

"(6.) Regulations may be made under this Act providing that in respect of any class of payments vouchers shall not be included in any requisition until and unless they have first been submitted to and passed by the Audit Office."

It was resolved, That the Bill as amended be printed.

On the motion of the Right Hon. Sir J. G. Ward, it was resolved to request Messrs. Warburton and Morris to attend next morning.

On the motion of the Right Hon. Sir J. G. Ward, it was resolved, That the evidence and papers in connection with the Bill be printed.

On the motion of the Right Hon. Sir J. G. Ward, it was resolved, That a memorandum of the Bill be prefixed.

The Right Hon. Sir J. G. Ward suggested that copies of the Bill be sent to the Controller-General and the Draftsman.

The meeting then adjourned until the 20th September

TUESDAY, 20TH SEPTEMBER, 1910

The Committee met at 11 a.m., pursuant to notice.

*Present:* Mr Russell (Chairman), Mr Allen, Mr Buxton, Mr Fraser, Hon. Mr T. Mackenzie, Mr Reed, Right Hon. Sir J. G. Ward.

*Public Revenues Bill.*

Messrs. Warburton and Morris, and Colonel R. J. Collins, attended.

Messrs. Warburton and Morris made statements, and were examined by members of the Committee, their evidence being taken down in shorthand by a reporter.

On the motion of the Right Hon. Sir J. G. Ward, it was resolved, That the Bill be reported to the House.

The meeting adjourned.

PUBLIC REVENUES BILL.

MEMORANDUM IN EXPLANATION OF PROVISIONS, ISSUED TO MEMBERS OF COMMITTEE BY THE MINISTER OF FINANCE.

THE principal object of this Bill is to substitute a system of post-audit of the Public Account in place of the existing system of pre-audit.

Under the proposed system vouchers for the expenditure of public moneys will be audited by the Audit Office after payment, instead of before payment as is done at present. Such is the system with nearly all other Governments, as well as in all commercial houses and companies. It will tend to facilitate prompt payment, as, many times, payment of claims is delayed by questions being raised with which the payee has no concern.

Control will be maintained, as heretofore, on the issue of the moneys under the proper parliamentary appropriations, as all issues of money will, before being made, have to be authorized by the Audit Office.

Provision is also made for an annual statement of the revenue and expenditure in detail, and a report from the Auditor-General thereon.

As a new Bill had to be introduced to change the audit system, it was considered desirable to introduce it as a Bill to consolidate and amend the law relating to public moneys, so that the greater portion of the Bill is a repeat of the Act of 1908, alterations being only made where experience in its operations has rendered it necessary.

Dealing with the principal alterations, I will take them in their order.

Section 4. The Bill provides for only one statutory officer, the Controller and Auditor-General, the position of the Assistant Controller and Auditor, as a statutory office at £800 per annum, being done away with.

This is following the practice of Australia, Canada, and other places, where only one statutory officer is appointed.

Section 9. Provision is made for the appointment of an officer of the Audit Department to act as Deputy Controller and Auditor, to perform such duties as may be assigned to him by the Controller and Auditor-General.

Section 10. It has always been the practice for the Auditor-General, though not laid down, to select his own officers—and very properly so from an Audit point of view. This principle is now being provided for in the Bill.