

The several sums thus rendered available for expenditure are entered at the Treasury in the "Provisional Ledger," of which five subdivisions or books are kept: 1. For Special Appropriations; 2. Salaries; 3. Public Works; 4. Departmental Contingencies; 5. Special and Trust Accounts.

Authorities are numbered, and the head of the Department, by whom the application for the authority was made, is advised of the authority being obtained, and of the number which the authority bears; this number is quoted by the Department on all the accounts for expenditure incurred under such authority.

Contracts for fixed sums, when approved by the Governor and gazetted, are dealt with as regular authorities.

Departments are required to keep a debtor and creditor account between the authorities and the accounts passed for payment.

Each claim, on being received at the Treasury, is first stamped with the date of receipt and then entered in an alphabetical register.

Claims, after being scrutinized, are passed to the extent of the credit warrant, and the particulars are posted in the "Provisional Ledger."

The claims are then sorted according to the places at which they are to be paid, and Schedules of Advices are prepared and addressed to the several Paymasters, conveying the Treasurer's authority to sign and issue certain cheques in payment of the claims. The claims are sent with the Schedules of Advices.

Simultaneously orders are sent to the banks on which the Paymasters have been authorized to draw, directing that the cheques of such Paymasters as are named in the orders are to be honoured and paid at any bank in which the "Public Account" is kept. These orders, before being transmitted to the respective banks, are forwarded to the Commissioners of Audit, who certify that the total amount of each order is within the limit of the amount for which the Governor has issued a credit warrant. No moneys can be drawn out of the "Public Account" in any other manner than by orders so countersigned by the Commissioners.

The country banks advise the Melbourne Banks of the operations on the Public Account, so that the Colonial Treasurer keeps accounts only with the six associated banks in Melbourne.

As stated in the remarks on the Audit Office, the receipts and disbursements of the Treasury in Melbourne, and of the Sub-Treasuries are posted direct into the Day Cash Book from the revenue and expenditure vouchers. At the same time the totals of the abstracts of the Receivers and Paymasters' receipts and disbursements are entered in a separate book, and balanced daily with the Cash Book. The totals of the daily cash transactions are posted into the Public Ledger, where are shown the daily acquittance or quietus from the Commissioners under section 34 of the Audit Act. In one column is the amount of the first acquittance on the day's transactions, and in the others the acquittance for the balance or removal of the surcharge if any. Thus the total amount under surcharge can at once be ascertained.

The revenue vouchers, after being entered in the Cash Book and numbered, are posted into the Revenue Detail Ledger, under the proper head of Revenue; where the monthly totals are summarized for the Public Ledger, and quarterly for the Quarterly Statement, a daily and weekly abstract being also made for statistical purposes.

The expenditure vouchers are dealt with in a similar manner, with the exception of the daily and weekly abstracts.

The daily postings are taken out in a Waste Book kept by each Detail Ledger Keeper, and the day's postings balanced with the Cash Book.

The salary of each person who is in receipt of a fixed annual salary is entered in the Salary Register in the column belonging to the month for which payment has been made, and opposite the name of the payee. This Register is supplementary to the Detail Ledger, into which all salaries are posted in the same manner as other expenditure.

The Agent-General's accounts are treated as advance accounts, inasmuch as the remittances are personal until vouchers for the expenditure have been received with the Agent-General's quarterly accounts-current, when the votes and appropriations on account of which the expenditure has been made are charged, and the Agents' personal account relieved.

To lessen the number of payments at the Treasury, and yet not inconveniently entrench on the system of final payments, advances are made to Heads of Departments to the extent of one-twelfth of the annual vote, and this advance is made at the commencement of the financial year. As a general rule, only one advance is made to any one Head of Department during the year. The sum advanced is sufficient to cover one month's expenditure. The Heads of Departments, as often as may be necessary, forward to the Treasury vouchers for the sums paid out of such advances; and the amount so vouched for, instead of being placed to the credit of the officer in his advance account, is repaid to him; and so on from month to month until the 25th of the last month of the financial year, when the expenditure of the advance is accounted for by vouchers, being generally those for the payment of services which came in course of payment during the last month of the financial year. The balance, if any, remaining unexpended of such advance is repaid into the Treasury, and together with the final vouchers are placed to the credit of the Advance Account, and duly brought into the Public Ledgers.

In Victoria, the year of account comprises all liabilities for services actually performed between the first and last day of the financial year, and all liabilities on account of the year, provided claims are made for payment within a period not exceeding the following year; and the Audit Act provides that a credit shall be opened in the Treasury for the purpose of meeting outstanding liabilities, and the moneys may be issued and applied in the following year, but not after.

At the close of each year all accounts in the Pay Offices relating to that year, payment of which has not been claimed, are sent to the Treasury, where they are posted in the Detail Ledger, to the particular vote or appropriation to which they are respectively chargeable, and similar amounts are then transferred to the credit of a Liability Account, and the accounts returned to the Pay Offices for payment.