

head of a Department at the seat of Government or the delegated authorizing officer at the seat of Government found that a voucher, upon its being certified to for payment, was wrong, would the Controller not report that to the Minister?—Yes, the Controller reports to the Minister

51. Before a payment is made would it not require to be authorized in the ordinary way by the Minister?—I do not think the Minister comes in there.

52. What I mean is, payments made by the Treasury in the ordinary course, excepting the conditions of authorized contracts, copies of which would be with the Treasury—would the Minister not have to certify payment before the Treasury made it?—No. The head of the Department or the person appointed by the Minister approves and authorizes the payment. I am speaking of ordinary payments.

53. Take the case of a sum of money for public works?—The ordinary payments for services are paid without the authority of the Minister

54. Take now the payments for which Parliament is responsible, details of which are authorized in the consolidated estimates: payment in that case would be made by the Treasury without the authority of the Minister whether it be either under the pre-audit or post-audit system?—It would.

55. *The Chairman.*] Colonel Collins, I wanted to ask you one or two questions. I understand the position now is that there are three checks the Department check, the Treasury, and the Audit?—There is no check in the Treasury

56. The payment by the Treasury is now checked by the Audit: is that so?—Yes.

57. Is this Bill your proposal? Are you favourable to the proposal? Do you think it a good thing in the interests of the country?—I do.

58. It would be easier to have mistakes made under the post-audit system than under the pre-audit?—There is a greater liability of wrong payments being made under the post-audit system that would not be made under the pre-audit system.

59. *Mr Massey*] Could you supply the Committee with some information with regard to the class of payments which are now post-audited, the class of payments now pre-audited, and the class of payments which would still be pre-audited if the Bill passed into law?—The Treasury could supply that.

60. *Mr Allen.*] Perhaps Colonel Collins will give us the reason for the 'vote'?—It is the title adopted elsewhere.

61. This definition of "public moneys" was in the original Act before the passing of the State Guarantee Act?—That is so.

62. Do the loan-moneys belong to the Crown and the Government of New Zealand?—Certainly, they belong to the Crown and Government of New Zealand.

63. What salary is to be paid to the Acting-Controller?—No salary is provided for the Acting-Controller

64. *The Chairman.*] The clause that Mr Allen is dealing with relates to the Acting-Controller—that is to say, the man who takes the place of the Controller and Auditor-General in the event of his absence from New Zealand?—Under the present Act, the Controller being absent from New Zealand, some person would be appointed Deputy Controller, who would receive £800 per annum. The Deputy in this Bill is an officer of the Department who on the recommendation of the Controller is appointed Deputy, and acts for the Controller in his absence, and performs such duties as may be assigned to him by the Controller.

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THURSDAY, 8TH SEPTEMBER, 1910.

Colonel R. J. COLLINS, I.S.O., Controller and Auditor-General, further examined. (No. 2)

1. *Right Hon. Sir J G Ward*] In regard to section 15, which provides that "if at any time the Audit Office finds that any public moneys are lying in the hands of or are due from any person or local authority, which ought to have been paid into the Public Account or any deposit account, or any of the other accounts mentioned in this Act, the Audit Office shall call on such person or authority forthwith to pay such moneys into the account to which the same belong, and in default of such payment shall inform the Minister of such default, who shall take such steps as he thinks fit to recover such moneys." I have no objection to the Audit Office taking the action, but I think it would be a mistake. In all other States it is provided that the Auditor-General shall report to the Treasurer, and it is for him to take the necessary action?—Yes, it is the practice in every other colony for the Auditor-General to report to the Minister, and it is for the Administration to take the legal proceedings.

2. *Mr Allen.*] What is the difficulty at present?—There is no difficulty at all.

3. What action does the Auditor-General take?—He would put a certificate on the Public Accounts; but under this provision he is to report the matter to the Minister

4. Supposing the Minister does not take any action?—The matter will be referred to in the annual report, which is laid before Parliament. The report will include a reference to the surcharge.

5. *Mr Fraser.*] Is there any difficulty, Colonel Collins, in regard to prosecuting local bodies?—No, not that I am aware of. This Bill proposes to leave it in the hands of the Minister, "who shall take all such steps as he thinks fit to recover such moneys to the use of His Majesty"—that means that the matter would be placed in the hands of the Crown Law Officer

6. Are they bound to follow his direction?—I cannot say