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Several additions to, and changes in the staff have taken place, and it is believed that these, with the experience gained by all, have improved the character of the office.

The undersigned, in reflecting on the many imperfections of these accounts so far as the work of this office in connection with them goes, draws some comfort from the following quotation from the report of the English Public Monies Committee, 1870, page iii, section 2. "The year 1868-9 being the first year in which the requirements of 'The Exchequer and Audit Department Act, 1866' have in this respect been entirely complied with, may be considered as marking the commencement of a new era in our financial history."

Now, when it is recollected that, although under commissioners, there was a system of audit in existence for a very long period in England, and a staff ready to go to work under the improved system, the relative disadvantages under which the Canadian Act was put in force will be perceived, and the Audit office staff, it is believed, will be admitted to have shewn a reasonable amount of industry and capacity in doing what has already been accomplished.

The Audit Act having been based upon that of the Imperial Parliament now in force, the undersigned has assumed that so far as the circumstances permit, it is advisable in such contingencies as are not provided for by our statute to follow the system which has grown up under the English Act.

The details of estimates as furnished to Parliament have therefore, where the vote has not been less than the sum asked, been considered binding upon the department to the extent that reasons for a material difference between the amount of each sub-head of appropriation and the expenditure under it should be given, and that the reasons should be based upon facts which were not foreseen when the estimates were submitted.

The appropriation accounts are made use of to provide Parliament with explanations of causes which led to expenditure different from what was anticipated when Parliament was asked to make the appropriation. The explanations, on manifest grounds, are printed as they are received from the accounting department, and extend to the case of an expenditure less than the corresponding sub-head of appropriations, as well as that of an expenditure greater than its sub-head. For the purposes described immediately above it is suggested that the sub-divisions of the estimates and the numbers of the votes be retained in the Supply Bill.

Some difficulty has occurred with reference to the accounts submitted herewith when the vote has been less than the estimate—there being sub-divisions—on account of the impossibility of determining, by comparing only the estimates and Supply Bill, on which sub-division the deduction has been made when the sub-divisions are