

would take what money he required from the Post Office, enter it in his accounts as due to the Post Office, and send in the vouchers for the expenditure of that money by way of credit to that account.

84. When would the vouchers be sent in?—Well, the Post Office would see that they are sent in at the first convenient opportunity

85. When would that be?—It would be by every mail.

86. By the first mail?—By every mail.

87. Sir Joseph Ward asked you a question from which the Committee were led to think that in the case of an imprest account the imprestee had no occasion to send in his vouchers till the whole of his imprest was exhausted: is that correct? What does the law require now from an imprestee with regard to his vouchers?—That he shall send in his accounts weekly

88. Every week?—Except in those instances in which the Treasury may authorize him to send them in at longer intervals.

89. There is a special authorization by the Treasury that they cannot exceed one month?—I cannot recollect that without reference.

90. I will read you the clause “Every imprestee shall, at the close of business on the Saturday in each week, prepare and post to the Postmaster-General an account showing the whole expenditure of such moneys during the week, and the balance remaining unexpended, supported by such vouchers and other documents as are required by the Treasury or the Audit Office; but the Treasury may extend the period within which any imprestee is required to account to an interval not exceeding four weeks in any case.” That is the law?—Yes.

91. He must send in his vouchers?—It just depends upon whether his money is in his hands—I am speaking now of an irregularity—

92. I am speaking of the law?—The law is as you stated, but if an officer has money in his hands—if the money is not in the bank, for instance, and he is travelling about, and he draws cheques on that bank, there are cases in which the imprestee has to hold his vouchers back or use the money irregularly

93. That would occur with the credit-note system—he could use the money irregularly?—I do not think, under the Post Office, he could.

94. After he once got the money there is no check?—The Post Office is likely to look very closely into those things, because there they are closer to the accountant, and if no vouchers were sent in to any Chief Postmaster, you might say, during a very short interval for expenditure for which he had received money, the Post Office would call the imprestee to account—or, rather, the sub-accountant.

95. You say that there is a large amount of money in the hands of imprestees generally?—Yes.

96. Well, would there not require to be a larger imprest in the hands of the Post Office if they are going to accept these letters of credit?—No, because the Post Office is always remitting its receipts to Wellington. It has an imprest from the Treasury

97. But would not the imprest at Wellington require to be larger?—No. From Christchurch they come up in one day. The receipt which the officer gives, for instance, is for a small sum. Say the manager requires £200 to pay altogether, he can take £50 of that at a time and he accounts for that £50, and that £50 is the total amount of the imprest. By the time he wants a second amount of £50 the vouchers are in Wellington, charged to the expenditure and credited to the Post Office, so that the Post Office, before the second £50 is required, has the money back as remittances to Wellington.

98. What about the small country post-offices—how are they going to meet these letters of credit?—They always have money in hand, and if they have not enough they obtain money from the bank by draft.

99. You do not think there will be any difficulty in regard to country post-offices in meeting these letters of credit?—No. They meet at present a very large expenditure. Generally speaking, all Post Office payments are made out of the cash in the hands of the paying officer

100. *Mr Fraser*] There might be several letters of credit with regard to one imprest?—No, I do not understand that.

101. Where does the letter of credit come from?—The Treasury authorizes a letter of credit for the total amount that the imprestee may require.

102. From time to time?—No.

103. Is the letter of credit for the same amount as the imprest?—Yes, the letter of credit would be for the total amount of the imprest, and he would draw within that amount from time to time so much as he requires of that letter of credit, and what he drew would be entered up.

104. *Mr Allen*.] The only difference between the two would be that in the case of a letter of credit the Post Office keeps the money, and in the case of the imprest system the imprestee keeps it in the bank—is that it?—Or in his pocket.

105. *Right Hon. Sir J. G. Ward*.] Under the imprest system as it exists now the only check is at the head centre—that is, Wellington?—Yes.

106. Under the credit-note system there is the check of the post-office having to immediately transmit that to Wellington, otherwise the man cannot get the money—is that not so?—He can get the money, but the circulation is quicker—the turnover, so to speak, is quicker, and therefore you do not require so much.

107. *Mr Allen*.] Now with regard to the pre-audit and post-audit systems I understood you to say that one particular advantage of the post-audit system was that it would make the Treasury and departmental officers more particular in preparing their vouchers?—In authorizing their payments.

108. Do you mean to say that they are not now careful in preparing their vouchers?—I do not think, myself, that the Treasury officers recognize their responsibility so fully—that they are not as careful in making a payment when the payment is to be previously passed by the Audit Office.