

The Treasury is completely in the dark as to the information required by the Audit Office, and it is therefore a surprise to have the accounts returned with a minute compromising their accuracy. The Treasury should at least be afforded the opportunity of seeing whether it is not possible to supply the information which the Audit Office is desirous of obtaining.

J. B. HEYWOOD,  
Secretary to the Treasury.

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No. 8.

Mr. Warburton.

Audit Office, 18th October, 1897.

I WOULD like to make a few remarks with regard to the note respecting the goldfields revenue appended by you to the certificate of the correctness of the Treasury Abstract of Revenue and Expenditure for the quarter ended the 30th September last.

To rightly understand the position it is necessary to inquire what is the scope of the Audit certificate which the Public Revenues Acts of 1891 and 1896 require to be placed on the quarterly abstract of the revenue and expenditure of the Public Account submitted by the Treasury to the Audit Office for examination.

It will be observed, on reference to section 69 of the Act of 1891, as amended by the Act of 1896, section 4, that the quarterly abstract to be sent to the Audit Office for examination is "an abstract of the revenue and expenditure of the public accounts, as provided by this Act, during such quarter."

As the matter now under discussion relates entirely to the revenue side of the "abstract" above mentioned, the first question naturally is, What is the revenue "as provided by this Act"? The answer is to be found in section 23 of the Act of 1891. It is an account prepared by the Receiver-General from the cash-book of the several Receivers, and sent daily to the Audit Office, showing so much of the moneys paid into the Public Account or otherwise by such Receivers as have not previously been included in any such account, and distributing such moneys to the several funds under the several heads of revenue, &c. This account, when certified by the Audit Office, is deemed to be the Revenue Account of the colony for the day to which it relates, and is to be recorded in the books of the Audit Office and Treasury accordingly. Before the account is certified and recorded in the books of the Audit Office it is, as a matter of fact, compared with the cash-books received in support of it to see that the Treasury has complied with the law in preparing it. I do not think it was intended that the examination of the cash-books and vouchers, received with the daily revenue account, was to proceed further than this for the purpose of the certificate required of the Audit by the Public Revenues Act. The detail audit, so to speak, was to come after.

If this view is correct it follows that the abstract of revenue for any quarter would simply be a compilation of the daily revenue account certified by the Audit Office, and should consequently be certified by the Controller and Auditor-General alone. That he does not do so, however, will presently appear.

By statute the audit of the revenue from Customs, Railways, and Lands has been removed from the Audit Office; and somehow—I know not how—the late Controller and Auditor-General found himself unable for that reason to certify the Treasury quarterly abstracts of revenue and expenditure, notwithstanding his having certified the daily revenue accounts upon which the quarterly abstracts were founded. This is the explanation of the peculiar audit certificate now found at foot of the quarterly abstracts.

It is quite obvious that the audit, even though it were continuous throughout the quarter, could not be completed in time for the publication of the Treasury accounts so that such a certificate of "correctness" could be given as would cover the whole of the ground usually traversed by an auditor to satisfy himself on the point of "correctness" in every respect. This, no doubt, is the reason why the Customs Department gives a limited certificate, thus: "Examined and found to agree with the Collectors' cash-books." The comparison of the cash-books with the Treasury abstract of revenue (which I may say is also done in this office) is evidently deemed by the department to be quite distinct from the detail examination underlying the cash-book, such as checking entries with the tariff, &c., an examination no doubt carried on from day to day, but always in arrear of the Customs revenue included in the Treasury abstract. The certificate of the Railway Department, I understand, covers the whole of the audit of the railway receipts; but those of the Land Department and our own office would more nearly meet the actual facts of the case were they worded the same as that of the Customs,—the detail audit being always in arrear of the Treasury abstracts of revenue.

Reverting to the note appended to the Audit certificate on the September quarter's accounts, it seems to me to be merely a question as to the best method of securing a satisfactory answer to the requisition for information to check the goldfields revenue. A request to the department having failed, an appeal should be made to Parliament, either by such a note on the public accounts as you have made, or by a letter to the Speaker of the House of Representatives. I cannot help thinking, however, that the Hon. the Minister of Mines, if thoroughly understanding the position, would not hesitate to give such an instruction as would at once enable you, in view of the opinion I have above expressed with regard to the nature of the certificate to be given by you, to pass the accounts of the quarter as "examined and found correct."

J. C. GAVIN,  
Assistant Controller and Auditor.