

PUBLIC REVENUES AMENDMENT BILL.

MEMORANDUM.

THE purpose of this Bill is to substitute a system of post-audit of the Public Accounts in place of the existing system of pre-audit. Under the proposed system vouchers for the expenditure of public moneys will be audited by the Audit Office after payment instead of before payment as at present. The only other material alteration proposed by the Bill is the increase of the Unauthorised Expenditure from a maximum of £150,000 to a maximum of £250,000.

JOHN W. SALMOND,
Counsel to the Law Drafting Office.

Right Hon. Sir J. G. Ward.

PUBLIC REVENUES AMENDMENT.

ANALYSIS.

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| <p>Title.</p> <ol style="list-style-type: none">1. Short Title and commencement.2. Interpretation. <p style="text-align: center;">PART I.</p> <p style="text-align: center;">THE ISSUE AND EXPENDITURE OF PUBLIC MONEY.</p> <ol style="list-style-type: none">3. Governor's warrant.4. Vouchers for payment of public money.5. Requisition and bank order.6. Account of paid vouchers.7. Paid vouchers to be audited by Audit Office.8. Vouchers for imprest moneys.9. Imprestees' accounts.10. Unauthorised expenditure.11. Lost or defective vouchers.12. Settlement of disputes between Audit Office and Treasury.13. Surcharges by Audit Office.14. Repeals. | <p style="text-align: center;">PART II.</p> <p style="text-align: center;">PUBLIC MONEYS BEYOND NEW ZEALAND.</p> <ol style="list-style-type: none">15. Requisition and bank order on New Zealand Public Account.16. Foreign Imprest Account.17. Audit of expenditure out of Foreign Imprest Account.18. Bank order by Commissioners on New Zealand Public Account.19. Statements of High Commissioner as to New Zealand Public Account.20. Statements of bank as to New Zealand Public Account.21. Repeals. <p style="text-align: center;">PART III.</p> <p style="text-align: center;">MISCELLANEOUS.</p> <ol style="list-style-type: none">22. Section 16 of principal Act amended.23. Local inspections by Audit Office.24. Votes in Appropriation Act to include incidental expenditure.25. Public moneys may be lodged with Postmasters.26. Regulations. Schedule. |
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A BILL INTITULED

AN ACT to amend the Law relating to the Public Revenues. Title.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows :—

- 5 1. (1.) This Act may be cited as the Public Revenues Amendment Act, 1908, and shall form part of and be read together with the Public Revenues Act, 1908 (hereinafter referred to as the principal Act). Short Title and commencement.
- 10 (2.) This Act shall come into operation on the first day of April, nineteen hundred and *nine*.
2. In the principal Act and this Act, unless a different intention appears, the term "financial year" means the period of twelve months ending on the expiration of the thirty-first day of March. Interpretation.

PART I.

THE ISSUE AND EXPENDITURE OF PUBLIC MONEY.

Governor's
warrant.

3. (1.) No money shall be issued out of the Public Account except in pursuance of a warrant under the hand of the Governor in the form numbered (1) in the Schedule hereto. 5

(2.) Before submitting any such warrant for the Governor's signature the Treasury shall forward it to the Audit Office, and the Audit Office shall certify thereon that the issue mentioned therein may be made according to law.

(3.) For the purposes of this section an issue shall be deemed to be according to law if, with the sums named in all previous warrants still in force, the amount thereof does not exceed the total amount available for issue out of the Public Account under the authority of any Act. 10

(4.) Any such warrant and certificate may be sent by telegraphic message, in which code-words agreed on by the Treasury and Audit Office may be used, and such message may be acted on and the money named therein may be issued accordingly. 15

(5.) No warrant under this section shall continue in force except during the financial year in which it was issued and three months thereafter. 20

Vouchers for
Payment of public
money.

4. Every claim for the payment of public money shall be put into a voucher in such form as the Treasury directs, and, when certified and authorised by the officers who are recognised by the Treasury as the proper officers to certify and authorise the same respectively, shall be sent to the Treasury for payment. 25

Requisition and
bank order.

5. (1.) The Paymaster-General shall from time to time prepare a requisition (in the form numbered (2) in the Schedule hereto) comprising an account of such of the vouchers as are proposed to be paid, charging each item against the vote and fund or account as stated on the voucher; and the requisition, on being authorised by the Treasury, shall be sent to the Audit Office, together with all the vouchers relating thereto. 30

(2.) The Treasury shall also prepare and send to the Audit Office a bank order (in the form numbered (3) in the Schedule hereto) directing the bank to honour the cheques of the Paymaster-General on the Public Account for the several amounts and at the several branches of the bank specified in the order, not exceeding in the whole the sum named in the requisition. 35

(3.) On being satisfied that the issue named in the requisition and bank order is within the limit of the Governor's warrant, and that there is a sufficient balance in the Public Account to the credit of the fund or account to meet the charges named in the requisition and bank order, the Audit Office shall forthwith countersign the requisition and bank order and return the same to the Treasury, together with the vouchers relating thereto. 40 45

(4.) The bank order, when so countersigned by the Audit Office, shall be sufficient authority to the bank to pay the cheques of the Paymaster-General to the several amounts named in the order.

5 6. The Paymaster-General shall prepare daily an account (in the form numbered (4) in the Schedule hereto) of paid vouchers returned by the several officers whose duty it was to obtain receipts from the payees, and shall transmit that account, together with the said vouchers, to the Audit Office.

Account of paid vouchers.

10 7. (1.) On receipt of the said account and vouchers the Audit Office shall examine the account, and shall pass the same on being satisfied in respect of each voucher mentioned in the account, —

Paid vouchers to be audited by Audit Office.

(a.) That it is in proper form and the computations therein are correct ;

15 (b.) That payment of the sum named in the voucher is authorised by the Minister for the time being administering the Department in respect of which the payment has been made, or by some person duly appointed by the Minister to authorise the same ;

20 (c.) That the sum named in the voucher is charged against the proper vote or appropriation and fund or account provided by Parliament for the same ; and

(d.) That the voucher has been duly received by the person legally qualified to give a discharge.

25 (2.) The Audit Office shall not refuse to pass and allow any account or voucher by reason merely of the fact that it is not stamped according to law, except in cases where the Audit Office and the Treasury are of opinion that the omission so to stamp the same was wilful or fraudulent.

30 (3.) If on such examination the Audit Office finds that any person is liable to be surcharged, then, in addition to surcharging him as provided by section *thirteen* hereof, the Audit Office shall refuse to pass the voucher in respect to which the liability to surcharge arose, and shall note thereon the reason for the refusal and send full particulars of the matter to the Treasury.

35 (4.) Having completed its examination of the account and vouchers, the Audit Office shall return the same to the Treasury, noting on the account the vouchers passed and those not passed.

40 8. Claims for credit to an imprestee for the expenditure of imprest moneys, and claims to transfer charges from one account to another, shall be put into a voucher in such form as the Treasury directs, and shall be dealt with in the manner following :—

Vouchers for imprest moneys.

(a.) The Paymaster-General shall forward the vouchers to the Audit Office, and the Audit Office shall deal with them as provided by the *last preceding* section.

45 (b.) The Paymaster-General shall from time to time prepare a credit requisition (in the form numbered (5) in the Schedule hereto) containing an account of the vouchers passed by the Audit Office, crediting therein the several accounts against which imprests have been charged or from which charges are proposed to be transferred with the imprests accounted for or with the sums to be transferred, as the case may be, and charging the several
50 accounts with the amounts named in the vouchers.

(c.) The Paymaster-General shall send the credit requisition when signed by the Treasury, together with the vouchers relating thereto, to the Audit Office to be examined and passed.

(d.) The several sums credited, charged, or transferred in the requisition as passed by the Audit Office shall be recorded in the books of the Treasury and Audit Office. 5

Imprestees' accounts.

9. (1.) Moneys required to be issued by way of imprest for the public service shall be charged in the voucher and requisition against the vote or other authority for the service for which the imprest is required. 10

(2.) Every imprestee shall at the close of business on the Saturday in each week, or at such longer intervals not exceeding one month as the Treasury in any case directs, prepare an account showing the expenditure (not already accounted for) of the moneys imprested to him and the balance then remaining unexpended, and shall send the account to the Paymaster-General, together with such vouchers and other documents as are required by the Treasury or the Audit Office. 15

Unauthorised expenditure.

10. (1.) Where on the report in writing of the permanent head of a Department it appears to the Minister administering that Department necessary for the service of the Department that money should be expended in excess of or without the appropriation of Parliament, the Minister shall transmit the report to the Treasury. 20

(2.) If the Treasury agrees to make that expenditure it shall forward the report to the Audit Office to be noted, whereupon the moneys may lawfully be issued and paid, anything in the principal Act or any other Act to the contrary notwithstanding. 25

(3.) The total amount of all sums issued under this section shall not exceed in any financial year one hundred thousand pounds for services in connection with working railways under the control of the Government Railways Department, and one hundred and fifty thousand pounds for all other services. 30

(4.) All sums so issued during the currency of the annual Appropriation Act shall be charged to an account to be called the Unauthorised Expenditure Account, and all sums recovered in respect of sums so issued shall be credited to that account. For the purposes of this subsection transfers from votes or from permanent appropriations shall be deemed to be sums recovered. 35

(5.) An abstract of the Unauthorised Expenditure Account, certified by the Audit Office, shall be laid before Parliament by the Minister of Finance within ten days after the commencement of the session of Parliament in each financial year. 40

(6.) All sums issued under the authority of this section in anticipation of the Appropriation Act to be passed in the same financial year shall be included in the estimates for that year. 45

Lost or defective vouchers.

11. (1.) When a voucher for the expenditure of public money has been accidentally lost or destroyed, then upon a copy of so much of the particulars of that voucher as can be obtained being sent to the Audit Office, and upon proof being made to the satisfaction of the Audit Office that the original voucher cannot be produced and that the expenditure has been actually and properly made, the Audit 50

Office may admit the copy in lieu of the original voucher and pass the same accordingly.

5 (2.) Where a voucher is found defective from the want of any certificate or document which ought to have accompanied it or in any other particular, the Audit Office, on proof to its satisfaction that the said defect was not wilful and that the sum named in the voucher has been actually and properly expended, may pass the voucher as a sufficient discharge.

10 12. (1.) Where a difference of opinion arises between the Audit Office and the Treasury as to whether any warrant or requisition relating to the issue or expenditure of public moneys is according to law, or as to the vote, appropriation, fund, account, or other authority to which any expenditure ought to be charged, or as to the proper head of revenue, fund, or account to which any receipt should be
15 credited, the question shall be determined by the Minister of Finance, or if in the opinion of the Audit Office the question involves matter of law, then it shall be determined by the Governor instead of the Minister of Finance, after receiving the opinion of the Attorney-General thereon.

Settlement of
disputes between
Audit Office and
Treasury.

20 (2.) The Audit Office shall conform to every order of the Minister of Finance or, as the case may be, of the Governor under this section, but shall in each case lay before Parliament forthwith if then sitting, or if not, then within ten days after the commencement of the next ensuing session, all correspondence and other documents
25 relating to the question and the determination thereof, including the order, but nothing subsequent thereto.

30 13. (1.) It shall be the duty of the Audit Office to surcharge every receiver, imprestee, or other officer with every sum of public money which by reason of any fraud, negligence, error, or default on his part has not been duly and properly collected or accounted for as provided by law, or has been expended without the authority of the Minister administering the Department in which the officer was employed or of the officer duly appointed to authorise such expenditure, or has been applied or charged to any
35 service or purpose for which the same was not lawfully available or applicable, or has otherwise miscarried.

Surcharges by Audit
Office.

40 (2.) Any officer surcharged by the Audit Office may appeal to the Minister of his Department, who, after such investigation as he deems equitable, may make an order either confirming the surcharge or directing the relief of the appellant therefrom either wholly or in part, and the Audit Office shall conform to every such order.

45 (3.) Subject to any such order as aforesaid, every sum surcharged by the Audit Office shall be recoverable from the person surcharged as a debt due to the Crown.

50 (4.) In every case in which any surcharge is disallowed by a Minister on appeal, a report of the circumstances shall be transmitted by the Audit Office to the Speaker of each House of Parliament within fourteen days thereafter, or if Parliament is not then in session, then within fourteen days after the commencement of the next ensuing session.

- Repeals.
- (5.) A statement of all surcharges outstanding at the date of the annual report of the Audit Office shall be appended to that report.
14. Section thirty, sections forty-four to fifty-one, and sections fifty-three to fifty-six of the principal Act, and the forms numbered (2) to (5) in the Second Schedule to that Act, are hereby repealed. 5

PART II.

PUBLIC MONEYS BEYOND NEW ZEALAND.

Requisition and
bank order on New
Zealand Public
Account.

15. (1.) The Paymaster-General shall, as often as occasion requires, prepare a requisition setting forth the several sums required to be issued out of the New Zealand Public Account, together with a bank order in respect of those sums. 10

(2.) For payment of the charges of the public debt the requisition and bank order shall be in the forms numbered (6) and (7) respectively in the Schedule hereto, and for payment of all other claims upon the Government of New Zealand in the United Kingdom the requisition and bank order shall be in the forms numbered (8) and (9) in the Schedule hereto. 15

(3.) The requisition and bank order on being authorised by the Treasury shall be sent to the Audit Office, and the Audit Office, on being satisfied that the issue mentioned in the requisition is within the limits of the Governor's warrant, and that there is a sufficient balance in the Public Account to the credit of the fund or account against which the said issue is to be charged, shall forthwith countersign the requisition and bank order and return the same to the Treasury. 20

(4.) The bank order when so countersigned shall be a sufficient authority to the bank to pay the moneys therein specified out of the New Zealand Public Account according to the tenor of the order. 25

(5.) In respect of the charges of the public debt the amount mentioned in the bank order shall be paid over to the agent or agents named in the order. 30

(6.) In respect of all other claims upon the Government of New Zealand in the United Kingdom the amount mentioned in the bank order shall be transferred by the bank from the New Zealand Public Account to a separate branch of the same called the Foreign Imprest Account, and all sums so transferred shall be deemed to be imprested to the High Commissioner. 35

(7.) The purport of any bank order on the New Zealand Public Account may be sent by telegraphic message, in which code words may be used and the money mentioned therein may be issued or transferred accordingly. 40

Foreign Imprest
Account.

16. (1.) Money required to be transferred to the Foreign Imprest Account shall, in the case of permanent appropriations, be charged in the voucher and requisition against the Act or other authority for the service for which the imprest is required, and in all other cases shall be charged in the voucher and requisition against an account to be called "General Services." 45

(2.) Moneys so imprested on a charge to General Services shall in due course be transferred to the several votes or authorities for the purposes whereof the moneys are expended, and the amounts so transferred shall be credited to "General Services."

5 (3.) No money shall be drawn from the Foreign Imprest Account except by cheque of the High Commissioner countersigned by an officer appointed by the Treasury.

(4.) On the death, resignation, removal, or incapacity of any officer so appointed, the Commissioners mentioned in section fifty-nine of the principal Act, or any two of them, shall forthwith appoint some fit person in his place until a new appointment is made by the Treasury.

15 17. Expenditure out of the Foreign Imprest Account, supported by proper vouchers, shall be dealt with as provided by sections *seven* and *eight* hereof.

Audit of expenditure out of Foreign Imprest Account.

20 18. (1.) Where in the opinion of the High Commissioner it is necessary in the public interest that payments should be made or provided for, then, notwithstanding anything in the principal Act or this Act, it shall be lawful for the Commissioners mentioned in section fifty-nine of the principal Act, or any two of them, to issue a bank order in the form numbered (10) in the Schedule hereto.

Bank order by Commissioners on New Zealand Public Account.

25 (2.) The bank order shall be countersigned by the officer mentioned in section *sixteen* hereof, and shall thereupon be authority to the bank mentioned in the order to pay the amount thereof out of the New Zealand Public Account according to the tenor of the order.

Statements of High Commissioner as to New Zealand Public Account.

30 19. The High Commissioner shall, at least twice in each month, transmit to the Treasury a full and detailed statement of all the receipts, payments, and transfers by, to, and from the New Zealand Public Account and by, to, and from the Foreign Imprest Account respectively which are not included in any former statement, accompanied by all such vouchers and other documents as the Treasury requires in support of those statements.

Statements of bank as to New Zealand Public Account.

35 20. The bank at which the New Zealand Public Account is kept shall, at least twice in each month, transmit to the Treasury and to the Audit Office a statement (in the form prescribed by the Treasury) showing the entries in the New Zealand Public Account and the Foreign Imprest Account respectively for the period to which the statement relates.

Repeals.

40 21. Sections *sixty-one* to *sixty-eight* of the principal Act, and the forms numbered (6) to (8) in the Second Schedule to that Act, are hereby repealed.

PART III.

MISCELLANEOUS.

22. Section sixteen of the principal Act is hereby amended by adding thereto the following proviso:—

Section 16 of principal Act amended.

45 "Provided that in the event of moneys being due and owing to the Government outside New Zealand it shall be lawful for the Treasury to obtain advances on the security of those moneys or to discount drafts drawn against those moneys."

Local inspections by Audit Office.

23. The Audit Office shall from time to time as it thinks fit, or whenever so required by the Treasury, make local inspections of the books, vouchers, moneys, and cash transactions of receivers, imprestees, and other accountants.

Votes in Appropriation Act to include incidental expenditure.

24. Where any vote specified in the annual Appropriation Act for the time being in force contains an item under any title which does not specifically appropriate expenditure for any particular purpose, that item shall be deemed to include any expenditure incidental to the said vote but not otherwise specifically appropriated thereby. 5

Public moneys may be lodged with Postmasters.

25. Any moneys payable into the Public Account may, with the authority of the Treasury, be lodged for credit of that account with such Postmasters as are authorised by the Postmaster-General to receive those moneys, and the amount of those lodgments shall be paid into the Public Account by the Postmaster-General at such times as the Treasury directs. 10

Regulations.

26. In addition to the matters mentioned in section four of the principal Act with respect to which the Governor may make regulations, he may make regulations for the local or other inspection by the Audit Office of the books, vouchers, moneys, and cash transactions of receivers, imprestees, and other accountants, and the provisions of the said section four shall apply to all such regulations. 15 20

SCHEDULE.

Schedule.

Section 3.

(L.) GOVERNOR'S WARRANT FOR ISSUE OF PUBLIC MONEYS.

....., Governor.

Warrant for Issue of £

By His Excellency , Governor and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies, &c.

To the Honourable the Minister of Finance of New Zealand.

You are hereby authorised to issue from time to time out of the Public Account in New Zealand or out of the New Zealand Public Account in London, moneys not exceeding in the whole the sum of , and to cause the same to be paid to such persons as may become entitled thereto under the authority of any Act or Acts of the General Assembly; and, for so doing this authority with the acquittances of the persons to whom any such moneys are paid, shall be your sufficient warrant and discharge.

Given under the hand of His Excellency, at , this day of , 19 .

.....
Minister of Finance.

I certify that the issue of the above-named sum is according to law.

.....
Controller and Auditor-General.

(2.) ISSUE REQUISITION FOR PAYMENT OF PUBLIC MONEYS.

Section 5 (1).

Issue Requisition No.

To the Controller and Auditor-General.

Treasury,, 19

In accordance with the provisions of the Public Revenues Act, 1908, and its amendments, I hereby require that the several sums under the heads of service herein specified, amounting in the whole to the sum of, shall be issued and paid out of the Public Account.

					£	s.	d.
Consolidated Fund ..	..	..	..	..
Public Works Fund ..	..	..	..	..
[Or as the case may be.]							
Total	..	..	..	..

Bank Order No. accompanying this requisition.

Recommended—

.....
Paymaster-General.

.....
Minister of Finance.

Countersigned—

.....
Controller and Auditor-General.

(3.) BANK ORDER FOR PAYMENT OF PUBLIC MONEYS.

Section 5 (2).

Bank Order No.

To the Manager of the Bank,

Treasury,, 19

You are hereby authorised and required to pay out of the Public Account the cheques of the Paymaster-General at the several places and for the several amounts herein-after named, amounting in the whole to the sum of

Countersigned—

.....
Controller and Auditor-General.

.....
Minister of Finance.

Place.	Amount.
[Names of the several branches of the bank.]	£ s. d.

(4.) DAILY ACCOUNT OF PAID VOUCHERS.

Section 6.

To the Controller and Auditor-General.

Treasury,, 19

In accordance with the provisions of the Public Revenues Act, 1908, and its amendments, I hereby submit for examination the expenditure supported by paid vouchers hereinafter specified, amounting in the whole to the sum of, and request that the Audit Office will state hereon what amounts are passed and what are not passed.

.....
Paymaster-General.

No. of Voucher.	Amount.	Passed.	Not passed.	Remarks.
	£ s. d.	£ s. d.	£ s. d.	

Section 8.

(5.) CREDIT REQUISITION.

Credit Requisition No. _____

To the Controller and Auditor-General.

Treasury, _____, 19 ____

In accordance with the provisions of the Public Revenues Act, 1908, and its amendments, I hereby require that the several sums herein specified under the heads of service respectively specified, amounting in the whole to the sum of _____, shall be transferred in the accounts as hereunder specified:—

	Dr.			Cr.		
	£	s.	d.	£	s.	d.
Consolidated Fund						
Public Works Fund						
[Or as the case may be.]						
Total						

Recommended—

.....
Paymaster-General.

.....
Minister of Finance.

Countersigned—

.....
Controller and Auditor-General.

Section 15 (2).

(6.) ISSUE REQUISITION FOR PAYMENT OF THE CHARGES OF THE PUBLIC DEBT.

New Zealand Public Account.

To the Controller and Auditor-General.

Treasury, _____, 19 ____

In accordance with the provisions of the Public Revenues Act, 1908, and its amendments, I hereby require that the several sums under the heads of service hereinafter specified, amounting in the whole to the sum of _____, shall be issued out of the New Zealand Public Account.

Due Date.	Interest and Sinking Fund.	Amounts.					
		£	s.	d.	£	s.	d.

Bank Order No. _____ accompanying this requisition.
Recommended—

.....
Paymaster-General.

.....
Minister of Finance.

Countersigned—

.....
Controller and Auditor-General.

Section 15 (2).

(7.) BANK ORDER FOR PAYMENT OF THE CHARGES OF THE PUBLIC DEBT.

New Zealand Public Account.

Bank Order No. _____

To the Manager of the Bank of _____, in London.

Treasury, _____, 19 ____

In accordance with the provisions of an Act of the General Assembly of New Zealand intituled the Public Revenues Act, 1908, and its amendments, you are hereby authorised and required, on the _____ day of _____, 19 ____, to issue and pay to _____, in London, the sum of _____ out of the New Zealand Public Account.

£ _____ : _____ : _____

.....
Minister of Finance.

Countersigned—

.....
Controller and Auditor-General.

(8.) REQUISITION FOR TRANSFER TO FOREIGN IMPREST ACCOUNT.

Section 15 (2).

New Zealand Public Account.

Requisition for Transfer No.

To the Controller and Auditor-General.

Treasury,, 19

IN accordance with the provisions of the Public Revenues Act, 1908, and its amendments, I hereby require that the several sums under the heads of service herein specified, amounting in the whole to the sum of, shall be transferred from the New Zealand Public Account to the Foreign Imprest Account :—

					£ s. d.
Consolidated Fund	
Public Works Fund	
<i>[Or as the case may be.]</i>					
Total	

Bank Order No. accompanying this requisition.

Recommended—

.....

Paymaster-General.

Countersigned—

.....

Minister of Finance.

.....

Controller and Auditor-General.

(9.) BANK ORDER FOR TRANSFER TO FOREIGN IMPREST ACCOUNT.

Section 15 (2).

New Zealand Public Account.

Bank Order for Transfer No.

To the Manager of the Bank of, in London.

Treasury,, 19

IN accordance with the provisions of an Act of the General Assembly of New Zealand intituled the Public Revenues Act, 1908, and its amendments, you are hereby authorised and required to transfer the sum of from the New Zealand Public Account to the Foreign Imprest Account.

£

.....
Minister of Finance.

Countersigned—

.....

Controller and Auditor-General.

(10.) COMMISSIONERS' BANK ORDER FOR PAYMENT OUT OF NEW ZEALAND PUBLIC ACCOUNT.

Section 18.

New Zealand Public Account.

Commissioners' Bank Order No.

To the Manager of the Bank of, in London.

London,, 19

IN accordance with the provisions of an Act of the General Assembly of New Zealand intituled the Public Revenues Act, 1908, and its amendments, you are hereby authorised and required, on the day of, 19, to issue and pay to in London, the sum of out of the New Zealand Public Account.

£

.....
.....
.....

Commissioners under the above-mentioned Acts.

Countersigned—

.....

Officer appointed to countersign.