

1902.  
NEW ZEALAND.

PAYMENTS BY MAJOR PILCHER IN CONNECTION WITH  
GOVERNMENT SERVICE IN SOUTH AFRICA.

(CORRESPONDENCE RELATIVE TO).

*Laid on the Table by Mr. Speaker.*

The CONTROLLER AND AUDITOR-GENERAL to the SPEAKER OF THE HOUSE OF REPRESENTATIVES.

Audit Office, 5th September, 1902.

THE Controller and Auditor-General has the honour respectfully to inform the House of Representatives that certain payments made on behalf of the Government in connection with its service in South Africa have, though unsupported by the vouchers necessary to audit, been passed by the Audit Office in accordance with the request of the Treasury; and he begs leave to submit a copy of the correspondence on the subject.

J. K. WARBURTON,

Controller and Auditor-General.

The Hon. the Speaker of the House of Representatives.

No. 1.

The Controller and Auditor-General.

Audit Office, 10th April, 1902.

*Major Pilcher's Accounts, 29th June, 1900, to 31st October, 1901.*

THESE accounts show a total expenditure of £7,562 Os. 6d., but this amount has been found by the Defence Department to include payments which can be set against moneys received by Major Pilcher for specific purposes, but not from the Treasury, and so not imprested to him. The amount of such payments may therefore, I think, be excluded from the Public Accounts ... £4,208 10 11

Leaving to be dealt with ... ..	£3,353 9 7
Less recovered and already credited to the imprestee ... ..	20 0 0
	<u>£3,333 9 7</u>

The Defence Department proposes to give Major Pilcher credit for an expenditure of ... ..	2,086 10 6
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Leaving a balance of ... ..	£1,246 19 1
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This balance of £1,246 19s. 1d. represents payments made by way of advance to members of the contingents, which the Defence Department is unable to deal with at present. Full particulars are with the papers.

I attach a summary of the expenditure amounting to £2,086 10s. 6d., from which you will see that there are payments amounting to £1,438 9s. 11d. not supported by vouchers. The Audit Office can therefore, on a strict audit, pass for credit of the imprestee £648 Os. 7d. only.

No doubt for a portion of the expenditure receipts may not have been readily procurable, or it may not have been deemed expedient to ask for them, say, in the cases of cash paid to men in hospitals, &c. On the other hand, there are a number of cases in which I think receipts might and ought to have been obtained. The circumstances under which the disbursements occurred were, of course, very exceptional, and there is little likelihood now of receipts being ever supplied; it is also probable that before the imprest accounts of officers of the first three contingents are closed many insufficiently vouched payments will be found to have been made, which the Audit Office will, as in the present case, be unable to pass. The matter therefore requires some consideration, so that the difficulty experienced in regard to such payments may be overcome, and the Audit Office be relieved of the responsibility of passing claims for credit of imprestees which in ordinary circumstances it would not pass.

J. C. GAVIN, A.C. & A.

11th April, '02.

## No. 2.

	Vouched.			Not vouched.			Total.		
	£	s.	d.	£	s.	d.	£	s.	d.
Cablegrams ... ..	187	12	2	334	14	6	522	6	8
Pay ... ..	...	...	...	138	11	0	138	11	0
Allowances ... ..	4	10	0	76	14	0	81	4	0
Stationery and printing ... ..	16	5	10	32	5	11	48	11	9
Office-furniture ... ..	...	...	...	49	7	9	49	7	9
Rent of office and stores ... ..	1	2	0	58	4	4	59	6	4
Petty cash ... ..	7	12	0	198	19	1	206	11	1
Comforts to men in hospital ... ..	147	0	9	66	6	8	213	7	5
Cash paid to men in hospitals and concentration camps	...	...	...	239	3	3	239	3	3
Clothing and outfits to men ... ..	104	8	8	9	13	6	114	2	2
Comforts supplied to men on board ship ... ..	6	17	6	171	13	6	178	11	0
Funerals ... ..	29	18	9	5	7	0	35	5	9
War maps ... ..	130	0	0	...	...	...	130	0	0
Louis Peat—passage and expenses ... ..	...	...	...	37	7	0	37	7	0
Orderly R. Sergt. Smith ... ..	10	10	0	...	...	...	10	10	0
Shipping-charges ... ..	...	...	...	2	14	5	2	14	5
Advertising ... ..	...	...	...	2	10	0	2	10	0
Exchange on cheques ... ..	...	...	...	14	18	0	14	18	0
Case for Mausers ... ..	2	2	11	...	...	...	2	2	11
	648	0	7	1,438	9	11	2,080	10	6

## No. 3.

The Treasury.

Has the Administration any proposal to make in respect to the unvouched expenditure in Major Pilcher's accounts with which Mr. Gavin's memorandum deals?

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

11th April, 1902.

## No. 4.

The Colonial Treasurer.

It is to be regretted that Major Pilcher's accounts should be insufficiently vouched, and the Audit Office could not be expected to pass such unsatisfactory accounts without drawing attention to their condition. On the other hand, it must be remembered that Major Pilcher is not versed in the Treasury regulations, besides which I have no doubt payments were made at very high pressure, when the ordinary requirements to safeguard such payments had to be relaxed under the very exceptional circumstances which must necessarily surround payments made almost at the seat of war. I am of opinion that the Audit Office should be asked to treat these accounts as exceptional and to pass them, although informal, and that, if the Audit Office should consider it necessary, Parliament should be informed of the action taken.

JAS. B. HEYWOOD.

15th April, 1902.

## No. 5.

The Controller and Auditor-General.

I SHOULD be glad to know whether, in view of the difficulty of obtaining vouched items asked for, you can follow the Secretary's suggestion.

J. G. WARD.

17/4/02.

## No. 6.

The Hon. the Minister.

IN the circumstances the suggestion appears to the Audit Office to be reasonable.

If such accounts comprise payments the only objection to which is that they are not supported by the vouchers necessary to audit, the Audit Office will pass the payments, and report the matter to Parliament, on the Minister's assurance that they are payments with which he is satisfied and for the passing of which by the Audit Office the Administration is prepared to take the responsibility.

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

17/4/02.

## No. 7.

The Colonial Treasurer.

So far as can be judged, the payments included by Major Pilcher in his accounts have been made *bonâ fide* on behalf of the Imperial Government and the Government of New Zealand, and I think you may safely accept the responsibility.

JAS. B. HEYWOOD.

19th Apl., '02.

Appd.—J. McG. 19/4/02.

For the Audit Office.—JAS. B. HEYWOOD. 19th Apl., '02.

Major Pilcher's accounts to 31st October, 1901, as presented to Audit passed accordingly.—  
J. C. GAVIN, A.C. & A. 19/4/02.

## No. 8.

*Extract from Audit Memorandum of the 30th July, 1900, to the Under-Secretary for Defence on Imprest Account of J. Cole, late Carpenter, Troopship "Knight Templar."*

THE amount of the proceeds, £319 9s. 1d., of the sale of Government property *ex* "Knight Templar," as per Messrs. Howard and Park account sales, was on the 28th May paid to credit of the officer commanding the Third Contingent, presumably Major J. Jowsey. He should at once be debited with the amount by way of imprest, and the proper vote credited.

It appears from . . . papers attached to Mr. Cole's letters that he expended £178 16s. 10d. and £2 on various services, the cash for which he received, according to his statement, as follows:—

	£	s.	d.
Received from Major Jowsey . . . . .	44	0	0
" Mr. Neale, stevedore, for four horse-slings . . . . .	1	4	0
Drawn on account in Standard Bank, £133 13s. and £2 . . . . .	135	13	0
	<hr/>		
	180	17	0

The disbursement of this money requires also to be passed through the proper accounts.

Have you any accounts from Major Jowsey showing that he advanced the £44 to Mr. Cole, and also the £135 13s. which it is presumed formed part of the £319 9s. 1d. paid into the Standard Bank?

J. C. GAVIN,

Assistant Controller and Auditor.

## No. 9.

The Under-Secretary for Defence.

I CANNOT find that any reply has been received to the memo. of which this is a copy (memo. of 30th July, 1900). As Mr. Cole is claiming a bonus for his services, I would be glad to have a reply before passing his claim.

J. C. GAVIN, A.C. & A.

11th June, 1901.

## No. 10.

The Assistant-Controller and Auditor.

THE proceeds of sale of ship-fittings have been credited to the vote and charged as an advance to Major Jowsey in account of the 30th September, 1901. Major Jowsey has advanced to Mr. Cole the sum of £180 17s. in his account of the 30th September, 1901. Particulars of expenditure herewith from Mr. Cole. Mr. Cole states that the attached receipts are all that he can produce.

M. J. DONNELLY,

For U.S. Defence.

30th Octr., 1901.

I would like to see Major Jowsey's accounts in which he brings on charge £319 9s. 1d. and takes credit for £180 17s. advanced to Mr. Cole.—J. C. GAVIN. 5th Novr., 1901.

The Assistant Controller and Auditor.—Mr. Cole has now rendered his account for the amounts received from Major Jowsey and other sources.—R. H. W., for Under-Sec. for Defence. 16th Apr., 1902.

## No. 11.

The Under-Secretary for Defence.

I WOULD be greatly obliged if you would kindly cause these accounts to be forwarded to Audit for examination as soon as possible, as Cole is pressing for payment of a sum of £11 2s., the voucher for which cannot be passed until he has satisfactorily accounted for the moneys imprested to him.

J. C. GAVIN, A.C. & A. 25th April, 1902.

The Assistant Controller and Auditor.—All the accounts I can produce in this matter and which were given to me by Mr. Cole have already been before you.—ARTHUR P. DOUGLAS, U.S.D. 25/4/02.

## No. 12.

*Imprests accounted for.*

FOR credit of the account of J. Cole for the period ended 15th April, 1902. £ s. d.  
 Voucher No. 1 ... .. 180 16 10  
 Forwarded for approval to the Defence Department on 25th April, 1902.

E. MOWBRAY,  
 For the Paymaster-General.

Approved.—ARTHUR P. DOUGLAS, Under-Secretary. 25th April, 1902.

Defence Department, Dr. to J. Cole.

	£	s.	d.
1900.			
May 19. To payments of wages, &c., in dismantling s.s. "Knight Templar" in South Africa, as per statement Luckie and others ... ..	47	18	6
Fishwick and others ... ..	50	4	0
Sundries paid cash for as per statement ... ..	80	14	4
Ditto ... ..	2	0	0
	180	16	10

I certify that, to the best of my knowledge and belief, the foregoing account is true and correct in every particular, that the charges are reasonable, and that the service has been duly performed, and that I actually paid for services named the sums which are not supported by receipts.

J. COLE.

To be charged to South Africa contingents.—ARTHUR P. DOUGLAS. 25th April, 1902.

*Summary of Expenditure.*

Particulars.	Supported by Receipts.			Not supported by Receipts.		
	£	s.	d.	£	s.	d.
Wages ... ..				47	18	6
" ... ..				50	4	0
Passage to New Zealand <i>via</i> Cape Town ... ..				18	18	0
Hotel board and residence ... ..	17	0	0	9	7	0
Cablegram to Premier and telegram ... ..				3	16	0
Solicitors' fees ... ..	1	15	0			
Horse-stalls, &c. ... ..	16	7	6			
Freight, &c. ... ..	4	19	4			
Cutting and screwing bolts ... ..	4	5	0			
Sundries ... ..	0	12	6	5	14	0
	44	19	4	135	17	6

## No. 13.

## The Audit Office.

THIS is clearly a case which must come under Minister's minute that the Treasury will take the responsibility of the expenditure which has been made *bonâ fide* on behalf of the Government, and which the Audit Office will probably find necessary to report to Parliament that they were unable to satisfactorily audit the expenditure, but under the circumstances of the exceptional nature of the services they had decided to pass.

JAS. B. HEYWOOD, Secretary.

25th April, 1902.

Expenditure amounting to £180 16s. 10d. passed for credit of J. Cole.—J. C. GAVIN, A.C. and A. 26/4/02.

## No. 14.

*Imprest Account of M. Cradock, Lieut.-Colonel.*

THE present position of Lieut.-Colonel Cradock's account in respect of a sum of £6,500 advanced to him by the Treasury in January, 1900, is as follows:—

	£	s.	d.
Amount advanced ... ..	£6,500	0	0
Recoveries debited ... ..	7	12	0
	6,507	12	0
Expenditure credited ... ..	1,856	2	9
	4,651	9	3
Balance ... ..			
The account has now to be debited with several sums amounting to £857 3s. 7d., including £736 16s. 8d. received from Lieut.-Colonel Robin ... ..		857	3 7
Expenditure now to be credited ... ..		5,508	12 10

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.

No. 15.

Hon. Sir Joseph Ward.

THESE accounts are over two years old, and, as Colonel Cradock is not in our service, it seems hopeless to expect that the requirements of the Audit Office can be given effect to beyond the explanation offered by the Under-Secretary for Defence. In these circumstances, I suggest the Audit Office be asked to pass the expenditure so as to clear the Imprest Account, and to report to Parliament.

JAS. B. HEYWOOD.

18th August, '02.

No. 16.

APPROVED. I think it is the only course to adopt.

J. G. WARD.

25/8/02.

For the Audit Office.—JAS. B. HEYWOOD. 27th August, '02.

Passed accordingly.—J. C. GAVIN. 1st Sept. '02.

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