

63 *Mr Reed.*] Do you consider, Mr Warburton, that the introduction of the post-audit system will remove the sole responsibility from the Audit Office and throw that responsibility equally amongst the Department and the Audit Office?—I do not think it will remove any responsibility from the Audit Office.

64. At the present time they are solely responsible in the first instance. When the vouchers come back from the Audit Office under the pre-audit system the Treasury has not to consider as to whether they are legal payments or proper payments, because they have passed the audit. Now you throw the responsibility on the Departments to see that the vouchers are properly paid in the first instance, so as to be prepared for post-audit?—Yes. In practice I believe that the Treasury, though responsible, rely on the Audit Office—that is, their responsibility is not felt by them.

65. And now they will take more responsibility under the post-audit system?—Now their responsibility will be a real responsibility. They will be surchargeable with the loss of any money due to any fault in payment.

66. Having that opinion, you also, I presume, agree with the provisions of subclause (5) of clause 52 that is being introduced into this Bill, giving the Auditor-General power if he wishes to take it to refuse to countersign the requisition if he considers any of the vouchers upon that requisition are not being paid as they should be—you agree that he should have that power in case he wishes to exercise it?—That seems to me a reasonable provision.

67. The reason I asked the question is that you quoted Romilly's remarks where he was advocating unrestricted powers for the Executive in paying. You agree that the Auditor-General, if he is so disposed, should use such powers as those?—This is a provision for the issue of money. This is not a submission of the voucher except for the purpose of the issue of money. It is not a submission of the voucher for audit.

68. It is an issue of the vouchers for payment?—Yes. That seems to be a reasonable provision. It is so reasonable that I might say it seems to me to be hardly necessary. The Auditor would, if he saw among the vouchers submitted to him for the issue of money strong objection to them, refuse to pass the requisition.

69. But he would require such power before he was able to make any official comment on the requisition, and you agree with the provision there?—Yes. I think I should do that if I were auditor, whether there was provision or not.

70. I ask the question because in that statement you read of Romilly's he used the words that the power of payment should be absolutely unrestricted?—Yes. This—the provision in question—is only for the issue of money. The issue and payment are distinct. It should be absolutely unrestricted in the payment. The Treasury here, under these provisions, sends the vouchers to the Audit Office before payment, with a view to the issue of the money. That is not going quite so far as they go in England or elsewhere, issuing the moneys for payment authorized by the appropriations, and without allowing the Audit Office to have the vouchers. This provision, you may say, is going half-way. It does not go so far—it shows the Audit Office the particular vouchers.

71. And under the English law you say that the vouchers do not get into the hands of the Audit Office until the actual audit takes place?—Yes. But I cannot say that I see anything inconsistent with the submission of the vouchers for the purpose of the issue of the money.

72. Do you look upon this as an advance for the protection of public moneys, that the audit should have the handling of this requisition prior to the payment of the moneys under post-audit?

Yes; this is a requisition for the payment of money, and the Treasury everywhere is restricted to the amount which the appropriations authorize, and the Controller therefore passes the issue to the Treasury.

73. He passes the issue, but he also has power to review the detail of that requisition?—No, he has no power to review the detail.

74. But he may refuse to countersign the requisition?—On the ground that there is no authority for the issue of the money?

75. No, on the ground that he is of opinion that any such voucher is not in accordance with the law?—Yes, that is so—that it is not a voucher for the payment of money appropriated by Act of Parliament.

76. And you think that is a step in the right direction for the protection of public moneys?—It is certainly a protection.

77 *Mr Allen.*] First of all, with regard to the proposal to do away with the imprest accounts, or certain of them, do I understand that your suggestion is that no imprest should be given except to the Post Office, the Treasury, and the Railways?—Yes. I should say, first, that the imprest should be issued by the Treasury in the first instance to those three offices.

78. And that no other imprest account should be given at all?—And that no other imprest account should be given. I am, of course, speaking of the Dominion.

79. And with regard to all others a letter of credit should take the place of the imprest?—Yes.

80. Will the letter of credit be probably for the same amount as the imprest in each particular instance or any particular instance?—The letter of credit would be for the amount which the imprestee would require during the period for which he proposed to spend the money.

81. That is the same as the imprest?—Yes.

82. And you say he could draw the whole of the letter of credit at once?—Yes.

83. And I understand you to say that there would be an additional check because the Post Office would notify the amount of the payment of the letter of credit at once?—The Post Office would act in two ways. Probably, if the officer were not travelling far, or were stationary, like the manager of a public works, he would be treated by the Post Office as a sub-accountant. He