

The Audit Office did not see before the 20th instant the papers marked A, B, C, and D, of which copies are appended, and which are attached to the Treasury file No. 98/369. A perusal of these papers now, when it is known that the administration proposes, as an independent transaction of this year, the almost complete reversal of the transfer of £15,000 during last year, must leave little room for doubt, not that the transfer was expedient to relieve the Working Railways of purchases in excess of the requirements of the department, not that the Public Works required the property, not that money applied to the transfer had been voted for such a purpose, but that the appropriation for working railways was insufficient for the due payment of the expenses of the year, and that the transfer was to give effect to an arrangement for obtaining the additional appropriation by the expedient of a payment out of the public-works vote as for the purchase of property from the Working Railways. The Audit Office, if it had seen those papers before the transfer of £15,000 was passed, would certainly have challenged the expenditure, and either not have passed the voucher or required that the case should be submitted to Parliament.

It may, however, be urged, as regards the transfer now before the Audit Office, that as the only appropriation at present is for expenditure by way of imprest supply, and the voucher in question must be charged accordingly, the Audit Office had no option but to pass it. For imprest supply is an appropriation of the nature of the appropriation for unauthorised expenditure, and appears to be applicable, at the discretion of the Administration, to expenditure to be afterwards authorised by the next Appropriation Act, or to be charged, if not authorised by that Act, to the Unauthorised Expenditure Account. The Audit Office may therefore be justified in passing the voucher accordingly, but would require, as necessary to the removal of the charge from imprest supply, that the vote to be taken should clearly express the purpose of the expenditure.

But the Audit Office, if the Treasury, after perusing these papers, should require the voucher to be passed, would feel it to be a duty to report the case to Parliament, even if the transfer which was passed last year should not, in the light now thrown upon the matter, be so reported.

J. K. WARBURTON,
Controller and Auditor-General.

25th July, 1898.

[Copy A.]

WORKING RAILWAYS, VOTE No. 60, 1897-98, Estimates.
Position at 31st March, 1898.

T. 98/369.

<i>Dr.</i>		£	s.	d.
Vouchers passed forward to Treasury and imprest advances not brought to final charge—less recoveries—at 24th February, 1898	...	806,212	0	0
Accounts in office ready for payment at 24th February, 1898	...	16,000	0	0
Accounts for stores to come in before 31st March, as per Stores Manager's estimate	...	6,000	0	0
Agent-General's vouchers now under action	...	2,215	0	0
Agent-General's vouchers estimated to come in before 31st March	...	4,700	0	0
Imprest advances required to pay wages and contingencies for period ending 5th March	...	52,000	0	0
Salaries payable on 31st March	...	3,300	0	0
		<u>£890,427</u>	<u>0</u>	<u>0</u>
<i>Cr.</i>				
Total amount of Working Railways Vote No. 60	...	£822,127	0	0
Proposed transfer of permanent-way material to Public Works Department	...	20,000	0	0
Proposed transfer of material to additions to open lines, stock—Vote No. 90	...	15,000	0	0
Imprest advances to be finally charged to other accounts and recoveries for period ending 5th March	...	1,800	0	0
Imprestee's balances to be repaid to Public Account at 31st March	...	1,000	0	0
		<u>859,927</u>	<u>0</u>	<u>0</u>
To be charged to "Unauthorised," being 55·9 per cent. of £85,000, the expected excess of railway revenue over the estimate for the year, namely, £1,136,000—£1,275,000 (working-expenses, 1st April, 1897, to 8th January, 1898—63·93 per cent. of revenue)	...	30,500	0	0
		<u>£890,427</u>	<u>0</u>	<u>0</u>

24th February, 1898.

A. C. FIFE.