

1903.  
NEW ZEALAND.

## PUBLIC ACCOUNTS COMMITTEE :

REPORT ON PARLIAMENTARY PAPER B.-20A, 1902—PAYMENT OUT OF UNAUTHORISED EXPENDITURE FOR TELEGRAPH EXTENSION (CORRESPONDENCE BETWEEN AUDIT OFFICE AND TREASURY RELATIVE TO).

*Report brought up on the 30th September, 1903, together with Minutes of Evidence, and ordered to be printed.*

### ORDERS OF REFERENCE.

*Extracts from the Journals of the House of Representatives.*

THURSDAY, THE 13TH DAY OF AUGUST, 1903.

*Ordered*, "That Standing Order No. 211 be suspended, and that a Committee be appointed, consisting of twelve members, to examine into and report upon such questions relating to the Public Accounts as they may think desirable, or that may be referred to them by the House or by the Government, and also into all matters relating to the finances of the colony which the Government may refer to them; five to form a quorum; the Committee to consist of Mr. J. Allen, Mr. Colvin, Mr. Fisher, Mr. Flatman, Mr. W. Fraser, Mr. Graham, Mr. T. Mackenzie, Mr. McNab, Sir W. R. Russell, Mr. Wood, Hon. Sir J. G. Ward, and the mover."—(Right Hon. R. J. SEDDON.)

WEDNESDAY, THE 16TH DAY OF SEPTEMBER, 1903.

*Ordered*, "That Papers numbered 154B (B.-20A, 1902) and 181B (B.-20B) referred last session of Parliament to the Public Accounts Committee, but not reported on, be again referred to that Committee."—(Mr. McNAB.)

## REPORT.

THE Public Accounts Committee, to whom was referred the above-mentioned Paper, has the honour to report that it has considered the same, and taken evidence thereon, and is of opinion that, as this difficulty is likely to be a recurrent one, legislation should be introduced to obviate it.

Wednesday, 30th September, 1903.

R. McNAB, Chairman.

## MINUTES OF EVIDENCE.

FRIDAY, 25TH SEPTEMBER, 1903.

Statement by the Right Hon. R. J. SEDDON. (No. 1.)

*Right Hon. R. J. Seddon* : To enable the Treasury to carry on from the 31st March till Parliament meets, the appropriations of the year are extended by law for three months. In many Departments—notably Railways, Postal, Police, Defence, and Lands—the amount so authorised is insufficient for the three months, as four monthly imprest issues have to be made within the three months, while only three months' expenditure is provided for—that is, as the law stands at present. This entails on the Treasury the necessity for conserving the "unauthorised" for the first quarter of the year until imprest supply is obtained; otherwise the railway or other employees would have to go without their pay. Members of the Committee will understand that, although we have the extension for the three months, practically there are the four months' imprest issues that we have to meet, and to enable us to do so we have to conserve the "unauthorised" as far as we can. This has occurred from time to time, and I think there ought to be an amendment of the law. In this case had the vouchers been entered up against the telegraph-extension vote they would have to be charged against the Unauthorised Account, and Railways or some other Department must have suffered. The claims had already been paid; it was simply a question of charging them to the vote. The payments were made, some out of the funds in the hands of the Post Office, others by the Agent-General. It does not follow that the Department when making the payments is aware that it is paying in excess of the vote. In fact, at the time the payments are made the vote may be in funds; but by the time the vouchers reach the Treasury and Audit for entry an imprest issue may have been made, which will alter the state of the vote and prevent the