

that has been paid to them on account of that work. The vouchers sent to me would perhaps enable me to make out such accounts, but it would only be by reconstructing from them a ledger, such as I think ought to be kept by the Department. As to contracts, "the accounts connected with them are so confused by 'extras and deviations,' of the amount, nature and necessity of which he is unacquainted, and his audit takes no cognizance, and concerning the prices of which, whether they are fair or not, he has no personal knowledge—he has been led frequently to state to the Minister of Finance, that he could only hold himself responsible for the correctness of additions and extensions, and other such matters which may be called the financial audit, as distinguished from the engineering audit." Particular instances, such as "Mr. Baby's Works, the Ottawa Works, and others have appeared to the auditor as of an unsatisfactory nature," and have been "privately mentioned to the Minister of Finance, and sometimes to the Commissioner of Public Works;" but he "had no authority further to interfere."

A partial reform has, however, been effected in the Department, for Mr. Langton says:—"I may add, however, that since I came into office, there has been a great improvement, in one respect, in our check upon the Public Works Department. Formerly the Department had practically the power of paying away the public money *without any control*. They issued certificates that a certain sum was due to an individual, and the Bank was authorized to cash these certificates. When the certificate was presented in order that the warrant might issue, it was generally presented by the Bank which had made the advance, and not by the individual. The issue of the warrant became little more than a form. According to the present system the certificate never goes into the hands of the individual, but is sent to the Department of the Minister of Finance, and, after having been examined there, is the authority for a warrant to be drawn out. I think that this improvement was effected in 1857."

Owing to the former practice it appears, on page 44, there are still outstanding claims by the Bank on the Government, to the amount of £7,951 0s. 9d.

Over the Crown Lands Department the influence of the audit is equally insignificant. As to the accounts of the separate agents who act for the Department, there are (Q. 32) "no means of auditing them, and the auditing of receipts is always most difficult. In fact there is no proper way of auditing them, except publicity." Of scrip, the auditor observes, "All the cancelled scrip comes in to me. Up to the present time I have taken all the late scrip which has been issued as genuine; with regard to the old scrip, very little of which is now in existence, many forgeries have passed at the Crown Land Department." Regarding that scrip, full particulars of an extensive fraud will be found in another part of this Report. The auditor adds that "since the investigation he has reason to believe that the Crown Land Department is a great deal more particular in verifying the scrip than was the case formerly."

The audit of the other expenditures by this branch is thus characterized: "All accounts paid are certified by the Commissioner or Assistant Commissioner, and beyond this I have no authority to go. Over the amount expended for surveys I have no control. There is a general authority vested in the heads of Departments for all expenditure necessary for the collection of revenue, and such expenditure does not come before Parliament in the estimates. I do not think that there is a sufficient line between this class of ex-