

19 *Mr Allen.*] What is your experience with regard to the loss which has taken place or wrong payments made? Have there been many?—Very few in the way of making payments.

20. Which is safer in your experience, pre- or post-audit?—I do not see much difference.

21 Does the Audit now, when they submit to Parliament an abstract of the accounts for the year, make any report that the accounts are actually paid?—No.

22 Is that statement we get an abstract of accounts of cheques issued?—Yes, of moneys issued.

23. Clause 52 provides that a requisition on being authorized by the Treasury shall be sent to the Audit Office, together with all the vouchers relating thereto. Is that before payment?—Yes.

24. Would you explain that to us?—The vouchers are placed in requisition without being audited, and the procedure so far as clause 52 is concerned is the same as was carried out in pre-audit.

25. Where would the saving of time be?—In the examination of the vouchers.

26. But will the requisition not include a summary of the whole?—Yes, in order that the Audit may issue the bank order

27 But where is the saving of time?—There is no examination of vouchers by the Audit Department.

28. In this case you do not examine the voucher, you simply sign the requisition. Are the detailed vouchers entered in the schedule in respect of which you are going to authorize an issue of money?—The total of each voucher is entered in the requisition under the vote or account, but not the details of the claim.

29 *Mr Reed.*] It practically comes to this, then, Colonel Collins that in a pre-audit the Treasury officers have received their directions from the Audit before payment?—Yes, that is so.

30. They have received their directions before payment. Now, in a post-audit does it mean that you are throwing more responsibility on the Treasury officers to see that their payments are legal and properly directed and properly carried out?—I do not think any additional responsibility is thrown on the Treasury officers in that respect.

31 In the post-audit they will receive no directions?—No, they will only receive the voucher for payment.

32 In that case they would have to take an extra responsibility on themselves, and they would have to act on their own initiative?—They will have to act on their own initiative. The Treasury will not audit the vouchers before payment.

33. Have you any check at all prior to the payment of the voucher?—Yes, under section 52.

34. Will the Treasury receive directions through the requisition?—They will receive the bank order authorizing the issue of cheques.

35. Will it assist them in keeping clear of any misdirected payments?—There is no question about it; they will have got their directions absolutely from the Audit Office.

36. The requisition will be the only guide that they require?—Yes, the responsibility is on the Department from which the voucher emanated.

37 In the case of a mistake, what is the remedy under the proposed system?—The remedy is to surcharge the officer who is responsible for the error

38. Satisfaction can be got and mistakes can be rectified perfectly satisfactorily under the post-audit system?—Yes.

39 Illegal payments or misdirected payments would have just as good a chance of being satisfactorily remedied?—The certifying officer and authorizing officer will be surcharged with the amount.

40. At the present time an illegal payment could not very well occur?—With pre-audit it could not very well occur. It might occur through a mistake with post-audit.

41 Is the country perfectly safeguarded in this remedy in case of such an illegal payment? Yes, by surcharge against the authorizing officer

42. *Mr Fraser* ] You stated that in your opinion provision should be made for pre-audit still in certain cases. Is there such provision in the Bill?—No, there is not.

43. Is it within your knowledge that certain payments under the pre-audit system were sought to be made which the Audit Office in the past considered to be illegal?—Yes, there have been payments of that nature.

44. And with post-audit these would go through without any question until after the money had been paid?—Yes, they would, unless a provision is put in the Bill to meet such cases. I was going to say, if an illegal-payment voucher reached the Audit the Audit could pick it out at once, and raise the question on it if there was a provision in the Bill.

45 You have told us that under the proposed system the Audit will only see the total of the vouchers, not the particulars, and there might be a mistake in a voucher which was, or might be deemed to be, an illegal payment?—What I said was that the total of the vouchers would be in the requisition, not the details. The vouchers do not come up for examination by Audit.

46. In practice would the Audit Office examine the details of these vouchers?—Not, under post-audit, until after payment had been made.

47 And therefore there might be details sanctioned by general approval of the requisition which might be illegal?—That is so.

48. *Mr Graham* ] You said just now that it was possible for a voucher to be passed and paid, and it might afterwards be discovered by the Audit Department that it should not have been paid. In that case you say it would be a surcharge upon the officer certifying the voucher?—Yes. There is provision made in this Bill for surcharging such officer.

49 It makes him personally responsible?—Yes.

50. *Right Hon. Sir J G Ward.*] I want to ask one or two questions upon this point of surcharging. What would be the procedure? Would it be something on the following lines: If the