

“The Customs Regulation Act, 1858,” section 185, provides that all payments up to £50 on account of rewards for convictions, and, when seizures are made, any sums up to the value of the goods seized, are to be made out of Customs Revenue. The above payments should, it is considered, have been deducted from Customs Revenues as a first charge, before determining the moiety of Consolidated Revenues payable into the Provincial chest.

The effect of the course followed by the Treasury is to throw the burden of these first charges entirely on the Provinces, instead of making them charges on the Customs Revenues before distribution.

With regard to the sum of £125 charged against the Province of Auckland on account of the schooner “Ringleader,” there is a peculiar unfairness, as the vessel has apparently been taken possession of by the General Government, and no portion of her appraised value, so far as can be discovered, has been credited to the Province.

The matter is submitted with a view to an equitable adjustment being made with the various Provinces interested.

#### *Refunds.*

During the year 1868-9 the sum of £3,099 8s. 7d. in the aggregate has more or less unfairly been charged against the revenues of the Provinces.

In illustration of this, take the following case:—

A sum of £10 on account of Patent Fees was collected in the County of Westland, and the General Government received £5 and the County of Westland £5. Afterwards a return of the sum paid is authorized by the Government, and the County of Westland is charged £10, and thus not only loses the original moiety of the sum collected, but is made to pay £5 extra without receiving the slightest benefit.

It is doubtful whether the General Government has the right to charge Provincial Revenues in this direct way with refunds; but there can be no doubt that it will be considered equitable that an adjustment should be made by which the Provinces shall be repaid, from General Revenues, the sums with which they have improperly been debited.

The Auditor reserves for consideration whether the proposed adjustment should not extend to the financial year 1867-8.

#### *Sinking Funds.*

“*New Zealand Loan Act, 1856*,” £500,000—[Page 11 of printed Statement]:—

The sum of £15,750 includes a double charge of £750 on B and E series of the Half Million Loan for the half year ending 31st March, 1869.

In the General Balance Sheet, p. 7, there stands to the credit of this loan the same balance as on the 1st July, 1868, namely, £101,281 8s. 1d., although the Treasury has charged the Consolidated Revenues (in addition to the last sum) £15,750 as payments on account of Sinking Fund; thus the balance to the credit of the Sinking Fund shows £15,750 less than the sum actually discharged out of the Consolidated Revenues.

The reason of this would appear to be that the Trustees of the Sinking Fund in London have furnished no accounts since 1st January, 1868.

“*New Zealand Loan Act, 1860*,” £150,000:—

No payment on account of the Sinking Fund of this Loan has been charged on the Consolidated Revenues of the financial year 1868-9.

*Colonial Treasurer's Statement, at page 86 of printed Statement, showing the Loans on account of which the Provinces have been charged Interest and Sinking Fund.*

The Auditor objects to this Statement in several particulars, and submits that it should be amended, and the accounts of the year readjusted.

The Auditor furnishes a copy of the Treasurer's Statement, and places in opposite columns the results of his own investigation of the Public Accounts in this matter.

In the opposed statements it has been necessary, in respect of the Province of Auckland, to exhibit the particulars of the previous year in addition to those of the financial year under consideration, as some of the transactions on the unconverted portions of the Loans for the two years cannot be well separated for the purpose of comparison.

The Auditor finds that the following overcharges have to be adjusted:—Province of Auckland overcharged, £2,025 1s. 6d.; Province of Southland, overcharged, £161 11s. 1d. The short-charges are as follows:—Taranaki, £437 10s.; Wellington, £221 17s. 3d.; Hawke's Bay, £1,050; Nelson, £1,243 2s. 1d.; Canterbury, £10,893 14s. 2d.; Otago, £6,148 16s. 3d.