

30. Could you have had any knowledge of the claim of £566 18s. 3d., and that it was likely to arise where the £100 was placed on the estimates?—Not the slightest. The £100 was placed on the estimates in respect to no particular claim.

31. You said that certain sums had been paid out of the vote besides the £566 18s. 3d.: what were they?—The first claim was £136 17s. 9d.

32. Was that objected to?—No. The next one was £10 2s. 3d.; the next, £10 5s. 4d.; the next, £3 18s. 6d. There is another one for 19s. 4d., and one for £4 12s. 5d. That totals to £166 15s. 7d. Then I presume the Audit Office—I do not for a moment imagine that the Controller himself saw the voucher until the examining clerk had shown it to him—dealt with it. It was probably the seventh claim. If it had been £56 instead of £566 18s. 3d. probably it would have gone through the same as the others, but being such a large amount no doubt the examining clerk thought it his duty to bring the matter before the Controller.

33. Is it the practice when a claim for a sum of money largely in excess of an item in a vote is made to pay that out of that vote under cover of that item?—Oh, yes, that has been done.

34. And has it been objected to?—Well, speaking from memory, I should imagine that there have been thousands of this sort of charges against these items.

35. In excess of the items?—Yes; and no objections have been made to them.

36. You have read that letter of the 10th April. Now, in reference to your comment as to the propriety of the Auditor in reflecting on the matter after the Governor's Warrant, do you not think that the Auditor was justified in so far by the remarks contained in his letter of the 10th April that he did not receive, or rather had not before him, the Solicitor-General's letter until after the Governor's Warrant had been issued?—In reply to that I may say, of course, that Mr. Warburton was probably correct in his letter that he had not had that minute before him; but that does not alter my opinion in the least upon the propriety or impropriety of correspondence being carried on after the judgment by determination of the Governor has been arrived at; and Mr. Warburton apparently by these papers, if these references are correct, had the opportunity of setting out the whole of his arguments before the Governor's Warrant was obtained.

37. But he had not seen the whole of the correspondence from the Solicitor-General?—He had not seen at that time the whole of the correspondence from the Solicitor-General.

38. At what time?—Before the Governor's Warrant had been issued.

39. With whom does the responsibility lie of forwarding the opinions of the Solicitor-General to the Auditor-General?—I think that the Act does not require that the Solicitor-General's opinion should be forwarded.

40. With whom did it lie?—With the Treasury.

41. Do you not think that the Treasury should submit to the Auditor-General the whole of the opinions given by the Solicitor-General before any final steps are taken, in order to avoid friction?—In order to avoid this subsequent correspondence?

42. Yes?—If the Treasury could be assured that the subsequent correspondence would be avoided, I think we would be willing to submit the whole correspondence, or rather the opinion of the Solicitor-General, in every case to the Controller first; but the Act does not require that, and in the case that you have before you the Solicitor-General's opinion was forwarded to the Audit Office.

43. Not the whole of it?—The further opinion of the Solicitor-General was not sent.

44. That was a statement of the opinion of the Solicitor-General?—But the opinion of the Solicitor-General was forwarded to the Audit Office, and the Auditor replied to it, and it was considered by the Treasury that the whole of the arguments which the Audit Office could submit had been submitted.

45. *The Chairman.*] Do you not think it would be a very proper thing for the Legislature to pass an amendment to the Act to the effect that if the Solicitor-General's opinion were obtained on the question of a dispute between the Audit Office and the Treasury it should be submitted to the Auditor-General for any remarks that he may wish to pass upon it before the opinion is submitted with the request to the Governor in Council to make his order?—Yes, I should quite agree to that.

46. *Hon. Sir J. G. Ward.*] You might put this question to both of them, Mr. Chairman: Upon questions of law and the interpretation regulating orders should there not be some one whose opinion would be final in order to save all this bother and trouble? That is what it amounts to, it is all a question of law; and should there not be some authority whose opinion—for the guidance of both the Controller and Auditor-General and the Treasurer—should be final?—I think most undoubtedly that should be the position.

47. That is where all these troubles arise?—Yes; it is the interpretation of the layman against the skilled expert in law. Of course, the Committee will readily understand that there are numbers of cases for disagreement which arise between the Treasury and the Audit. It is only those which contain questions of law which they get before them. There are numbers of occasions where a disagreement arises between the Treasury and the Auditor and the Solicitor-General decides the Treasury is wrong, and of course the Committee see or hear nothing of those cases.

Mr. J. K. WARBURTON recalled. (No. 4.)

48. *Hon. Sir J. G. Ward.*] I want to ask you, Mr. Warburton, if from your wide experience you can suggest any method by which, after a dispute between the Audit Department and the Treasury has arisen and has been settled, the avoidance of the attachment of tags to the Public Accounts—which are so misleading to outsiders and calculated to be damaging to the colony—can be accomplished in future similar cases?—Well, if the transactions of the Public Accounts are not strictly in accordance with the law I do not see how you can avoid a report to that effect.