

General are placed, and the present manner of ordering disbursements would then continue.

2nd. The deposits might still be made as they now are, and the undersigned be empowered to unite with the Deputy Minister of Finance in making the cheques for Money Order payments, the power not being inconsistent with the Audit Act of last Session, but additional to anything there given.

The undersigned begs to recommend the latter method as it would simplify our dealings with the banks, and because the transfers might be conducted in the same manner and by the same authority.

If the above recommendation be carried out, the undersigned would not be responsible for the accuracy of the amounts stated by the Chief Superintendent of the Money Order branch of the Post Office Department as due to a bank, but only for the sum paid to the bank, being that which the Chief Superintendent has ordered to be paid.

J. L. McDOUGALL,

Auditor General.

AUDIT OFFICE,

September 25th, 1878.

The undersigned has the honor to submit in accordance with 41st Vic., chap. 7. Section 15, for the approval of the Honorable the Treasury Board, the accompanying circulars Nos. 1 and 2.

J. L. McDOUGALL,

Auditor General.

AUDIT OFFICE,

September 19th, 1878.

AUDIT OFFICE,

September 10th, 1878.

SIR,—Without any reference at present to the accounts of last year, I have the honor to draw your attention to the appropriation expenditure of the current year, and to request that you will forward to me all accounts under your supervision that are ready. In sending your accounts I beg that you will cause the following to be observed by your officers.

1st. Accounts should be made up as soon after the close of each month as practicable and should be sent to this office not later than a month after the end of the period covered by the accounts. *E.g.*: July accounts should be in my hands by the 1st of September; August by the 1st of October and so on.

2nd. In making up the periodical statements strict attention should be paid to the mode in which the appropriations have been granted by Parliament, the appropriations being the starting points in making up the statements. *E.g.*: Mail Service (Grand Trunk), \$175,000; 1878, Aug. 1st, paid on account \$10,000; balance \$165,000.

By following this plan the audit will be expeditiously accomplished, and I have no doubt that the several departments of the Service will find it satisfactory.

3rd. Each monthly account should be headed with the full amount of the several appropriations and the unexpended balances brought from the previous monthly statements.

4th. Each monthly account should be accompanied by the bills, vouchers, cheques and all other documents connected with the several expenditures.

5th. The several authorities sanctioning the payments, whether Statutory, Order in Council, Departmental or otherwise, should be quoted.