

Municipal Accounts.

The past week has furnished an interesting theme for discussion by accountants in the public disclosures of irregularities which have been for some ten or twelve years past taking place in the finances of a city in Western Ontario. Two of Toronto's well-known public accountants have been successfully engaged in the task of unearthing the frauds by which the taxpayers of the burgh in question have contributed cold cash to the tune of some fifteen or twenty thousand dollars, or an average annual instalment of about fifteen hundred dollars, to the "perquisites" of their city treasurer. The details of the special auditors' reports have been published in full in a number of the leading newspapers, and have been extensively copied, so that it may be assumed that our readers have become fairly conversant with them.

The features of the case which will have attracted the attention of the professional mind more than any others are perhaps, first, that the deficiencies, with few exceptions, consist of revenue not accounted for, as contrasted with improper or excessive expenditures—actual or alleged, and second, the natural inference therefrom as to the nature and extent of the examination made by the annual auditors of these accounts, who appear to have given the now proven delinquent a regular and unvarying certificate of character year after year. It would not seem that this perfunctorily performed duty consisted in more than a checking of the payments and the addition and balancing of the books, for which they received each the sum of sixty dollars per annum. The qualifications of the persons selected for this responsible work do not appear to have been considered important, for we find that the positions have been filled in turn by a railway employee, a caretaker of one of the public schools, an auctioneer and a hardware dealer. Of course, gentlemen whose avocations are of this varied character may not the less be competent for the work, but the probabilities are decidedly the other way, and in the present instance it must be admitted that they were no match for the astute and accomplished guardian of the municipal exchequer, whose reputation, locally, included a suave and polished manner, imperturbable good nature, and an assurance that was always convincing. The result cannot be regarded as surprising. With only the encouragement of a fee, which seemed to have been designed (judging by its smallness) to further the plans of the treasurer, the work of verifying the many sources of revenue, which is made up, as those having any knowledge of municipal accounts will know, of almost innumerable small items, was a task calculated to dismay the most conscientious auditor. It is more than reasonable to infer that the auditors deemed themselves employed to do \$60

worth of work for the money equivalent, and in this sense the municipality doubtless got what they paid for. However that may be, it is safe to assert that the very acceptance of the position for such a fee proves either incapacity or dishonesty. It goes without saying that anyone holding a position of trust and handling public funds should be honest at heart, honest because it is right to be so, and not because he is watched. If honesty of this brand cannot be had the article is liable to deteriorate unless very closely looked after. Probably the official who is now in disgrace and suffering the tortures of suspense as to his probable fate, might instead have been an upright, or at least a presumably upright, member of society, had not the temptation been placed in his way of profiting by the incapacity of those whose duty it was to render fraud difficult, or, indeed, impossible.

These revelations, following so closely others of a somewhat similar nature from other quarters of the Province, sound the keynote of warning to municipal bodies everywhere. The popular impression prevails that corruption and fraud is rampant in the administration of the affairs of municipal institutions. It is certainly true that when "weighed in the balances" held by the expert accountant scarcely any thus far but have been "found wanting." The need for reform in the law relating to the appointment of auditors for municipalities is painfully apparent. A radical step in this direction would certainly be popular with the masses of taxpayers. To enforce common honesty is one of the surest methods by which a wise and thoughtful government may lighten the taxpayer's burdens. No matter how honestly disposed a municipal treasurer may be, his accounts, more certainly than those of any other class of official should be periodically subjected to scientific scrutiny for the reason that municipalities are really mutual non-profit-sharing enterprises in which everyone is, perforce, compelled to join. From the very nature of the thing, in the administration of municipal affairs there is bound to be less business judgment displayed than in that of a private corporation. The question of municipal auditing is therefore one which is capable of being regulated wisely by our own lawmakers.—*Business for September.*

The town of Welland has passed a by-law for the reduction of town councillors to two from each ward instead of three. This reduces the town council from fifteen to eleven members—large enough yet for a town three times the size of Welland. The council deserves credit for effecting an important reform in this matter.

The Roman roads, according to their importance, were from 8 to 30 feet in width.

The English statute mile is 1760 standard yards.

Municipal Auditing.

During the course of the address delivered by the Hon. E. J. Davis, at his election, reference was made to the fact that as a private member of the legislature he had taken occasion to call public attention to the careless municipal auditing and repeated defalcations—some of them extending over a period of years—constantly occurring all over the Province, also to the necessity of reform along this line. In substantiation of the importance of the matter thus brought before the attention of the people by the Provincial Secretary we may state that quite recently the Ontario Government has appointed in compliance with a demand for an investigation, a commission to inquire into the finances of Dufferin County. On the demise of the late treasurer a deficit of some \$11,500 is alleged to have been discovered; and although these irregularities are said to have been going on for some years, the auditors annually appointed by the Dufferin County Council have certified to the correctness of the late treasurer's accounts.

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 Independant of the direct loss to rate-payers, more or less trouble occurs by the distrust thereby engendered. The efforts, therefore, of the Provincial Secretary to insure a more perfect audit of municipal and school accounts—one that will insure greater confidence in the future—will be hailed with satisfaction by the Province at large. In the case of Guelph, to which reference is made above, the special auditor reports the deficit at \$13,000.

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 He also mentions some of the reasons why the deficit was not discovered sooner. 1st. The combination of the offices of clerk and treasurer. 2nd. A lack of system in keeping the books and records of the municipality; and 3rd. Inefficient auditors—men without municipal experience, and without the knowledge of accountant work. The Provincial Secretary hinted that a uniform and more perfect system of book-keeping at least should be part of our municipal code; and now that he is in the Government, we hope he will give effect to his views.—*Newmarket Era.*

Electric Light Schedule.

The town of Newmarket does its own electric lighting. The following schedule of prices for domestic lighting was recently adopted by the council:

1 light per annum.....	\$4 80
2 lights ".....	4 50
3 ".....	4 00
4 and 5 lights per annum.....	3 60 each
6 " 7 ".....	3 40 "
8 " 9 ".....	3 20 "
10 " 11 ".....	3 00 "
12 " 13 ".....	2 80 "
14 " 15 ".....	2 60 "
16 " 17 ".....	2 40 "
18 " 19 ".....	2 20 "
20 " 21 ".....	2 00 "
Bedroom lamps, 16 candle power ...	1 80 "
Provided other lamps are taken, or 8 candle power .....	1 08 "