No. 1.

Westminster Chambers, 13, Victoria Street, London, S.W.,

20th October, 1900.

SIR,—

I beg to state, for your information, that on the 17th instant the sum of £5,657 10s. 6d. was paid to credit of the Public Account, being interest on £500,000 for 118 days at $3\frac{1}{2}$ per cent. Bank of New Zealand preferred shares redeemed.

I have, &c.,

The Controller and Auditor-General, &c.

F. W. PALLISER.

No. 2.

UNDER subsection (2) of section 8 of "The Bank of New Zealand and Banking Act, 1895," "all moneys received for the said repurchase of such shares" include this amount, and it should therefore have been paid to the Public Trustee. Referred to the Treasury.

22nd November, 1900.

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

No. 3.

The Controller and Auditor-General.

I REALLY do not think that the language of the Act could convey the impression which has apparently taken hold of the custodians. Upon a more thoughtful interpretation it must be understood that the repurchase-money must in the first place be paid to the persons from whom it was borrowed, after which the requirements of the law as to paying over to the Public Trustee would have to be carried out. This was your impression also at the time I consulted you on the subject.

I have written to the Agent-General to similar effect.

28th November, 1900.

JAS. B. HEYWOOD.

No. 4.

The Treasury.

THE Audit Office is not raising any objection to the Treasury contention on that point, but has observed only that the custodians should not have parted with the securities till they had received the requisition under section 4, subsection (1), of the Public Securities Act. The custodians, as such, should in ordinary course part with the securities on receiving the requisition, and on being satisfied that it specifies a purpose provided for by law.

29th November, 1900.

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

No. 5.

The Accountant.

THE interest paid by the bank is no way different from the half-yearly payments of interest made since we gave them the stock. The interest is in recoupment of the interest the Treasury has to pay upon the stock issued to the bank.

27th November, 1900.

J. B. H.

No. 6.

THAT is so.—R. J. COLLINS. 27/11/1900.

2—B. 19.