

No. 3.

The Audit Office.

ITEM 25 of Vote No. 48 appears to be in the same position as any other item of the many hundreds which are contained in the several votes, and it is understood that the Audit Office control is connected with the amount of the vote as mentioned in the Appropriation Act, and not with the amount of items contained in such vote and which are not mentioned in the Act.

JAS. B. HEYWOOD,
18th February, 1902.

No. 29.

No. 4.

The Treasury.

SUCH an item as this is regarded by the Audit Office as specific, and applicable consequently only to cases which were known to have arisen for remission when the item was placed on the estimates. The contention of the Treasury would appear to be that revenue payable under an Act which does not authorise remission or refund may notwithstanding be remitted to the amount of the whole unexpended balance of a large vote, and of the appropriation for unauthorised expenditure, if the remission of a small amount is authorised by being comprised among the items of such vote.

J. K. WARBURTON, C. and A.G.
18/2/1902.

No. 5.

The Audit Office.

The Treasury, New Zealand, Wellington,
20th February, 1902.

THERE is a clear appropriation of Parliament for the payment of "Remission of duty on estates of deceased members of contingents"; it is therefore evident that, although the Act imposing the duty does not provide for its remission, Parliament has subsequently thought fit to allow remissions to be made. Further, I understand there is no direct prohibition by law that these remissions should not be allowed, and therefore I apprehend that the Government if they saw fit, and in the absence of an appropriation, could pay remissions out of "Unauthorised," as, in fact, is the frequent practice.

The question left to consider, therefore, is whether the Audit contention is sound as to item 25 in Vote 48 being "specific," and the amount of which may not be exceeded. The only items which may be classed are those amounts which Parliament has chosen to appropriate notwithstanding that the law in connection with such services prohibits payments being made. In such cases the Public Revenues Act of 1900 makes provision that these special appropriations shall not be exceeded, and, as the Act is carefully worded so as to apply only to these cases, it is not unreasonable to assume that the Legislature recognised that in the ordinary course of payments items may be exceeded.

It would not be difficult to find a number of items of appropriation which are similar in character to these remissions and which the Audit Office have not attempted to control as to the issuing amount—*e.g.*, such items as "Refunds of fines," "Refunds of Customs duties," "Refunds of warehouse duties," "Refunds of rent," "Refunds of quarantine charges," "Refunds of railway fares," "Refunds of survey fees," "Refunds on account of lands disposed of, &c.," "Refunds for improvements effected," "Remission of rent," &c. These appropriations pretty clearly show that the intention of Parliament is that remission and refunds should be made notwithstanding there is no special provision for such refunds or remissions in the governing Acts. The Audit Office have not, so far as I am aware, objected to the sums so appropriated being in some cases exceeded, and I can see no reason why this item for remission of stamp duty should be singled out for special control. It may further be mentioned that the amount appropriated was probably sufficient to cover such remissions as were in sight at the time the estimates were passed, but by the very character of the service it would be only reasonable to suppose that a larger sum might at any subsequent time be required.

JAS. B. HEYWOOD, Secretary.

(No. 34.)

No. 6.

The Hon. the Colonial Treasurer.

Audit Office, 21st February, 1902.

Refund of Stamp Duty, and the Treasury Memorandum of 20th February, 1902.

THE Minister's communication of yesterday, the 20th instant, appears to the Audit Office to have been written in entire misconception of the true position.

In the Audit Office minutes on the claim to the refund in question there is no reference whatever to the Public Revenues Act of 1900. The word "specific," which has perhaps been assumed to imply such a reference, was in common use long before the passing of that Act.

The late Controller and Auditor-General wrote on the 1st November, 1890: "It is quite true that, as a general rule, the Audit does not take notice of the items in the estimates, but only of the votes as set forth in the schedule to the Appropriation Act, especially as regards the ordinary departmental service, which may be varied at the pleasure of the Minister within the limits of the vote. But the case is different as regards a specific appropriation for a special service, as in the case of compensation to a particular individual, and not for the service of a Department."

The Public Accounts Committee, too, as far back as the 11th September, 1891, made the report of which the following is an extract: "It has always been understood that the Audit Office has no knowledge of items, and is guided by the amount voted only; but where the House has