

person who is an expert in the law, the Treasurer has to obtain the Governor's Warrant to override the layman's opinion. I may mention also in regard to the observations which have been made by the Controller that it appears to me that in the paper that we are looking at opportunity was given for the Audit Office to state their case in the fullest possible manner before the Warrant was obtained. The Solicitor-General's opinion was sought, was obtained, was referred to the Audit Office, was commented upon by the Audit Office, and afterwards the Warrant of His Excellency was obtained. Notwithstanding that, you will see that the Audit Office was good enough to make very long observations on the Warrant of His Excellency. Of course, criticism of His Excellency's opinion I cannot help thinking—it is only my own opinion—is not a proper thing, nor for comment to be made after the Warrants of His Excellency have been made, because there is no finality at all. As you will see by these very papers, it could have gone on, of course, until now, and you would never have got to the end of it. Finality in such matters, of course, is that of the determination of His Excellency.

14. *Hon. Sir J. G. Ward.*] This item of £566 18s. 3d., Mr. Heywood. The total amount of Vote 48 was not exceeded, I understand?—The item for £100 was exceeded at the time this £566 18s. 3d. was presented for audit.

15. Was the total amount of the vote exceeded with only that item excluded?—I do not know that the total vote was exceeded.

16. What has been the custom of the past in cases where an individual item that might be exceeded was included in a vote?—The custom has hitherto been that the appropriation for each item is not considered by the Audit Office, except in special cases.

17. Then, I understand, in this particular case of Campbell Parkinson's, that the view of the Audit Department regarding the £566 18s. 3d. has been treated exceptionally?—Yes. The Audit Office considered that this was a special item which was limited to the item set down on the estimates for this particular service.

18. And a number of other claims of the same character had been allowed to be charged to the item. I understood you to say £2,000 had been inadvertently charged?—Oh, no. I said that the item itself had been exceeded by £66 15s. 7d. at the time this voucher was sent to the Audit Office.

19. What were the items you were referring to in the matter of £2,000-odd a few moments ago?—I did not refer to £2,000.

20. What is your opinion about this particular method of charging against the vote when the individual item is exceeded?—I consider that the estimates not being part of the Appropriation Act the Audit Office is only concerned with the limits in the Appropriation Act set against each vote. And that has been the practice ever since the estimates ceased to be a part of the Appropriation Act.

21. Can you suggest a method by which the disputes that from time to time must necessarily arise between the Audit Department and the Treasury can be settled without involving tags being attached to the Public Accounts, which create unnecessarily, in the minds of outsiders, an impression that there is something wrong with the Public Accounts of the colony?—No; under the existing law I cannot suggest anything. I quite recognise that the duties of an Auditor necessitate his placing his opinion upon the accounts submitted to him. If in his opinion the accounts are correct he states so. If they are wrong in his opinion he places his remarks against the accounts, and those constitute the tags which we very often have. Of course, the matter is one which rests entirely with the Auditor himself. There are auditors and auditors; some are not so careful as others. Some have different opinions concerning the particular points upon which they have examined the accounts, and it may happen that one auditor will consider that the accounts, although in his opinion they are not absolutely as correctly stated as they might be, are sufficiently accurate as not to be worth his while to draw attention to the apparent discrepancy which is in his own mind. Another auditor would consider that he should draw attention to it. In a general way I do not see how we or anybody else are to overcome that sort of examination, which the Audit Office feel it necessary to do. It obtains not only in Government accounts, but it obtains with every account that is examined by any auditor of any reputation whatever.

22. Yes; but the point is in regard to a dispute between the Audit Office and the Treasury which is bound to arise from time to time. There is a method of settlement. With your varied experience, is there no way you can suggest that the settlement should be a final one, so as to obviate the necessity of having tags attached to the Public Accounts?—No; I consider the tags on the Public Accounts are the expressions of the Auditor's opinion.

23. Even after a dispute has been settled?—Yes.

24. *Mr. W. Fraser.*] You made use of an expression just now, "An appropriation for an item": is there such a thing?—No; technically there is no appropriation for an item.

25. There is an appropriation for a vote, is there not?—Yes.

26. In this kind of correspondence the point at issue between the Solicitor-General and the Auditor-General appears to be as to whether this particular item of £100 was a specific appropriation or not?—That is so.

27. What is your opinion as to whether this sum of £100 was specific or not?—I am clearly of opinion that it was not specific.

28. What would you mean by the term "specific"?—Well, I agree with the interpretation of the Solicitor-General upon the subject. I think that he has absolutely differentiated the term "specific."

29. You mean that the £100 was not a specific payment to any particular person, but that the item of £100 was intended to cover any sums which might require to be paid on account of the refund of stamp duty?—Yes. That is a constant practice. We will get an item placed upon the estimates for the purpose of being able to charge that item for expenditure of a similar character.