

31. *Right Hon. Sir J G Ward* ] What is the practice in other countries?—The practice in the Commonwealth, Queensland, New South Wales, and Western Australia is the same as that which is proposed in this Bill. I will read for the information of the Committee the Commonwealth law on the subject, which is as follows: “If the exigencies of the public service render it necessary to alter the proportions assigned to the particular items comprised under any subdivision in the annual supplies, the Governor-General may, by order, direct that there shall be applied in aid of any item that may be deficient a further limited sum out of any surplus arising on any other item under the same subdivision, unless such subdivision shall be expressly stated to be ‘unalterable.’”

32. *Mr Allen.*] I want to raise the question here as to those other accounts which the Auditor-General considers it necessary to have pre-audited. Will you tell us which particular accounts you wish to have subjected to pre-audit?—They are as follows: The investment of public moneys, loans to local bodies, advances under State-guaranteed Advances Act, and purchase of lands. There may be others, but I think a provision might be put in the Bill to the effect that the pre-audit can be made in connection with such items as the Audit Office may require.

33. What is the reason for the proviso to clause 1?—It is required to put the Cashier in funds. At the present time he receives moneys from the Miscellaneous vote of the Internal Affairs Department for general expenditure, but the Audit Office requires that any imprests made to the Cashier must be charged against the vote for the service for which the money is required, which at the time of issue to him it is difficult to say. This proposal is on the same lines as the Foreign Imprest Account.

34. Subclause (2) provides that every imprestee shall at the close of business on Saturday in each week, or at such longer intervals, not exceeding one month, as the Treasury in any case directs, prepare an account, &c. What is the necessity for that extension to a month?—It is necessary in cases where men are travelling about the country, and cannot account every Saturday.

35. *Mr Fraser* ] In regard to subclause (2) of clause 54, wherein does that differ from the present Act?—It is proposed by this clause that the Audit Office shall be notified of all charges to “Unauthorized.” If the Treasury agrees to make the expenditure, it will be necessary for a report of the same to be supplied to the Audit Office.

36. In subclause (4) it is provided that “For the purposes of this subsection transfers from votes or from permanent appropriations shall be deemed to be sums recovered”: can you tell us what that means exactly?—That is necessary because it has been found that when transfers come in for credit of “Unauthorized” it materially reduces the amount of “Unauthorized.” The vote may be exhausted to-day, and a transfer on account of service rendered comes in to-morrow, when it should be credited in reduction.

37. That means, so far as the existing law is concerned, that it increases the “Unauthorized”?—No; it has been the practice all along.

38. It could not be wiped out by recovery?—It has always been the practice to give credit for recoveries.

39. *Mr. Allen.*] What is the object of clause 55?—This is a new clause, by which it is proposed to establish a suspense account. In the event of money being provided for a work which at the time cannot be charged to any particular account, it can be placed in a suspense account, and can be charged against the proper item and vote after the work is completed.

40. Will you look at clause 64: I want to know why the Auditor-General is placed under the Minister, as it were?—The Minister may require the Audit Office to inquire into the accounts of his Department. The Minister may call upon the Auditor-General to make an examination of the accounts of any Department under his control.

41. In subclause 2 it says that the Auditor-General “shall forthwith report to the Minister the general result of such inspection,” and so on: now, I want to ask Colonel Collins, does he make that report also to Parliament?—Yes, that is quite clear. The result of the inspection goes in his annual report. This Bill places more power in the hands of the Auditor-General.

42. In regard to clause 65, does not this come into conflict with what we have passed already? I think we have already provided that the Minister shall surcharge?—No, the surcharge is made by the Auditor-General, and if any surcharge unsatisfied is reported by the Auditor-General to the Minister, he (the Minister) is to enforce the same against the person surcharged.

43. Clause 67 appears to be somewhat difficult to follow: it deals with the appeal by the officer to the Minister, and goes on to say that the Minister is to make an investigation, and may determine the matter by an order either confirming the surcharge or directing the relief of the appellant therefrom either wholly or in part?—That is so: the Minister is to make an investigation into the whole matter. You must have some one to appeal to. That is provided for in the report clause, 84 (g). The Auditor-General has to report to Parliament on all unsatisfied surcharges, and all surcharges disallowed by the Minister on appeal.

44. Clause 84 contains new provisions: may I ask whether this includes a report upon anything done under section 14, which says that he shall report to the Minister upon all matters arising under this Act, and so on? Is that included in the report which is to be placed before Parliament?—Yes, I think so. It would come under subclause (i).

45. And in regard to the details of revenue and expenditure referred to in clause 84: is there any provision that these are to be laid before Parliament?—Yes, in subclause (4).

46. What are these details of revenue and expenditure?—That depends upon what is prescribed by regulations.

47. Who prescribes it?—The Governor in Council.

48. Where is the provision for regulations in the Bill?—In section 3.

49. But the Auditor-General should be responsible for the form of the accounts?—No, sir; the Auditor-General is never responsible for the form of accounts.