

## MEMORANDA ON REPORT OF AUDITOR.

with the balance of the Reserved Fund, and by transferring the remaining balance to the Revenue Account, thus:—

<i>Surplus Revenue Account—</i>		£	s.	d.	£	s.	d.	£	s.	d.
Balance at debit as above	...	...	...	...	...	...	...	306,887	2	4
<i>Credit—</i>										
Balance of Reserved Fund Account	...	...	...	...	30,999	17	6			
Transferred to Revenue Account—										
As Supplementary Expenditure authorized by “Appropriation Act, 1867”	...	...	183,688	9	6					
Balance	...	...	92,198	15	4					
					<u>275,887</u>		<u>4</u>		<u>10</u>	
									<u>306,887 2 4</u>	

This operation, while closing the Surplus Revenue Account, results in a debit to the Revenue of £275,887 4s. 10d., for which, as the Auditor has pointed out, no provision had been made by the Legislature. The reconstruction of the Public Accounts, necessitated by the passing of the Public Revenues Act, has enabled the Treasury to apply in reduction of this debit the unexpended balances of votes of 1866-7, the balances of Interest and Sinking Fund charged on the Revenue, but (so far as Accounts had reached the Colony) not actually paid, and other sums as shown in the following statement. On the other hand, the deficiency has been increased by sums which, from accounts subsequently received, are shown to have been actually paid before the coming into operation of the Public Revenues Act, thus:—

<i>Revenue Account in adjustment—</i>		£	s.	d.
Cr.				
By unexpended Balances of Appropriations of year 1866-7	...	114,274	11	3
By Balance of Sums charged for Interest and Sinking Fund to 30th June, but of the payment of which no accounts have reached the Colony	...	88,460	4	1
By Reserved Fund, Native Schools Act	...	3,200	19	3
By Native Circuit Courts Act Account	...	307	12	8
By Lighthouse Dues Account, Balance of Receipts	...	6,398	0	11
By Debtor and Creditors Acts	...	2,549	7	3
By Incidental Receipts by London Agents	...	367	17	3
		<u>£215,558</u>		<u>12 8</u>
Dr.		£	s.	d.
To Supplementary Expenditure of 1866-7, covered by “Appropriation Act, 1867”	...	193,938	0	0
To Supplementary Expenditure of 1866-7, not provided for	...	136	1	2
To balance of Surplus Revenue Account transferred hereto	...	92,198	15	4
To Disbursements of the year 1866-7, of which accounts have since been received	...	34,476	5	1
		<u>£320,749</u>		<u>1 7</u>
Balance at debit of the Revenue Account at the time of the Public Revenues Act coming into operation, and yet to be dealt with by Parliament...				105,190 8 11

4. Attached are two statements, showing respectively the financial position of the Colony at the close of the financial year 1866-7, and at the commencement of the year 1867-8. The first, marked A. is a statement of the Assets and Liabilities of the Colony (apart from its funded debt) on the 9th July, 1867, to which date the Accounts had been made up before the Public Revenues Act was passed. The “Liabilities” are the several sums which should at that date have been in the Colonial Chest. The “Assets” comprise what may be termed the “Book Debts” of the Colony, cash in the hands of its officers, cash *in transitu*, and cash in the Bank.

5. It has already been stated that the system established by the Public Revenues Act necessitated an entire reconstruction of the Accounts. The object of this reconstruction was so to adjust the several Accounts that they might present themselves in a form suited to the operation of the Act. Many of the Accounts have accordingly been entirely closed, and the whole of the outstanding balances have been commuted into the terms established by the Public Revenues Act, represented on the one side by the “Consolidated,” “Special,” “Land,” and “Trust Funds,” and on the other by the “Balances in hand” and the “Advances unaccounted for.”

6. The statement B. shows the result of this operation, the details of which will be given in the Annual Statement of the Public Accounts, now in preparation. It will be observed that the liabilities on account of the Consolidated Fund, amounting to £125,462 12s. 4d., are represented on the opposite side by assets amounting only to £20,273 3s. 5d., the balance, £105,190 8s. 11d., being the deficit on the Revenue Account yet to be provided for, as shown by statement in paragraph 3.

C. T. BATKIN,  
Accountant to Treasury.

Treasury, 19th September, 1868.