

as illegal—the reduction of the county's overdraft at the bank. Copies of the correspondence and minutes on this subject will be found in Appendix G hereto.

72. *Vouchers*.—The vouchers by which the receipt side of the accounts should be supported are in almost all cases missing. The remittance advices of the Paymaster-General from the 1st April, 1882, to the 30th September, 1885, have been removed from the file, and could not be found.

The rate-receipt books (butts) have all been removed with the exception of one half-used book, the butts in which represent a small part of the rates brought to account between the 1st October, 1884, and the 31st March, 1885.

Wholesale Licenses : One issued out of some book not to be found.

Billiard Licenses : Three issued. Book not to be found.

Conditional Licenses : One issued out of book not to be found.

Dog-tax Receipts, 1885 : Vouchers not to be found.

Forest-tree Sales : The lists referred to in the County Auditor's reports as Lists A and B could not be found. I however obtained from the Forester his sales-book, and compared the same with the cash-book, with the results set forth in my remarks on the Cardrona Nursery.

For the punt receipts (1880–81) no vouchers could be found, nor could those for the small sums classed as rents and miscellaneous.

On the expenditure side of the account the number of vouchers missing is eighty-five. Of these, eight are vouchers for advances made to the Clerk for petty-cash purposes, two are for payments of salary to the late Chairman, five are for travelling allowances paid to members of the County Council, eight are for sums which it is certain were fraudulently charged by the late Clerk—the amounts not having been paid to the persons charged—and which were subsequently recovered at the instance of the County Auditor from the Clerk himself. There is every reason to believe that the vouchers by which these several charges were supported at the time were forgeries, and that, having served their purpose, they were withdrawn from the files and destroyed. Three others represent the sums fraudulently charged to Messrs. Fergusson and Mitchell, for which proceedings have been taken, and the remaining fifty-nine are for payments charged to various persons in sums varying from 7s. to £200.

73. I found the files of vouchers in great disorder, and many of them much dilapidated owing to want of care in the packing of the several files. Having arranged them in order, I examined the whole series from the 1st April, 1880, to the 31st March, 1886, and made lists of all vouchers missing and of all questionable payments. I found a number of vouchers without certificate and without the approval of the Chairman. Salary abstracts were very rarely certified, and in some cases the period for which the salary was paid was not stated. The vouchers for payments on account of roads and works were the most numerous, and at the same time the most businesslike of all. They seemed to have been carefully prepared, the work on which the men were employed and the dates from and to which the payments were made being clearly set forth. They were, with few exceptions, evidently prepared by the late Inspectors of Works, and properly certified by one or both of those officers. It is remarkable that the four vouchers by means of which in the cases of the contracts Nos. 1 and 2, Cardrona, and Nos. 3 and 4, Skippers, the contractors' deposits were refunded under the guise of "extras" were not prepared by either of the Inspectors of Works, three of them being in the handwriting of Boulton, the late Clerk, and the other in that—mainly—of Mr. Daniel, the late Treasurer. Three of them were certified by the Inspector of Works, one of the three at least having been so certified after payment, and the fourth was not certified at all. Apart, however, from these cases, which in all their characteristics are exceptional, whatever irregularities have been committed in connection with the roads and works vouchers seem to have commenced after they had left the Inspector's hands. In examining the several receipts I found that the space in the form designed for the date was frequently left blank, the omission to write in the date being in all probability held to be justified by the fact that a date was generally written on the duty-stamp at foot; and the formula provided for the cancellation of the stamp was thus made to do duty for the date of the receipt. Accepting the dates of receipt in whatever way given, it was found they rarely agreed with the dates of payment (where entered) in the cash-book. In some cases there was an agreement, but in a large number they differed by many days, weeks, or even months.

I was informed by the County Auditor that discrepancies between the dates of payment as given in the cash-book and the dates of receipt borne by the voucher were explained by Boulton as due in general to the abstract having been sent out for signature. The Auditor stated that he was continually complaining of the Clerk's inaccuracies; but on this, as on other points, his remarks were received with indifference, and he at length abandoned remonstrance as fruitless.

Many cases have occurred in which the Clerk has given receipts for moneys as the agent of the payees, and cases have occurred in which, the receipt being signed with the mark of the payee, the mark has been attested by the Clerk himself. In a few instances the abstract filed as a voucher is not receipted at all. There are many vouchers which would be valueless as evidence of payment in a Court of law, and a large number which would not pass muster in any department of the Government service.

74. *Stores*.—The county has no system of store accounts, and, consequently, no proper check on the disposal of tools, implements, and materials. I found occasional receipts brought to account for sales of miscellaneous stores, but the sums appeared to be small when compared with the expenditure under that head.

75. *Defalcations of the Late Clerk*.—The defalcations of the late Clerk, so far as they have been discovered, comprise the following:—

June, 1883.—Contract deposit of P. Henderson and Co. not brought to account in county accounts, but cheque used to make good license-fees and rates previously received and misappropriated, the amount of the deposit being afterwards refunded to the contractors by a fraudulent payment out of county funds as a payment for "extras" ... ..	£	s.	d.
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