

In regard to expenditures, therefore, the post auditor will not have to check authorizations. He will, however, have to see that the expenditure is charged to the purpose for which it was originally passed.

This means that he will see all accounts passed for payment are either properly recorded in the voucher journal, or that direct expenditures such as salaries, are properly recorded in the dissected cash book.

How these entries are, or should be, made, is fully explained in the bookkeeping chapter on expenditures. It therefore behooves the auditor to see that the system of books is properly carried through, and that all entries are made in accordance with that system.

He is further entitled to see a proper receipt for all payments, and this subject requires more than a passing word. A few detailed cases may explain this matter better than is possible by any other method.

*Salaries.* Endorsed cheques are usually taken as sufficient receipt.

*Bills Payable.* The cancelled bill should be examined and compared with the cheque in payment. Here he is noted that bank bills and drafts should not be allowed to be charged against the city without a covering cheque.

*Accounts Payable.* The cheque should not be accepted as a receipt in theory, although it generally is. A receipted account is better, but not always to be obtained. The auditor should see that the cheque agrees first with the authorization, and if there is no pre-audit, with the account.

*Pay Rolls.* Vouching payrolls varies with the system in force. The law calls for wages to be paid in cash, but this is seldom lived up to. Where a payroll bank account is kept, the cheques issued in payment of wages should be proved into the bank account, the cancelled cheque being sufficient receipt.

Where a cheque is issued to the paymaster for the amount of the payroll, and cashed, the wages being paid in cash, the receipted payroll should be carefully scrutinized.