

7 Can the Audit Office proceed against a local authority independently of the Law Officers?
—I would rather not attempt it.

8. As the law stands at present, could you do so?—The Auditor-General could take proceedings under common law

9 Under section 107 of the Public Revenues Act, 1908, are you not compelled to do so?—Yes, that gives me power to do it in the case of local authorities. It would rest with the Audit Office to take such proceedings as it thinks fit.

10. *Mr Allen.*] Have these instructions contained in section 107 been obeyed in the past in regard to prosecutions?—Yes, in some instances.

11 With reference to clause 20 of the Bill—we are including stores as part of the business which the Audit Office has to look after: is it necessary to include stores here?—No, not at all necessary.

12. *The Chairman.*] I think the Audit Office controls the issue of stamps, too, does it not?—Yes.

13. Is it desirable to put in here a provision requiring an accounting officer to provide security in regard to stamps?—No, not at all necessary

14. *Mr Allen.*] In regard to clause 26, do you mind telling us what is the meaning of the provision that “all moneys paid into the bank to the Public Account shall be deemed to be public moneys”?—So that, according to law, they cannot be reissued from the Public Account except through the Treasury, and they cannot be issued except under Governor’s Warrant.

15. As to these separate accounts referred to in clause 27?—They are the separate accounts set up under special Acts of Parliament.

16. Are these separate funds all set up by direction of Parliament? Are there not separate funds set up without specific Acts?—I am not aware of any

17 Take the State Forests Account?—That is set up under the State Forests Act. The Scenery Preservation Account is set up under the Scenery Preservation Act.

18. In regard to clause 30, what is the meaning of that?—It provides that imprest-moneys shall be kept in an official account, and shall not be placed to the credit of an officer’s private account.

19. Has that been done?—It has, and it should not be possible.

20. As to clause 39, which empowers the Minister to “borrow from any bank or other person,” I should like to ask why the alteration is put in here?—The old Act of 1908 was a reprint of the Act of 1891, when there were no other balances of accounts from which moneys could be obtained other than the Public Works Fund. The section you have just passed—38—authorizes that any of the balances of the Public Account may be invested, and this simply confirms it. It has been the practice for years.

21 Clause 46 is a very debatable one; it reads, “In any case where any payment of an item is provided for in the estimates as passed by the House of Representatives, and is included in the total of a vote in the Appropriation Act, such payment of the said item may be lawfully made, anything in any Act to the contrary notwithstanding,” and so on. Why are those words put in, “anything in any Act to the contrary notwithstanding”?—That clause was in the old Act.

22 Yes, I know, and we have had considerable discussion about the matter before?—Well, unless this clause were inserted, no payment could be made without a special clause in the Appropriation Act. Though the money is voted by Parliament on the estimates, the Audit Office would say, “That is not sufficient: we require a clause in the Appropriation Act.”

23. Does it not mean that in a case where Parliament has passed a specific law authorizing a certain amount of money for a particular object, Cabinet can override the intention of Parliament by placing a vote on the estimates?—Yes, that is the intention.

24. Do you think that is a wise thing to do?—I submit it is not for me to answer a question of that nature; though I may say that this clause is somewhat misunderstood because it gives authority in general terms to make payment of special items which the Audit Office contends should not be paid without specific appropriation. Without this provision the Audit Office would not pass the payment unless there was a special authority in the Appropriation Act.

25. Take, for instance, the £40 payment to members: could that have been paid?—It could not have been paid without a clause in the Appropriation Act.

26. But that would amount to statute law?—That is so—that is the object. This clause has no force unless Parliament passes the item on the estimates.

27. Do you think Parliament can watch every item on the estimates as closely as it can each section in an Act?—You are making me a judge of Parliament.

28. But you must have an opinion of your own on the point?—I consider that if an item is placed on the estimates, Parliament has quite as good an opportunity to challenge it as if it were a clause in a Bill.

29 Clause 47 is another clause which will give rise to some objection. It allows the transfer of moneys available for one vote to any other vote in that class. In fact, it seems to give the Minister power to utilize votes authorized by Parliament for a specific purpose for expenditure on other items in the same class. Take the public-works estimates, for instance: according to this clause power is taken to transfer a vote from Auckland to the Bluff, as it were?—You are wrong there, I think. You are speaking now of items, whereas this clause has reference to transfers from vote to vote in the same class. If you turn up the summary in the estimates you will see what I mean. Power is only taken to transfer from, say, “Roads, Departmental” to a vote in the same class, not from item to item.

30 You can transfer any item under “Roads” to any other item under “Roads”?—But you do not need this clause to do that. The Audit Office deals only with the totals of the votes.