

1900.

NEW ZEALAND.

## AUDIT OFFICE AND STAMP DEPARTMENT :

CORRESPONDENCE RELATIVE TO THE COUNTING OF STAMPS.

*Laid on the Table of the House of Representatives by the Hon. the Speaker.*

Audit Office, 30th August, 1900.

The Hon. the Speaker of the House of Representatives.

THE Controller and Auditor-General has the honour most respectfully to submit to the House of Representatives a copy of his correspondence relative to the remark subject to which he has certified the Public Accounts for the quarter ended the 30th June, 1900—that the stamps in the hands of the Deputy Commissioner of Stamps, Wellington, on Saturday, the 30th June, were not counted as required by the regulations made under the Stamp Act by the Governor in Council.

J. K. WARBURTON,  
Controller and Auditor-General.

No. 1.

Audit Office, 22nd May, 1900.

SIR,—

I have the honour to inform you that I have provisionally instructed Mr. J. H. Fowler, of this department, to count your stock of stamps at the end of each month, instead of Mr. A. Bethune.

I have, &c.,  
J. K. WARBURTON,  
Controller and Auditor-General.

The Deputy Commissioner of Stamps, Wellington.

No. 2.

Head Office, Stamp Department, Wellington, 29th May, 1900.

SIR,—

With reference to your letter of the 22nd instant notifying the Deputy Commissioner of Stamps that you had "provisionally instructed Mr. J. H. Fowler to count his stock of stamps at the end of each month, instead of Mr. A. Bethune," I am directed to inform you that Mr. Fowler's services in this connection will not be required after this month, as the Commissioner of Stamps has appointed Mr. Harry Young, a gentleman in the office of the Registrar of Friendly Societies, to perform the duty above referred to in the future.

I have, &c.,  
C. A. HICKSON,  
Secretary for Stamps.

The Controller and Auditor-General, Wellington.

No. 3.

The Hon. the Commissioner of Stamp Duties.

Audit Office, 31st May, 1900.

THE Controller and Auditor-General, in acknowledging the receipt of the letter, No. 123, of the 29th instant, which informs him of the appointment by the Hon. the Minister of Mr. Harry Young to perform the duty of counting the Deputy Commissioner's stock of stamps at the end of each month, and intimates that the services of Mr. Fowler, the Audit officer, will not be required for the purpose after this month, ventures respectfully to express a fear that such appointment has been made under a misapprehension.

It is submitted for the consideration of the Hon. the Minister that, in view of the regulations which are made by the order of the Governor in Council of the 25th June, 1895, and which require that the Deputy Commissioner's monthly return of the stamps in his hands—Return F—shall be supported by a certificate from an officer of or on the part of the Audit Office, the appointment of Mr. Young does not dispense the Audit Office from its duty of seeing that the Audit officer may count the stamps. And that the stamps should be counted by the officer of or on the part of the

Audit Office, who is required by the regulations to support the return by his certificate that the stamps have been counted, will no doubt be regarded as all the more advisable when it is considered that the Audit Office would not be justified in certifying without objection the Stamp accounts of the month for which the monthly return of stamps on hand should fail to be so supported.

J. K. WARBURTON,  
Controller and Auditor-General.

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No. 4.

Head Office, Stamp Department, Wellington, 4th June, 1900.

MEMORANDUM for the CONTROLLER AND AUDITOR-GENERAL, Wellington.

REFERRING to your memorandum of the 31st ultimo, I am directed to inform you that the appointment of an officer to examine the stamps held by Deputy Commissioners at the end of every month is solely the prerogative of the Commissioner of Stamps, and all such appointments have been made by him since "The Stamp Act, 1866," came into force.

If, as you appear to contend, it is necessary that such examiners should be officers of the Audit Office, why is it that in no other part of the colony have the examiners been officers of the Audit Department, and why has the right of the Commissioner to make these appointments never hitherto been questioned?

The Commissioner directs me to state that all examiners appointed by him are so appointed "on behalf of the Audit Office," and if you think the examinations are not conducted in a proper manner there will be no objection to an officer appointed by you being also present, or, if you deem it necessary, he may conduct a special audit on his own account; but the Commissioner reserves to himself the right to manage the internal arrangements of his own department in any manner he may deem most expedient.

C. A. HICKSON,  
Secretary for Stamps.

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No. 5.

The Hon. the Commissioner of Stamp Duties.

Audit Office, 6th June, 1900.

ON the views of the Hon. the Minister, as expressed in the communication, No. 129, of the 4th instant, respecting the appointment of Mr. Young, the Controller and Auditor-General begs leave to observe that the only question under consideration is whether that appointment answers its purpose of providing for the certificate which the regulations require to the return of stamps, that they have been counted by an officer of or on behalf of the Audit Office.

The Hon. the Minister's intimation of the 29th ultimo was that "Mr. Fowler's services in this connection will not be required after this month," and that Mr. Young had been appointed "to perform the duty above referred to in the future." Mr. Young is not an officer of the Audit Office, and it is submitted that his appointment, without reference to the Audit Office, to perform the duty which the Audit Office has instructed its own officer to perform is manifestly not an appointment "on behalf of the Audit Office."

The question is not whether, if the stamps are counted by an officer appointed by the Hon. the Minister, the Audit Office considers them to be counted in a proper manner, or whether the Minister may have no objection to an officer of the Audit Office counting the stamps or being present while another person counts them, but what may be the duty which the regulations under the Stamp Act impose upon the Audit Office.

No case is known to the Controller and Auditor-General of the Audit Office instruction to its own officer to count the stamps, as the regulations prescribe, having been overridden by the Hon. the Minister appointing another person to perform the duty. But it need hardly be remarked that if, as the Minister is understood to imply, the Audit Office has failed to question former appointments open to the objection which, in the circumstances, lies against the appointment of Mr. Young, the effect must be not that the Minister has acquired the right lawfully to continue to make such appointments, but that they would not qualify the persons holding them to give the certificate required by the regulations.

J. K. WARBURTON,  
Controller and Auditor-General.

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No. 6.

Head Office, Stamp Department, Wellington, 13th June, 1900.

MEMORANDUM for the CONTROLLER AND AUDITOR-GENERAL, Wellington.

REFERRING to your memorandum of the 6th instant, whereby you observe that the only question under consideration is whether the appointment of Mr. Young fulfils the requirements of the regulations as to the counting of stamps by an officer of or on behalf of the Audit Office, I am to inform you that the appointment of Mr. Young was not meant to affect any action which the Audit Office may deem necessary to give effect to the regulation referred to, but was merely in continuation of the departmental practice which has been in force for the last thirty-five years.

As you are aware, the Audit Office has never hitherto taken any steps to appoint officers to examine the stocks of Deputy Commissioners, but the Commissioner has no desire to question your right to do so if you are of opinion that such action is at all necessary; on the other hand, it is to be regretted that the Audit Office should have removed an officer appointed by the Commissioner and have put another in his place without reference to the Stamp Department.

The examination to be conducted by Mr. Young is purely a departmental one, and will be continued as usual on the last Saturday of every month; but this will not interfere with any examination you may desire to have made on behalf of the Audit Department.

C. A. HICKSON,  
Secretary for Stamps.

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No. 7.

The Hon. the Commissioner of Stamp Duties.

Audit Office, 21st June, 1900.

From the memorandum, No. 139, of the 13th instant, which explains the appointment of Mr. Young, the Hon. the Minister appears to be in error respecting the practice of his department and the appointment of the Audit officer in the case in question.

The case is the appointment of an officer of or on behalf of the Audit Office to count, for the purpose of the regulations, the stamps at the end of each month in the hand only of the Deputy Commissioner at Wellington, and this duty has hitherto been performed not by an officer on behalf of the Audit Office, but always by an officer of the Audit Office.

No examination for that purpose is known to the Audit Office to have been made of such stamps in the hands of the Deputy Commissioner at Wellington but the examination which is made by the Deputy Commissioner himself and the Audit officer appointed by the Audit Office, and this examination the regulations require to be continued.

Then as, on the one hand, there could not well be a departmental practice in the Stamp Office of appointing an Audit officer to perform the duty, so, on the other hand, the Audit officer could not well perform the duty without being appointed by the Audit Office to do so.

It is respectfully submitted that, under these circumstances, the Controller and Auditor would not be aware of no steps having hitherto been taken by the Audit Office to appoint the Audit officer; nor could there have been that removal by the Audit Office, which the Hon. the Minister regrets, of "an officer appointed by the Commissioner."

A purely departmental examination not fulfilling any requirement of the regulations is a matter of administration with which the Audit Office would have no concern but to see that, if there were authority for the expense, the vouchers should be in order.

J. K. WARBURTON,  
Controller and Auditor-General.

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No. 8.

SIR,—

Audit Office, Wellington, 30th June, 1900.

I beg to report that I saw Mr. Murray, the clerk in the Stamp Department who has charge of the stock of stamps in the hands of the Deputy Commissioner at Wellington, with a view of arranging a time for the examination of the stock. He informed me that, as I was not the "officer appointed by the Stamp Department to count the stock," he could not recognise me in the matter, and that he would make no arrangement as to time of examination. I should be glad of instructions how to act.

The Controller and Auditor-General.

I beg, &c.,  
J. H. FOWLER.

Mr. Fowler.

Go to the Secretary for Stamps, with my compliments, and ask him to arrange that you, as the Audit officer, may count the stamps, in accordance with the regulations, of the Deputy Commissioner of Stamp Duties at Wellington, and certify to his Return F as you are required for the purpose of the audit of stamps.

J. K. WARBURTON,  
Controller and Auditor-General.

The Auditor-General.

I CONVEYED your request to Mr. Hickson, and he informed me that he could not recognise me in the matter, and that if you had any request or message for him would you address him in writing as from and to the heads of departments. Further, that he had always addressed you in writing and expected the same courtesy.

I am, &c.,  
J. H. FOWLER.

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No. 9.

The Hon. the Commissioner of Stamp Duties.

THE Controller and Auditor-General begs respectfully to request, with reference to the instruction which he has given in the attached paper to his Audit officer, Mr. Fowler, that the Hon. the Minister will arrange to admit the Audit officer, in order that he may count the stamps in the hands of the Deputy Commissioner at Wellington.

This appears to be the first occasion on which the Audit Office has been refused admittance to the Hon. the Minister's department for the purpose of auditing the stamps.

30th June, 1900.

J. K. WARBURTON,  
Controller and Auditor-General.

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No. 10.

The Controller and Auditor-General.

By reference to previous correspondence on this subject I think that you will find that the position has always been under clear definition, and that no obstacle is placed in your way in the matter of examination. If you will, however, fix any date that will suit you the officers of my department will give you their attention and assistance. I may mention that on the occasion referred to in your communication you sent as your representative a junior clerk or cadet. I venture to suggest he might have been substituted by a more responsible officer.

1st July, 1900.

J. CARROLL.

## No. 11.

The Hon. the Commissioner of Stamp Duties.

Audit Office, 3rd July, 1900.

THE Controller and Auditor-General, in respectfully acknowledging the receipt to-day of the minute of the 1st instant, in which the Hon. the Minister alleges that the position of the Audit Office has always been under clear definition as regards the duty of an officer of or on the part of the Audit Office to certify, under the Stamp Office regulations, to the counting of the stamps of the Deputy Commissioner at Wellington, begs to explain what appears to be the misconception of the Minister.

The regulations made by the order of the Governor in Council of the 25th June, 1895, "for the audit of stamps and of the accounts relating thereto," provide, among other things, as follows:—

"IV. Of the audit of stamps. . . . 14. The returns hereinafter mentioned shall be made by the under-mentioned officers severally at the periods stated in respect of each. . . . Return F: By each Deputy Commissioner to the Audit monthly, showing the number and value of each denomination of stamps in his hand on the last Saturday in each month, supported by a certificate by the Deputy Commissioner and an officer of or on the part of the Audit Office that the stock named in such return has been counted and found correct."

The last Saturday in every month is thus fixed as the date when the officer of the Audit Office is to certify that the stamps in question have been counted. It does not lie with the Controller and Auditor-General to fix the date, as the Hon. the Minister suggests; and to the passing of the Stamp accounts without objection, it is, of course, necessary that there should have been no obstacle placed in the way of the Audit officer counting the stamps as the regulations require, and certifying to the return accordingly. And it unfortunately happens that Saturday, the 30th June, was the last day of the quarter.

The officer who is appointed by the Audit Office to be the Audit officer to certify that the stamps of the Deputy Commissioner are counted is Mr. Fowler, the officer who performed the duty on the last Saturday in May; and his competency for the duty, though this is a matter of which it is submitted that the Audit Office must be the judge, is equal to that of any officer in the Government service. It was to the services of this Audit officer that the Hon. the Minister alluded in his intimation of the 29th May last, that "Mr. Fowler's services in this connection will not be required after this month, as the Commissioner of Stamps has appointed Mr. Harry Young, a gentleman in the office of the Registrar of Friendly Societies, to perform the duty above referred to in the future."

It is a matter of great regret to the Controller and Auditor-General that the Audit officer whom he has appointed to carry out the duty of the audit of stamps under the Stamp Act regulations should not have been permitted to count and certify to counting them on Saturday, the 30th June, as such officer was permitted on the last Saturday in May, for it will be obvious to the Minister that the Audit Office would not, in the circumstances, be justified in certifying the Public Accounts for last quarter without an objection in respect of what has happened.

J. K. WARBURTON,  
Controller and Auditor-General.

## No. 12.

The Hon. the Commissioner of Stamp Duties.

*Return F of the Deputy Commissioner of Stamps, Wellington, to Saturday, 30th June, 1900.*—It is necessary to a compliance with the Stamp Act regulations made by the order of the Governor in Council of the 25th June, 1895, that this return should be supported by a certificate of an officer of or on the part of the Audit Office that the stock named in the return has been counted and found correct. The return is not supported by such certificate, and cannot therefore be passed by the Audit as furnished in accordance with such regulations.

4th July, 1900.

J. K. WARBURTON,  
Controller and Auditor-General.

## No. 13.

Controller and Auditor-General.

IF it is necessary that these returns should be supported by the certificate of an Audit officer, it appears that the omission to do so lies with the Audit Office. I am therefore powerless in the matter, and the Audit must take what course it may deem proper.

5th July, 1900.

J. CARROLL.

## No. 14.

The Hon. the Commissioner of Stamp Duties.

Audit Office, 7th July, 1900.

*Return F of the Deputy Commissioner of Stamps, Wellington.*—The Controller and Auditor-General begs leave to observe, on the Hon. the Commissioner's minute of the 5th instant, that it has already been explained to the Minister that—

1. The regulations require the return of the Deputy Commissioner at Wellington to be supported by the certificate, and that the certificate shall be given on the last Saturday in every month;

2. That the Audit officer who is appointed to the duty of furnishing such certificate, and who performed the duty on the last Saturday in May, presented himself in ordinary course at the Deputy Commissioner's office to perform the duty on the last Saturday in June;

3. That the Audit officer was by the Deputy Commissioner of Stamps refused the necessary admittance to his office, and that the Audit officer's failure to perform the duty was the effect of that refusal; and

4. That, in the circumstances, the only course open to the Audit Office, as regards the failure of the Deputy Commissioner at Wellington to make the Return F, is not to pass without objection the Stamp accounts for June.

The Audit officer will present himself again on the last Saturday in July to perform the duty in question.

The return which the Deputy Commissioner has made to the 30th June is not the return as required by the regulations to be made to the Audit Office, and should therefore, it is submitted, be kept and dealt with by the department of the Hon. the Minister.

J. K. WARBURTON,  
Controller and Auditor-General.

Forwarded 11th July, 1900.—J. K. W.

No. 15.

Head Office, Stamp Department, Wellington, 19th July, 1900.

MEMORANDUM for the CONTROLLER AND AUDITOR-GENERAL, Wellington.

RE *Return F: Deputy Commissioner of Stamps, Wellington.*—I am directed by the Commissioner of Stamps to reply to your memorandum of the 7th instant as follows:—

1. The regulations require that the returns of all the Deputy Commissioners (not only that of Wellington) are to be supported by a certificate. It need not necessarily be given on the last Saturday of the month, but may be given at any time, provided it certifies to the number and value of stamps held in stock on that day.

2. The Audit officer appointed by you presented himself before the close of business on the last Saturday in June; consequently, had he made the examination then his certificate would have been valueless, and he would have greatly disturbed the Stamp officers when preparing the monthly accounts.

3. The Audit officer was not refused admittance to the office of the Deputy Commissioner, inasmuch as he was inside the office for some time, and was not, to the knowledge of the Commissioner, asked to retire.

4. The Commissioner must leave it to the discretion of the Controller and Auditor-General to follow whatever course he may think proper in the circumstances.

The Commissioner trusts that the Controller will reconsider his intention to examine the stamps on the last Saturday of this month, for the reasons given above. The officers will be employed in the preparation of their monthly accounts for the Treasury and Audit, and the presence of a stranger would seriously interfere with them in the performance of their duties. The examination, however, can be held the first thing on the following Monday morning, when every assistance will be rendered to your officer.

The Return F forwarded by you is returned enclosed, as the Commissioner does not require it, and the Deputy Commissioner's monthly accounts would be incomplete without it.

C. A. HICKSON,  
Secretary for Stamps.

No. 16.

The Hon. the Commissioner of Stamps, Wellington. Audit Office, 20th July, 1900.

*Return F of the Deputy Commissioner of Stamps, Wellington.*—Having received the paper, No. 168, of yesterday, in which the Hon. the Commissioner intimates that he must leave it to the discretion of the Controller and Auditor-General to follow whatever course he may think proper in the circumstances, the Controller and Auditor-General ventures respectfully to explain that the return of the Deputy Commissioner at Wellington "to the Audit monthly, showing the value of each denomination of stamps in his hand on the last Saturday in each month," could not satisfactorily be supported, in accordance with the regulations, by a certificate by an officer of the Audit Office "that the stock named in such return has been counted and found correct," unless he should count them on that day.

The Controller and Auditor-General would further explain that the Audit officer who presented himself at the office of the Deputy Commissioner on the last Saturday in June, and before the close of business on that day, did not think of proposing to count the stamps before the close of business, even if it had been practicable to do so in the time. He expected the Deputy Commissioner to arrange that the stamps might be counted at the hour at which it had long been the practice to count them for the purpose of the return. And that such was the case will be clear if the notes are perused again of which the following are copies:—

SIR,—

Audit Office, Wellington, 30th June, 1900.  
I beg to report that I saw Mr. Murray, the clerk in the Stamp Department who has charge of the stock of stamps in the hands of the Deputy Commissioner at Wellington, with a view of arranging a time for the examination of the stock. He informed me that, as I was not the "officer appointed by the Stamp Department to count the stock," he could not recognise me in the matter, and that he would make no arrangement as to time of examination. I should be glad of instructions how to act.

I beg, &c.,

J. H. FOWLER.

Mr. Fowler.

Go to the Secretary for Stamps, with my compliments, and ask him to arrange that you, as the Audit officer, may count the stamps, in accordance with the regulations, of the Deputy Commissioner of Stamp Duties at Wellington, and certify to his Return F as you are required for the purpose of the audit of stamps.

J. K. WARBURTON, Controller and Auditor-General.

The Auditor-General.

I CONVEYED your request to Mr. Hickson, and he informed me that he could not recognise me in the matter.

J. H. FOWLER.

In these circumstances, the Controller and Auditor-General regrets that he should have been taken to mean, by the refusal of "the necessary admittance," any but the Deputy Commissioner's refusal to arrange either to give access to or to produce the stamps in order that the Audit officer might, in ordinary course, count them for the purpose of the regulations. It did not for a moment occur to the Controller and Auditor-General that his words "the necessary admittance" could have led the Minister to suppose him to have been speaking of the admittance which the Audit officer gained to the Deputy Commissioner's office "with a view of arranging for a time for the examination of the stock."

The suggestion that it would be sufficient if the Audit officer were to count the stamps on Monday for the purpose of his certificate that the stamps in hand on Saturday had been counted and found correct would not, as may be gathered from what has already been said, be satisfactory to the Audit Office. But it is not known to the Audit Office that any inconvenience has attended the long-established practice of having the stamps of the Deputy Commissioner at Wellington counted by the Audit officer on Saturday after the hours of business, and it is submitted that this practice, the practice which the Audit officer expected the Deputy Commissioner to arrange to follow in ordinary course on the last Saturday in June, but which it would seem to be the proposal of the Minister to alter, might continue to be followed as open to the least objection.

The return which the Deputy Commissioner has sent in is not certified by the Audit officer as the regulations require, and the Audit Office therefore has no option but to send it back. The return is not, till it is so certified, that which, under the regulations, is to be sent to the Audit.

The Controller and Auditor-General ventures, in conclusion, to ask that the Hon. the Minister's correspondence with the Audit Office respecting the failure of the Deputy Commissioner at Wellington may be submitted to the Hon. the Colonial Treasurer, in explanation of the relative remark subject to which it is regretted that the Public Accounts for last quarter have to be certified.

J. K. WARBURTON,  
Controller and Auditor-General.

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No. 17.

Head Office, Stamp Department, Wellington, 25th July, 1900.

MEMORANDUM for the CONTROLLER AND AUDITOR-GENERAL, Wellington.

RE *Return F: Deputy Commissioner of Stamps, Wellington.*—I am directed by the Commissioner of Stamps to state that if the Audit Office has now decided to observe the provisions of the regulations of the 5th June, 1895, which have hitherto been disregarded, it must be done within the ordinary official hours.

The examination which takes place after office-hours on the last Saturday of the month is purely a departmental one, over which the Commissioner submits the Audit Office has no control, and the Audit clerk had no right whatever to expect the Deputy Commissioner to arrange for an Audit inspection at the same time.

If Regulation 14 bears the interpretation which the Controller of Audit seeks to give it, but with which the Commissioner does not agree, then it should be amended. The Commissioner cannot see any necessity to compel his officers to work outside office-hours if it can be avoided, and under the circumstances he must decline to do so.

The correspondence will be submitted to the Hon. the Colonial Treasurer, if required, in due course, but the Commissioner is not quite clear as to the meaning which the Controller wishes to convey by the words "the failure of the Deputy Commissioner at Wellington" in the last paragraph of the missive now under reply.

C. A. HICKSON,  
Secretary for Stamps.

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No. 18.

The Hon. the Commissioner of Stamps.

Audit Office, 25th July, 1900.

*Return F of the Deputy Commissioner of Stamps, Wellington.*—The Controller and Auditor-General having received the Hon. the Minister's communication of to-day, begs leave to observe that the Audit officer has not hitherto disregarded the duty imposed on him of certifying, in accordance with the regulations in question, that the stamps in the hands of the Deputy Commissioner at Wellington on the last Saturday in each month have been counted and found correct; and it was the desire of the Audit officer, when he saw the Deputy Commissioner on the last Saturday in June, to perform the duty on that day, as he had performed it on the last Saturday in May.

The Controller and Auditor-General ventures to point out that the Hon. the Minister, though now he "cannot see any necessity to compel his officers to work outside office-hours if it can be avoided, and under the circumstances he must decline to do so," and requires that the Audit officer's duty under the regulations "must be done within the ordinary official hours," intimated in the paper of the 19th instant that if the Audit officer had made the examination before the close of business on the Saturday "his certificate would have been valueless, and he would have greatly disturbed the Stamp officers when preparing the monthly accounts."

The Deputy Commissioner at Wellington, however, being required by the regulations to make to the Audit officer the return showing the stamps in his hands on the Saturday, supported by the certificate of the Audit officer, might have been expected to procure such certificate by calling in or arranging for the services of the Audit officer; and if there is now a purely departmental examination, after office-hours on the Saturday, of the stamps in the hands of the Deputy Commissioner at Wellington, how easy and natural would it be for the Audit officer to become one of three parties to one counting, and so make it serve as well the purpose of his certificate under the regulations as the purpose of the purely departmental examination, without disturbing any one?

The Audit Office remark on the Public Accounts is as follows: "The stamps in the hands of the Deputy Commissioner of Stamps, Wellington, on Saturday, the 30th June, were not counted as required by the regulations made under the Stamp Act by the Governor in Council, the officer appointed by the Audit Office to perform the duty having, by the Deputy Commissioner, been refused recognition in the matter."

J. K. WARBURTON,  
Controller and Auditor-General.

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No. 19.

SIR,—

Audit Office, Wellington, 28th July, 1900.

I beg to report that I saw Mr. Hickson, the Deputy Commissioner of Stamps at Wellington, and he has fixed 9 o'clock on Monday morning for me to make the examination of his stock of stamps that I am required to make, in order to be able to certify Return F as required by the regulations.

The Controller and Auditor-General.

I remain, &c.,

J. H. FOWLER.

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No. 20.

The Hon. the Commissioner of Stamps.

Audit Office, 28th July, 1900.

In forwarding to the Hon. the Minister the [foregoing] attached note from the Audit officer appointed by the Audit Office to support by his certificate, for the purpose of the regulations, the return of the Deputy Commissioner at Wellington of the stamps in his hands on this day, the last Saturday in July, that they have been counted and found correct, the Controller and Auditor-General begs respectfully to state, what must be obvious to the Minister, that the Audit officer, if he does not count the stamps to-day, cannot certify to the stamps in the Deputy Commissioner's hands to-day having been counted and found correct, and that the Deputy Commissioner will in consequence be unable to furnish the return as required by the regulations.

An examination by an Audit officer on any other day than the Saturday could not be for the purpose of the regulations, and should, of course, take place on any day selected by the Audit Office.

It is suggested that, in these circumstances, the Audit officer should be called in to-day to count the stamps for the purpose of the return.

J. K. WARBURTON,  
Controller and Auditor-General.

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No. 21.

SIR,—

Audit Office, Wellington, 30th July, 1900.

I beg to report that, under a misapprehension of your wishes, and without asking instructions, I counted and examined the stock of stamps in the hands of the Deputy Commissioner at Wellington this morning. As I was unable to satisfy myself that the stamps I counted were actually in the hands of the Deputy Commissioner on Saturday, the examination will not enable me to certify to Return F as required by the regulations, and will therefore serve only the purpose of an ordinary audit.

The Controller and Auditor-General.

I beg, &c.,

J. H. FOWLER.

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No. 22.

The Hon. the Commissioner of Stamps.

Audit Office, 31st July, 1900.

*Return F of the Deputy Commissioner of Stamps, Wellington.*—Adverting to the correspondence on the subject of the failure of the Deputy Commissioner of Stamps, Wellington, to furnish the Return F of the stamps in his hands on the last Saturday in June, supported by the certificate of the Audit officer that the stamps have been counted and found correct, the Controller and Auditor-General now forwards for information of the Minister the Audit officer's report that he, on Monday, the 30th July, counted the stamps in the Deputy Commissioner's hands on that day instead of, as the regulations require, on Saturday, the 28th July.

The result is practically to demonstrate, what hardly needed such demonstration, that the stamps in the hands of the Deputy Commissioner at Wellington on Saturday cannot, in the circumstances, be certified to have been counted and found correct from any counting of the stamps on Monday, or on any other day than the Saturday.

The Controller and Auditor-General would therefore respectfully suggest that the Deputy Commissioner at Wellington, if he is no longer to comply with the law in a regulation making it his duty to furnish the Return F certified by an Audit officer, should be regularly dispensed from the observance of such duty by an amendment of the regulation.

It would, the Controller and Auditor-General ventures to submit, be better that the Deputy Commissioner at Wellington should not have the duty under the regulations than that he should have the duty and fail to carry it out. It is his duty to procure the certificate of the Audit officer to his return, and this duty, which he has performed for many years in strict accordance with the regulations, was discontinued by him on Saturday, the 30th June.

The certificates to the returns from other parts of the colony have, by the acquiescence of the Audit Office, reasonably come to be regarded as given by officers "on the part of the Audit Office"; but in the case of the return from Wellington the services of the Audit officer appointed by the Audit Office were to be discontinued by the Minister whether the Audit Office concurred or not.

The Controller and Auditor-General proposes, by way of explaining the remark which he has found it necessary to make on the Public Accounts, to submit to Parliament in ordinary course a copy of the correspondence on the subject, and at the same time to forward a similar copy for the information of the Commissioner and the Colonial Treasurer.

J. K. WARBURTON,  
Controller and Auditor-General.

## No. 23.

PUBLIC ACCOUNTS for the QUARTER ended 30th JUNE, 1900, compared with the Quarter ended 30th JUNE, 1899.

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JAS. B. HEYWOOD, Secretary to the Treasury.  
ROBERT J. COLLINS, Accountant to the Treasury.

The foregoing accounts have been examined and found correct, subject to the following remarks. . . . " (3.) The stamps in the hands of the Deputy Commissioner of Stamps, Wellington, on Saturday, the 30th June, were not counted as required by the regulations made under the Stamp Act by the Governor in Council, the officer appointed by the Audit Office to perform the duty having, by the Deputy Commissioner, been refused recognition in the matter. —J. K. WARBURTON, Controller and Auditor-General."

\* \* \* \* \*

As regards the remarks in paragraph No. 3, the following explanation, given by the Secretary for Stamps, speaks for itself: "The stamps in the hands of the Deputy Commissioner were counted and examined last month precisely in the same way as during the last thirty years. On the last Saturday in June, however, the Auditor-General sent his officer to count the stamps after office-hours, but the Deputy Commissioner very naturally objected to remain for such a purpose after the office was closed. The Controller and Auditor could have ordered an examination at any time during office-hours, and every assistance would have been rendered to him and his officer; but his failure to do so can in no wise be attributed to the Stamp officials." Being a matter not connected with the accounts now under review by the Audit Office, it would have been better, if the Audit Office had a grievance against this particular department, to have addressed the Commissioner of Stamps on the subject. It may, however, be mentioned that the Deputy Commissioner in Wellington had his stamps duly counted last month, by the officer appointed for that purpose, in a similar manner to that adopted in respect to the audit of stamps in other parts of the colony.

R. J. SEDDON,  
Colonial Treasurer.

The Treasury, 25th July, 1900.

## No. 24.

The Hon. the Colonial Treasurer.

Audit Office, 4th August, 1900.

*Audit of Stamps in the Hands of the Deputy Commissioner of Stamps, Wellington.*—The Controller and Auditor-General ventures respectfully to submit for consideration the objections to which it appears to him that the comments are open which the Hon. the Colonial Treasurer has made and appended to the abstract of the Public Accounts of last quarter, respecting paragraph 3 of the Audit Office remarks with which those accounts have been certified. The objections are offered in the form of answers to the propositions contained in the explanation quoted by the Colonial Treasurer, and in his own observations.

*Proposition No. 1.*—The stamps in the hands of the Deputy Commissioner were counted and examined last month precisely in the same way as during the last thirty years. *Answer.*—The stamps were not counted by an officer of or on the part of the Audit Office, as they had been counted on and up to the last Saturday in May. They were thus not counted, as the proposition asserts; and the Deputy Commissioner failed to perform his duty of making to the Audit Office the return required by law.

*Proposition No. 2.*—On the last Saturday in June the Auditor-General sent his officer to count the stamps after office-hours. *Answer.*—The stamps had for many years up to June last been counted for the purposes of the return after office-hours on the Saturday, and the Audit officer saw the Deputy Commissioner some time before the close of business on that day, "with a view of arranging a time for the examination." The Deputy-Commissioner, however, notwithstanding that his duty of making the return required him to arrange for or procure the services of the Audit officer, refused to recognise him in the matter.

*Proposition No. 3.*—The Deputy Commissioner very naturally objected to remain for such a purpose after the office was closed. *Answer.*—From the copy, which is appended, of the voucher for the payment to Mr. Harry Young of £1 1s. for the service of counting the stamps on Saturday, the 30th June, it will be seen that the certificate to the voucher is, "I certify that, to the best of my knowledge and belief, the foregoing account is true and correct in every particular; that the charge is reasonable; and that the service was performed after office-hours on the day named.—C. A. HICKSON."

*Proposition No. 4.*—The Controller and Auditor could have ordered an examination at any time during office-hours, and every assistance would have been rendered to him and his officers, but his failure to do so can in no wise be attributed to the Stamp officials. *Answer.*—The counting on the last Saturday is the counting for the purpose of the regulations under the Stamp Act in respect "of the audit of stamps"; and the Deputy Commissioner, being charged by those regulations with the duty of making to the Audit Office the return certified by the Audit officer, ought himself to have arranged to obtain the services of such officer, and performed the duty. The regulations do not provide for or contemplate the Audit Office ordering the examination. The Audit officer, however, saw the Deputy Commissioner before the close of business, and did all that was reasonable, in the circumstances, to save the Deputy Commissioner from failing in his duty to comply with the regulations. But the only result was that the Deputy Commissioner refused to recognise him, and that the stamps, though they were counted after office-hours at the time when it was usual for the Audit officer to count them, were counted by Mr. Harry Young instead of by such Audit officer.



*Proposition No. 5.*—Being a matter not connected with the accounts now under review by the Audit Office, it would have been better, if the Audit Office had a grievance against this particular department, to have addressed the Commissioner of Stamps on the subject. *Answer.*—The Audit Office had throughout addressed the Commissioner respecting the requirement of the regulations that the stamps should be counted on the Saturday by an Audit officer, and also on the subject of the Deputy Commissioner's failure to perform his duty of making to the Audit Office the prescribed return; and it may be added that the circumstances of the failure to have the stamps in hand on the last day of the quarter verified as the law prescribes rendered the remark as to that failure a necessary qualification of the certificate to the Public Accounts.

*Proposition No. 6.*—It may, however, be mentioned that the Deputy Commissioner in Wellington had his stamps duly counted last month, by the officer appointed for that purpose, in a similar manner to that adopted in respect to the audit of stamps in other parts of the colony. *Answer.*—The stamps in the hands of the Deputy Commissioner for Wellington at the end of June were not counted, as required by the regulations made under the Stamp Act, for the purpose "of the audit of stamps," and were thus not counted in a similar manner to that adopted in respect to the audit of stamps in other parts of the colony. According to those regulations, it is the duty of every Deputy Commissioner in the colony to make to the Audit Office a return of the stamps in his hands on the last Saturday in each month, supported by a certificate by himself and "an officer of or on the part of the Audit Office" that the stamps have been counted and found correct. No appointment could, of course, be made of an officer on the part of the Audit Office if the Audit Office objects, and the Audit Office's acquiescence in the appointment by the Stamp Department of such officers elsewhere than in Wellington qualifies the officers so appointed to furnish the Auditor's certificate required by the regulations, and enables all the Deputy Commissioners but the Deputy Commissioner for Wellington to carry out as they do their duty of making the prescribed return. In Wellington, however, the circumstances are such that reasonable objection arises to any but an officer of the Audit Office being associated with the Deputy Commissioner to certify to his return of stamps; and the return has accordingly been certified, month by month, for many years not by an officer on the part of, but by an officer of, the Audit Office. The objection arises from the fact of the two offices in Wellington of Secretary for Stamps and Deputy Commissioner of Stamps being filled by the same person; for any appointment by the Stamp Department of an officer on the part of the Audit Office to count the stamps of the Deputy Commissioner, and any revocation of such an appointment, would, in ordinary course, take place on the recommendation of the Secretary, with the consequence that, in the circumstances, the Auditor of the stamps of the Deputy Commissioner might owe his appointment to, and hold it subject to the approval of, the Deputy Commissioner himself. This would seem to be wrong in principle.

Thus, the Controller and Auditor-General, as the facts do not appear to him to support any of the Colonial Treasurer's comments on the remarks of the Audit Office, respectfully submits the foregoing enumeration of the facts.

J. K. WARBURTON,  
Controller and Auditor-General.

The Treasury, Wellington, 16th August, 1900.

MEMORANDUM to the CONTROLLER AND AUDITOR-GENERAL, Audit Office.

I AM directed by the Right Hon. the Colonial Treasurer to acknowledge the receipt of your memorandum of the 4th instant on the audit of stamps in the hands of the Deputy Commissioner of Stamps, Wellington.

JAS. B. HEYWOOD, Secretary.

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