

# MUNICIPAL DEPARTMENT

## MUNICIPAL ACCOUNTS AND AUDITS.\*

(Concluded.)

### REMEDIES.

An enumeration of the causes has to some extent suggested the needed remedies.

I have but little hope of improvement in the matter of the appointment of treasurers. So far as I can judge the operation of the municipal mind, the appointments will be made upon the same old lines, for many a year to come. But I do think that it should be made an absolute requirement that the treasurer when appointed either understands the principles of bookkeeping to a fair degree, or be called upon to acquire them without delay.

A most valuable aid in this as well as an important adjunct to the audit would be a handbook for treasurers and auditors covering all their duties, with complete instructions as to methods of carrying them out, and comprising a set of municipal accounts introducing and recording all the transactions which arise in municipalities. The need for such a work has impressed itself upon me so frequently that I have gathered together nearly all the necessary material and hope soon to produce a pioneer effect in that direction.

Instead of leaving the ledger and the system of accounts and the form of the Auditor's report to the choice of the council, which practically means to the treasurer, I think that the statutes should provide not only for a ledger, but also for a uniform system of accounts and reports in unison with the reports required by the Bureau of Industries. This system should include a well-digested revenue account, and also such a form of debenture register as would be sure to preserve a complete and concise record of all debentures and coupons issued by the municipality. The ledger balances should be regularly reported to the council in comparison with the yearly estimates, that they may be guided in their expenditure.

All moneys received should be deposited in a bank instead of any part being used to pay orders upon the treasurer; and the collector of taxes instead of handing the money to the treasurer should invariably deposit the amounts collected by him in the bank to the credit of the treasurer—taking the bank's receipt in a duplicate deposit book. All payments should then be made by cheque, and I would add the further safeguard of having the head of the council countersign the cheques. All the money could then be traced with certainty, the condition of the cash at any

date could be readily ascertained, and the funds would be under the protection of double custody. Under such circumstances the amount of surety bonds can be safely lessened, and it will be found to reduce the premium rates of the guarantee companies.

My chief hope for improvement lies in the audit. In order to improve its efficiency I believe it to be necessary to make a radical change on the lines of the change made by the Education Department in 1871, when local or township superintendents of schools gave place to county inspectors.

My proposal would be that a chartered accountant or other properly qualified auditor should be appointed to audit and report for all the municipalities in a county, or as large a district as he can properly serve. He might perhaps be in charge of all bodies handling public moneys, including schools.

The method of his appointment is partly a question of patronage, which I am not competent to deal with, but as he must audit the operations of the County Council, perhaps he ought to be appointed by the province and paid by the county. He should be independent of all those whose operations he must report upon. He would inspect and report upon the work of all officers and the council according to a uniform system of audits and reports, and should have power, when necessary, to compel compliance with moderate requirements. His reports should be made to the Provincial Superintendent of Municipal Audits.

The auditors should be under the supervision of a provincial superintendent, whose duty it would be to regulate the form and system of accounts and bookkeeping to be used in all the municipalities, as well as the method of conducting the audits and the form of the reports.

He would also receive and check the reports of all the auditors, and when any of such reports are unsatisfactory, or when the condition of affairs in any municipality seems to require it, it would be his duty to investigate with the usual powers of a royal commission.

I believe that by these means a much more efficient audit would be secured and it would greatly tend to improve the safety and management of the public funds. Taking such efficiency into consideration, this proposed system would eventually be found to be even more economical than the present one, for the amount of auditor's fees now paid in all the municipalities in a county would constitute a very respectable salary for the county auditor. His appointment would be permanent and he would become thoroughly familiar with the affairs of all the municipalities under his charge, and should thus be quick to detect anything that required his special attention.

### THE SEWAGE FARM IN PARIS.

For more than a quarter of a century the city of Paris has been using its sewage for irrigation. The fact that in the light of this long experiment it has

recently more than doubled the area under irrigation shows that the process is considered a practical success. The sewage of Paris consists mostly of the water used for washing the streets. As water-closets are to a large extent connected with vaults, the sewerage is not so highly polluted nor so rich in fertilizing materials as might be supposed. The fields irrigated contain 799 hectares (about 1,970 acres). The city of Paris expended 200,000,000 francs (about \$40,000,000) in acquiring the land and constructing the aqueduct, pumping machinery, and irrigating canals. The crops grown are vegetables and fruits—largely small fruits. The methods of irrigation are exactly those practised in the arid regions of the United States. The gardens, though only two years old, presents a scene of almost tropical exuberance. Many dwarf fruit trees are already in bearing. Fortunately, the soil is of a sandy nature, permitting somewhat rapid filtration. At the end of the field, next to the river, the sewage which has passed through the soil re-appears as a large stream of pure water, colorless and bright. The number of micro-organisms, which is many millions in the sewage, is diminished to 2,500 per cubic centimeter of the sewage water.

### LEGAL DECISIONS AFFECTING MUNICIPALITIES.

**ELLIS V. TOWN OF TORONTO JUNCTION.**—The plaintiff was appointed police magistrate for the town of Toronto Junction by commission of the Lieutenant-Governor, expressed to be without salary, in 1892, the town council having previously, in 1890, requested that a police magistrate should be appointed. In 1890 the population was under 5,000; but in 1892, when the appointment was made, it was over 5,000; and on the plaintiff demanding \$800 per annum as salary, asserting that it was his due under the statute respecting police magistrates, the town council at first paid him this salary. In 1894, having first tried in vain to get the plaintiff to resign, the town council resolved to pay him only \$400 a year, which the plaintiff agreed to accept. In 1895 the town council resolved to discontinue the plaintiff's salary altogether. Chancellor Boyd decided that the plaintiff not having been appointed as a salaried official, had no right to a salary as one of the incidents of his office, and the Police Magistrate's Act did not apply, and the town council were entitled to act as they had done.

### VANCOUVER WATERWORKS.

The city of Vancouver, B. C., furnishes an argument in favor of civic ownership of waterworks. Less than five years ago the city purchased the waterworks system from a private company, and during that period have not only largely reduced the rates, but have had a good surplus each year. The water committee decided to make a further reduction to take effect at the first of the year, and the rates are now 50 per cent. less than those charged when the company owned the works. Two years ago an offer was made the city for the purchase of waterworks which would pay off all indebtedness on the bonds, but the council refused to accept the offer.

\* A paper read before the Chartered Accountants of Ontario, Tuesday, 15th December, 1896, by Arthur C. Neff, C. A., Toronto.