

*Q.*—Will you inform the committee as to the amount of the public moneys referred to in your certificate which has been issued from the Colonial Treasury without the sanction of the Governor's warrant, and under whose authority such moneys have been issued? *A.*—No warrants for the period have been forwarded to the Audit Office; it follows as a consequence that the whole of the issue is without legal authority. The moneys have been expended under Ministerial authority.

*Q.*—You state that the expenditure under "The Loan Act, 1862-3," from the 1st April to the 30th June, 1865, has not been separately shown as unauthorized expenditure. Will you explain the reason of this? *A.*—It was understood in the Treasury, at the time these expenses were being defrayed, that a Bill would be introduced by the then Colonial Treasurer, Mr. Fitzherbert, appropriating the balance of the Loan. In this proposed measure the expenses mentioned would have been included. An estimate of them was printed for the information of the General Assembly, but I am not informed whether it was laid on the table of the House of Representatives. The Treasury therefore continued to show the war expenses, &c., under the Loan as heretofore, because such an arrangement was convenient and did not interfere with the annual surplus revenue account. But though shown under the Loan, the unauthorized expenditure should have been distinguished from the authorized.

*Q.*—Under what authorities were the following expenditures warranted?

| <i>Otago.</i>                       |     |     |     | £    | s. | d. |
|-------------------------------------|-----|-----|-----|------|----|----|
| Postal—New Post Office              | ... | ... | ... | 5983 | 1  | 0  |
| Money Order Funds and Stamps stolen | ... | ... | ... | 440  | 0  | 0  |

*A.*—The erection of the Post Office at Dunedin was undertaken under the Ministerial authority of Mr. Gillies. The loss of Money Order funds and stamps was ordered to be transferred from the revenue account to a suspense account by Major Richardson, the Postmaster-General. This arrangement was carried out by writing off the amounts as a charge on the revenues of the Province.

The committee then adjourned till Friday, the 10th of August, at 10:30 a.m.

FRIDAY, 10TH AUGUST, 1866.

The committee met pursuant to adjournment: Present all the members.

The minutes of the last meeting were read and confirmed.

The committee then agreed that a draft Report of their proceedings should be made, to be submitted to the committee at the next meeting.

The committee then adjourned till Wednesday, the 15th of August, at 10:30 a.m.

WEDNESDAY, 15TH AUGUST, 1866.

The committee met pursuant to adjournment: Present all the members.

The minutes of the last meeting were read and confirmed.

The committee read through and considered the minutes of the preceding meetings, and discussed the subjects to which it might be expedient to draw the special attention of the House in their Report.

Mr. Woodward attended, and gave some further information with regard to warrants, and the issue of money from the Treasury.

The committee adjourned.

TUESDAY, 21ST AUGUST, 1866.

The committee met pursuant to adjournment: Present all the members.

The draft Report was brought up and considered.

The committee adjourned till Wednesday, the 22nd August, at 10:30 a.m.

WEDNESDAY, 22ND AUGUST, 1866.

The committee met pursuant to adjournment: Present all the members.

The committee considered their Report, which was adopted, and it was agreed that the Report should be presented to the House this day.