

There is no objection to pass the necessary vouchers for the debit of £857 3s. 7d.

As regards the proposed credit of £5,508 12s. 10d., the Audit Office is prepared to pass the vouchers if the Government desire it and is prepared to take the responsibility, subject to the correspondence, of which a copy is attached, being laid before Parliament.

J. C. GAVIN,  
Assistant Controller and Auditor.  
7th August, 1902.

A (attached to No 14).

*Memorandum on Audit of Lieut-Colonel Cradock's Imprest Account to 8th July, 1901.*

1. SHOULD not Captain Norman L. D. Smith be debited in Miscellaneous Advances Account with £20 advanced to him on the 1st May, 1900, on account of incidental expenses of New Zealand Hotchkiss Battery (see voucher No. 17501, sub-voucher 63)?

2. What is the explanation of the payment of £29 3s. 11d. on the 30th March, 1901 (voucher 17503, sub-voucher 116), being amount expended in excess of moneys received for "men's comforts"? Is this a proper charge against the vote for South Africa contingents?

3. Should not the South British Fire and Marine Insurance Company be debited with the total sum of £886 4s. 2d. handed over to their agent, Mr. Pilcher, by Lieut.-Colonel Cradock, even although £647 13s. 4d. of that sum represents provision made for unrepresented cheques at the time the account was closed?

4. The acquittance rolls for £4,462 10s. should have been signed by the officer who commanded the contingent. There are no receipts from either officers or men for the amounts paid to them. Has the Defence Department any means of satisfying the Audit Office that the moneys for which credit is claimed by the imprestee upon these uncertified unreceipted rolls have actually been disbursed by him? To what extent has any examination of the rolls been conducted in the Defence Department?

5. All the other vouchers have been examined in the Audit Office. They are not satisfactory in some respects, and would not be accepted and passed were they for imprest expenditure in ordinary circumstances; but the Audit Office, recognising the difficulty of obtaining at the seat of war such vouchers as would be satisfactory in all respects, will raise no objection to them, and will pass the claim for credit on satisfactory replies being received to this memo.

J. C. GAVIN, A.C. & A.  
11th October, '01.

B (attached to No. 14).

*Under-Secretary for Defence to Major Smith, 2nd April, 1902.*

In Colonel Cradock's account of the 8th July, 1901, there is a receipt signed by you for £20 as an advance on account of incidental expenses of Hotchkiss Battery.

Where will the account and receipts for disbursements be found?

A. SIMPSON,  
For U.S. Defence.

C (attached to No. 14).

*Major Smith to the Under-Secretary for Defence, 3rd April, 1902.*

Under-Secretary Defence.

WHEN the Hotchkiss Battery remained behind in Cape Town Colonel Cradock gave me £20 for incidental expenses. I understood at the time that this was out of a fund that was subscribed, and not Government money. The money in question was expended by me in incidental expenses, food, &c. I kept an account, and, when possible, obtained vouchers, the whole of which I handed over to Colonel Cradock or Captain Todd at Pretoria in November, 1900, and balanced my account with the former.

NORMAN L. D. SMITH, Major.  
3/4/02.

D (attached to No. 14).

*Under-Secretary for Defence to Assistant Controller and Auditor, 18th June, 1902.*

1. CAPTAIN SMITH states that he accounted to Colonel Cradock for expenditure of amount advanced. (Memo. attached.)

2. The Department cannot supply any further particulars of payment of £29 3s. 11d., amount expended in excess of moneys received for men's comforts. It is presumed that moneys were forwarded from other sources for purchase of "comforts" for men, and that these amounts were overspent by £29 3s. 11d., which sum was paid from Imprest Account. Colonel Robin approved of the expenditure.

3. Colonel Cradock has taken credit in his account for amount of unrepresented cheques drawn on Mr. Pilcher, and each man's account has been debited with the amount, leaving a balance of £238 10s. 10d. to be accounted for by Mr. Pilcher. It is impossible to pick out from the acquittance rolls included in the account the particular items amounting to £647 13s. 4d. which would have to be credited to Mr. Pilcher were he debited with the total sum of £886 4s. 2d.

4. The amount of acquittance rolls substantially agree with the amounts charged on statements of each man's account rendered by O.C., and the men have signed vouchers for balance of pay, to which each man's statement was attached, which, no doubt, they carefully examined and were satisfied with before receiving the voucher.

5. Owing to the difficulties of obtaining receipts for expenditure while on active service, I would submit that the certificate of the officer that the amounts for which credit is claimed have been paid be sufficient.

ARTHUR DOUGLAS,  
Under-Sec. Defence.