

The last-mentioned remittance (£125) was used by the late Clerk to make good certain rates collected by him and misappropriated (see paragraph 75 of this report). For remarks as to application of these grants, see paragraph 55.

49. The grants made out of special votes of Parliament during the period under review were,—

		£	s.	d.
1880-81.	Balance of the sum of £9,912 11s. granted for the construction of the Kawarau Bridge ...	3,819	11	0
1881-82.	Payment of half cost survey, Macetown Road ...	136	9	5
1884-85.	Grant, Cardrona Road ...	1,500	0	0
1885-86.	Subsidies in aid—			
	Skippers Road, and road to Invin-			
	cible Mine ...	£60	18	8
	Arrow to Macetown and Criffel			
	Road ...	117	5	6
	Forming road Scheelite District ...	150	0	0
	Track to Phoenix and Scandinavian			
	Reefs ...	64	14	10
	Improvement, Skippers Road ...			
	Advance for maintenance of roads ...			
			392	19
			0	0
			1,000	0
			0	0

These several sums have been duly brought to account, with the exception of the item "Improvement, Skippers Road, £130." That sum was remitted by the Treasury to credit of the County Fund at the bank on the 8th June, 1885. It was not brought to account in the county accounts, and the money was made use of by the Clerk to replace license-fees to a corresponding amount which he had previously misappropriated.

50. In addition to those above referred to, grants have from time to time been made in aid of the Cardrona Nursery, referred to in paragraph 38. These grants, amounting in all to £600, have been duly credited to that account.

51. The several items referred to in the preceding paragraphs make up the receipts of the county available for expenditure for the six years covered by the special audit.

52. One item of receipt not available for expenditure remains to be remarked upon. I refer to the "Contract Deposits." These receipts represent sums deposited with tenders for contracts, the amount in each case being about 5 per cent. on the amount of the tender. No proper record seems to have been kept of the contract deposits received. In the minute-book recording the proceedings of the Public Works Committee I found from time to time lists of tenders received, accompanied, in some instances, by a list of the deposits received therewith. The only contract deposits brought to account in the cash-book were those accompanying accepted tenders. It is presumed that the deposits made by the unsuccessful tenderers were duly returned to them, but no evidence on this point could be found. The deposits made by the successful tenderers were, as a rule, paid to credit of the County Account at the bank, and, as the County Account has for some years been largely overdrawn, the deposits were by that process practically expended as soon as lodged. I need not point out the impropriety of this practice. I discovered a number of instances in which the deposits of successful tenderers, though stated in the minutes to have been received, had not been paid to the County Account, and several cases in which, though the minutes recorded the contract entered into, no reference was made to the receipt of a deposit. I made a careful examination of both these classes of cases, and of the expenditure made in respect of each contract, with a view to discover whether in each case a deposit had been received, and, if so, by what means it had been refunded. I found, as regards the four largest contracts, that a large deposit had been made with each, and that very considerable sums in excess of the contract had been paid and charged as "extras." I ascertained that the actual sum payable as extras on each contract was but small, and, on inquiry of the respective contractors, I found, as I anticipated, that the deposit in each instance had been refunded in the form of a payment for extras. Particulars of these cases will be found in Appendix D, with the evidence thereon of the contractors concerned (Appendix B.—7, B.—8, B.—9). I need hardly say that, as these deposits had never been brought to account in the county accounts, the refund of the amounts out of county funds was a fraud. In regard to the remaining cases I found that, as respects the two largest, the payments made were not in excess of the amount of the contract. In one case, that of La Sœur, Contract No. 90, for "widening road at Deep Creek, Shot-over"—amount of contract, £47—I found that a payment of £20 in excess of the contract had been made and charged as "extras." I was unable, before leaving Queenstown, to obtain any satisfactory explanation of this payment. I, however, requested the County Chairman to cause inquiry to be made in regard to it, but, up to the present time, without any satisfactory result. In the other cases, all for contracts of under £40, the sum (deposit) involved was so small (in no case exceeding £2) that I did not feel justified in spending time on their investigation.

53. I now turn to the expenditure side of the account.

The expenditure of the county consists mainly of payments for roads and bridges, a large proportion of the work being performed under contract, and the remainder by day-labour. During the period covered by this part of my report all roadworks were carried out under the supervision of an Inspector of Works, a special inspector being engaged in addition for the superintendence of the large works executed under the Roads and Bridges Construction Act. I compared the amounts of the several contracts entered into as recorded in the minute-books with the contractors' accounts as kept in the ledger, and found them (except in a few cases) to agree. I was unable in the exceptional instances referred to to identify the contract as described in the ledger with the contract as designated in the minute-books, owing in some instances, probably, to the contract having been transferred to another person. I carefully checked all payments made against the sum contracted for as stated