

This system is not recommended, even though complying with the general law respecting payment of wages, as the temptation for padding is increased commensurately with the decreased risk of detection consequent upon the payee not having to cash a cheque.

*Capital.* Expenditures on capital are seldom made except upon certificate of the City Engineer. Just how far the duty of the auditor goes with regard to these certificates is debatable. Some authorities hold that because nearly all contracts stipulate that the certificate of the engineer shall be binding, the auditor is precluded from vouching their arithmetical correctness. Others hold the position of the auditor to be similar to that of an investigator, and that he can go behind the certificate. Be that as it may, a city auditor should satisfy himself of the arithmetical correctness of engineer's certificates, for engineers are no more infallible than accountants. These would be checked prior to payment where a comptroller or pre-auditor is employed. The main duty of the post auditor in respect to such expenditures is to see that nothing which is properly chargeable to revenue is charged to capital, for reasons which are obvious. He must, of course, also see that the engineer is charging such expenditures against the proper capital funds. In other words, that an account for building a police station is not charged to fire halls, and so on.

At the end of each year, in some cities the auditors' appointment specifies at the end of each quarter, the auditor is required to see that all liabilities for goods received, work performed, etc., and not paid for, are properly set up in the books of the city.

This is sometimes a matter of some difficulty, and the auditor can best protect himself by checking up the stores ledger. It has often been found when this has been done, that where proper systems of checking are not in force that the reverse obtains, and that goods received have been set up as liabilities without being included in the inventories of stores. He should further protect himself by getting certi-