

## REPORT OF THE AUDIT COMMITTEE

mitted at all, they recommend that it should be subject to the following condition, viz. : that no item should be retained in either of these accounts for a longer period than one year ; and that all sums not expended within that period should be carried forward to the balance standing to the credit of the Colonial Treasurer at the commencement of the next succeeding financial period, and then subjected to the appropriation of the House.

The Committee cannot in any way justify the Colonial Treasurer in having employed funds Nos. 1, 2 and 3 for other than their special uses. To the employment of the first the Colony at large has a right to object ; the Provinces have a just complaint that the second was interfered with ; and with regard to the third, if the proceeds of intestate Estates can with impunity be employed, a violation of funds that ought of all others to be held sacred, is countenanced.

It will be readily admitted, that the Colonial Treasurer must be placed in the position of having a considerable sum of money at call at the commencement of each financial year, to use as a working balance. But it is equally clear, that it is a part of his duty to come down to the House and ask for authority to make a time provision, to the extent he may estimate to be sufficient ; either a system of Exchequer Bills or a Cash Credit at one of the Banks of the Colony, to be adjusted upon an Interest account taken at the end of the financial year, might be satisfactorily resorted to.

The Committee incline to the opinion, that in this Colony the latter would be the more preferable course. But whatever other plan be substituted in lieu thereof, the Committee cannot too strongly urge the necessity of at once abandoning the one hitherto adopted.

The Committee have taken pains to ascertain the balances, and they report that, subject to the observations made in their report with the appendices, the accounts are correct in every important particular.

HERBERT EVELYN CURTIS,  
Chairman.

AUGUSTUS EDWARD WHITE,  
WILLIAM FITZHERBERT.

House of Representatives,  
27th August, 1861.