

Auditor General's Report.

10. Should any letter addressed to any civil servant at Ottawa upon which postage has been paid on delivery prove when open to be on public business, the amount so paid may be refunded on the certificate of the deputy head of the department to which the addressee belongs.

11. Any employee offending against any of these regulations shall be liable to suspension or such other punishment as the Governor General in Council may determine.

JOHN J. MCGEE, *C.P.C.*

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.

Overdrafts of Appropriations.

Memorandum for the Minister of Finance.—You have frequently had occasion to allude in conversation to the overdrafts of appropriations made by departments under their letters of credit, and to inquire whether a remedy could not be found for the evil.

The irregularity occurs :—

(1.) Sometimes by overdrawing the credit to the bank,—but

(2.) More often while there is a part of the credit unused, the over-expenditure of one appropriation being possible owing to an equal or greater aggregate under-expenditure of other appropriations.

It may be supposed that the remedy for (1) would be to give instructions to the bank not to cash cheques against an exhausted credit.

When, however, I have been applied to by a bank for instructions with reference to cheques presented for payment against an overdrawn credit, although I could not, as is plain, request the bank to continue cashing the cheques, I have hesitated to ask that the cheques should be dishonoured, as it might be hurtful to the credit of a department to have it generally understood that it was doubtful whether its cheques would be accepted.

Besides, with (1) as with (2), the responsibility should be laid upon the department. If the accountant of a department attends to his duties, he charges each cheque as it is issued against its appropriation and against the letter of credit of the department, and may be expected to be fully informed from time to time as to the balance of the credit and of each of the appropriations.

I therefore beg to recommend that an Order in Council based upon a report of the Treasury Board be passed, making it the duty of the accountant of each department to inform the Deputy Minister of the department whenever a cheque which is about to be issued will overdraw an appropriation or letter of credit, so that such cheque may not issue until parliamentary, or other authority as provided by the Audit Act, is obtained in the one case, or an additional credit in the other case.

J. L. McDOUGALL, *A G.*

Auditor General's Office,
Ottawa, May 28, 1892.