

Mr. Dodd.
21st Sept., 1877.

weekly system, nothing else. Before we took over the Canterbury accounts there were four besides myself; now there are only seven. When I was asked what number was necessary, I said eight clerks and myself would be sufficient. I have never been able to get eight.

1968. You say there has always been to a certain extent a weekly system. Do I understand that since the weekly system has been introduced in the Southern portion of the colony, it has not increased the department?—We never had anything to do with the Southern accounts until the 1st of July last.

1969. You cannot say whether, if the monthly system were now introduced, that would lessen the clerical work?—I do not think so. A great many of the documents are exactly the same. The difference would be in the Manager's accounts.

1970. Still, if the monthly system were reverted to, you would have three returns in a quarter in lieu of thirteen?—That is so, but I could not say the work would be materially diminished on that account.

1971. At present you approve of the weekly system where the traffic is small?—Yes; I have not speculated on a monthly system at all. I should want the experience of a large traffic on a weekly system before I should say a monthly was better.

1972. Have you had much experience in railway traffic?—No.

1973. What you have gained has been here?—No; I have had some experience in the old country.

1974. Do you consider the traffic on the Hutt line a large traffic?—No; small.

1975. Have you any experience of the Lyttelton and Christchurch line?—I have seen the returns.

1976. Do you consider it a large or a small traffic?—It is large for New Zealand.

1977. Do you consider the traffic on the Port Chalmers line a large traffic?—No; small.

1978. You consider that the traffic on the New Zealand railways may be rated as a small traffic?—A very small traffic.

1979. I understood you to say that where one part of a voucher was wrong that would interfere with the payment of the whole?—Naturally; because it is one man's claim.

1980. I presume no two amounts are comprised in one voucher?—No two persons' accounts.

1981. If I had two claims I could send them in in one voucher?—Yes.

1982. And if my account for one article was right and for the other wrong, that would interfere with the voucher?—It would.

1983. Would you kindly explain to the Committee what is done in such a case?—We will say that the computation or addition is incorrect, or there is some informality, the corner of the voucher is turned up, and the objection is written upon it by the examining clerk, which is signed by the Commissioners of Audit. The voucher is then returned to the department, and sent back to the claimant if necessary; or the objection may be dealt with by the department, in which case the voucher would be sent back to the Audit.

1984. Mr. Macandrew.] Supposing a Stationmaster at any one of the 180 stations were to collect goods freight and put the money in his pocket; and supposing you were to allow goods to be delivered to the consignees without paying freight, by whom and where would this mistake be discovered?—The mistake, in the first instance, would most likely be discovered by the Inspector on the spot. There is just now a case in Canterbury where there is an outstanding amount of £8, and there are no goods on which the Government have a claim.

1985. Then practically the audit here is inoperative as regards the discovery of fraud *ab initio*?—They have the same papers passed through their hands, and are in no better or no worse position for the detection of fraud than any other railway audit.

1986. When a voucher reaches the Audit Office, what are the conditions?—We see that the voucher has been properly certified by the officer appointed for the purpose, and that the charges are according to contract or reasonable charges; and then we have to see that the voucher is properly approved for payment by the proper officer. The Accountant in the Constructed Railways Department approves constructed railway vouchers for payment. The other conditions are that the direction on the voucher to charge is according to the appropriation and that the voucher itself is correct.

1987. Then it would be impossible to make any payment in excess of the appropriation?—I might say it would be impossible, under the present system of control, to make a payment in excess without its being known.

1988. What do you mean without its being known? We will say the vote is exhausted?—The Commissioners of Audit would decline to issue if exhausted.

1989. Supposing the appropriation is exhausted altogether, is it possible any payment can be made?—If the appropriation and the unauthorized are both exhausted, there can be no issue.

1990. The Acting-Chairman.] Would the account be passed as correct for payment all the same, but the issue would not take place?—Yes. It could not take place, and does not, as a matter of fact. The examination will show that in no case has the unauthorized and the appropriation as well been exceeded.

1991. To what extent has the Audit Department at Dunedin and Christchurch been reduced since the thing came under the central Audit?—I do not know what the staff was.

1992. Has it been reduced at all?—I should doubt it.

1993. Do you think more hands are required?—I think there is another clerk required here; no doubt about that.

1994. Mr. Macandrew.] With regard to this £1,000 voucher for coal, what process does that go through?—If a store voucher, it goes from the Storekeeper to the Stores Audit, from there to the Accountant, from the Accountant to the Audit, from the Audit to the Treasury, and then to the Countersigning Officer; the cheque being sent direct to the claimant.

1995. It goes through five different stages?—Yes.

1996. The Acting-Chairman.] With reference to the travelling Inspectors, you say you have some in the Audit Department?—Yes.

1997. Would you state what their duties are, and the remuneration they are receiving?—Their duties are to inspect the accounts of each station and Stationmasters' accounts.