

ment under the Imprest Account come to hand?—They prepare first of all a requisition, in which the issue of the money to the imprestee is authorised. Then the expenditure accounted for is put in Credit Requisition and is transferred from Imprest; the effect of the Treasury operations is a transfer of the expenditure from Imprest.

4. Assuming that an officer was away from Wellington, and made payments under his imprest for an account that was not authorised, could either the Treasury or the Audit Department ascertain that he had made a payment unauthorised until the details of his Imprest Account were to hand?—If he were to make use of his imprest for purposes other than those for which the imprest was obtained—

5. That is not the point. I ask you, if an officer who was away from Wellington made payments for an account that was unauthorised, which payments could not be checked until the return of his account to the Treasury, could either the Treasury or the Audit Department have previously known that he was making a payment out of Unauthorised Expenditure?—Not if he made it illegally; not if he used his imprest moneys for a purpose to which they were not lawfully applicable.

6. Is it not a fact that, in the administration of the affairs of the colony, upon many occasions items that properly should be paid by an imprestee are afterwards found to be chargeable to Unauthorised Expenditure when the statement of his account comes to hand?—It is so found occasionally.

7. Is it not a fact that that has occurred right through the administration of the financial working of the Departments of the colony for, well, probably the last twenty years or more?—Probably so, for the last twenty years or more; but no such payment is legally made.

8. That is not the point. I will show you what I am getting at presently. Is it a fact, Mr. Warburton, that in the colony an imprestee may make payments—rightly so far as the payments are concerned—which are found to be chargeable to Unauthorised Expenditure after the statement of the account of the imprestee is received by the Treasury?—I understand you to ask whether the payments made by imprestees in the colony occasionally include payments which, if charged at all after they are made, can only be charged to the Unauthorised Expenditure Account.

9. That is so?—Then my answer is, Yes.

10. Then, how do you draw a distinction between the position of an imprestee in the colony and an imprestee in London, who has the control of his Imprest Account until the details of his expenditure come to the Treasury for the purpose of being checked and passed on to the Audit Department for the purpose of supervision? How do you draw a distinction between them in the case of the London payment against General Imprest Account and the case of the ordinary imprestees throughout the colony, who exercise their undeniable right to utilise their Imprest Accounts subject to supervision afterwards? How do you draw a distinction—in one case you interpose before the details are to hand, and in the other you wait for the maturing of the Imprest Account?—Take the present case, for instance. I do not draw any distinction whatever. If the Administration directs an imprestee to use his moneys for a purpose for which they were not obtained—that is to say, if moneys obtained by an imprestee for the purpose of paying expenditure chargeable to votes are used by that imprestee, by the direction of the Government, for expenditure chargeable to the Unauthorised Expenditure Account—then I say there is no distinction. It is equally illegal for an imprestee in the colony and for the Agent-General.

11. But is it not a fact that, in the case of the imprestee in the colony, the payments are made quite irrespective of any direction from the Government?—Not always; they may be.

12. Would it be possible for the Government to follow the different imprests in the hands of responsible officers throughout the colony in order to direct those officers as to what payments they should make?—No, it would not be possible; and therefore I say that if an imprestee, who obtains an imprest for the purpose of expenditure under a vote, makes a payment chargeable to the Unauthorised Expenditure Account, the Government must either charge him with it or adopt it and charge it to the Unauthorised Expenditure Account.

13. Yes; but is it not the case that before the Government could possibly know anything about it the imprestee would make payments, the actual vote to which they should go being known only when the Imprest Account reached the Treasury?—There are many payments of that character made—made by imprestees out of moneys advanced to them for other purposes than those for which the payments are made.

14. And which the Government, of course, could not direct?—The Government do not direct, but the Act directs.

15. The point is that under the Imprest Account of the colony imprestees do make payments which are afterwards found to be chargeable to Unauthorised when the details come to the Treasury, where the Government have not interfered with the payments by the imprestees at all—payments that have been made out of Imprest Account are found to be chargeable to Unauthorised?—Yes; but where the Government make, as they did, for example, in a case given in these papers—I refer to an advance made to Colonel Penton—an advance out of moneys not charged to the Unauthorised Expenditure Account, and claim the right to direct the imprestee to make the payment out of such moneys, then the Audit Office takes exception.

16. The Audit Office reserves to itself the right in some cases to interpose, before the account of the imprest is received to undergo the necessary examination by the Treasury in the first instance, and the supervision by the Audit Department in the second instance, and say that it must not be charged to Unauthorised, while in the general case of imprests it allows the accounts to go to the Treasury in the usual way for examination?—When that expenditure is made by imprestees without being directed by the Government to make it, in such a case we pass the expenditure as a charge to the Unauthorised Expenditure Account after the vouchers come in from the imprestee.