

(No. 91.)

No. 11.

The Hon. the Colonial Treasurer.

Audit Office, 8th April, 1902.

*War Office Expenditure, and Proposal to dispense with Audit of it by the Audit Office.*

THE Minister submitted to the Audit Office his telegraphic correspondence with the War Office respecting his proposal to dispense with the audit by the Audit Office of the vouchers for his expenditure of the War Office funds, and invited the concurrence of the Audit Office with the views of the War Office.

The Controller and Auditor-General thereupon remarked to the effect that the views of the War Office had been formed on the Minister's erroneous representation of the Audit Office as "persisting in elaborate thorough examination" of the vouchers in question, and expected that he would, after perusing the Audit Office objection to such representation, reply stating whether he would adopt or carry out the proposal.

Section 45 of the Public Revenues Act requires that the Paymaster-General's requisition shall comprise only such vouchers as are passed by the Audit Office, and it does not appear that the vouchers for payment of these Imperial Government moneys out of the Public Account can justifiably be exempted by the Audit Office from that statutory requirement on the assent given by the War Office after an incorrect and unsatisfactory representation. The Controller and Auditor-General would, in these circumstances, beg leave to ask from the Minister the courtesy of a reply before the Audit Office deals with the requisition.

J. K. WARBURTON, C. and A. General.

No. 12.

(No. 94.)

THIS requisition comprises vouchers not passed by the Audit Office, for £1,696 18s. 4d., to be charged to Deposits, Imperial Government, South Africa contingents. As, however, on a requisition comprising other vouchers not passed by the Audit Office, for £342 9s., to be similarly charged, the Audit Office, on the 5th instant, addressed to the Colonial Treasurer a minute asking him to inform the Audit Office whether he had determined to dispense with the audit of such vouchers by the Audit Office, the present requisition should be delayed till the answer is forwarded.

J. K. WARBURTON, C. and A.G.

7th April, 1902.

No. 13.

The Audit Office.

REPLY was made yesterday. It is the desire of the Treasury that audit by the Audit Office be dispensed with.

JAS. B. HEYWOOD.

8th April, 1902.

No. 14.

YES. But the question is whether the Hon. the Colonial Treasurer, after reading the Audit Office objection of the 19th March last to the representation made by him to the War Office prior to its assent to his proposal to dispense with the audit by the Audit Office of his expenditure of the War Office funds, would carry out such proposal without first correcting the representation, or whether, pending such correction, the Audit Office would be justified in waiving compliance with the statutory requirement of section 45 of the Public Revenues Act, that the requisition must comprise only vouchers passed by the Audit Office; and the question is raised in a consideration as well of the interests of the Administration as of the requirements of the statute.

J. K. WARBURTON, C. and A.G.

8/4/1902.

No. 15.

The Treasury, New Zealand, Wellington, 9th April, 1902.

*Memorandum for the Audit Office.*

THE effect of the provisions of the Public Revenues Act was not overlooked, but upon consulting with the Assistant Controller and Auditor it was understood by the Treasury that the Audit Office would not raise objection.

The Defence Department having undertaken to see that all vouchers are properly made out and that the computations are correct, certifying that the claims are made on behalf of the Imperial Government for war expenses, and that other requirements of the War Office are also being given effect to, the War Office have signified their willingness to have the pre-audit by the Audit Office dispensed with. The Minister therefore hopes that, in the exceptional circumstances, the Controller and Auditor-General will see his way to issue the bank orders.

JAS. B. HEYWOOD, Secretary.

(No. 96.)

No. 16.

The Hon. the Colonial Treasurer.

UNDERSTANDING that the Minister is satisfied that the Defence Department will do all that the War Office requires in the matter, and that the Administration takes the responsibility of dispensing with the audit by the Audit Office of the expenditure in question, the Controller and Auditor-General will issue the bank orders. As, however, in order to carry out the arrangement, compliance with a requirement of the Public Revenues Act must be waived, it is presumed that the matter is to be reported to Parliament.

J. K. WARBURTON, C. and A. General.

10th April, 1902.