

## Auditor General's Report.

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*Memorandum respecting Contractors' securities.*—The undersigned has to report that by Order in Council of June 16, 1888, all cheques and all deposits on account of contractors' securities are turned by this department into cash, and deposited in the Government savings bank, and in some instances where the security given is large, the interest accruing on the deposits is paid to the contractors yearly at their request.

The attention of the undersigned has lately been directed to the fact that a firm of contractors having a deposit now in the hands of the Government has recently failed, and it is just possible that cases may arise in which moneys may be paid over by this department unwittingly, for interest, to contractors who have suspended payment. To obviate such a contingency, the undersigned would suggest that the matter be brought before the Treasury Board, with a view of having a Minute adopted to the effect that whenever a firm of contractors having a contract for the performance of work for the Government and having security deposited with this department, fails, notice thereof be immediately given to this department.

J. M. COURTNEY, *D.M.F.*

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### Certificates on Vouchers.

*Revised Statutes of Canada, Cap. 29, Sec. 33.*—No payment shall be authorized by the Auditor General in respect of work performed, or material supplied by any person in connection with any part of the public service of Canada, unless, in addition to any other voucher or certificate which is required in that behalf, the officer, under whose special charge such part of the public service is, certifies that such work has been performed, or such materials supplied, as the case may be, and that the price charged is according to contract, or if not covered by a contract, is fair and just.

*Note.*—The proper officers to make these certificates are those who have personal knowledge of the facts in each case.—J. L. McD.

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### Small Balances Due to Estates.

AUDIT OFFICE, OTTAWA, June 12, 1888.

SIR,—It frequently happens that there is a small sum due to the estate of a deceased person who has left no will, generally for superannuation or salary, when the whole assets of the estate are so small that the cost of obtaining letters of administration would be a large part of them.

I suppose that in strictness the amounts due by the Government cannot be paid legally to any one but the administrator of the estate. However, the amounts are frequently paid, either on receiving a renunciation from all the other known heirs in favour of one, or on a bond approved by the Department of Justice indemnifying against loss, should a person who has obtained the legal right to claim the payment make a demand for it.

I would suggest, that payment under the circumstances above set forth, should be made to a person who is not legally empowered to demand it, only when the assets of the estate are under one hundred dollars, and after the execution of a bond as above described, approved by the Department of Justice, with any additional safeguards which, in the opinion of the Department of Justice, the special circumstances of the case call for.

Yours truly,

The Secretary, Treasury Board.

J. L. McDOUGALL, *A.G.*