

57. Are you aware that such a provision as that exists in any of the other colonies or elsewhere?—There is no control anywhere except in Victoria, and I do not remember any such clause in the Victorian Act. I will look it up and tell the Committee, but to the best of my belief there is no restriction to the control of the Commissioners of Audit.

58. *The Chairman.*] It was the practice in Victoria formerly to issue a monthly warrant, and to pay the money over to the head of the department, authorizing the bank to honour his cheques?—They pay the money over to the Sub-Treasurer of each district.

59. *Mr. Dargaville.*] This means that the Ministry of the day may supersede you virtually, and withdraw moneys from your control. Do you know of any other colony or place where such a power is given?—No; it is not the case in England.

60. The 16th section says, “The Treasury may from time to time agree with any bank upon terms and conditions for the receipt, custody, payment, and transmission of public moneys within or without the colony, and for advances to be made under the authority of this Act, and for the charges in respect of the same, and for the interest payable by or to the bank upon balances or advances respectively, and generally for the conduct of the banking business of the Government; but no such agreement shall be made for a period of more than one year unless it contains a provision that the same may be terminated any time after a notice of not exceeding six months.” I see the word “bank” is in the singular there. Would that section as it stands empower the Government to deal with more than one bank, or an association of banks; or does it not limit them until the section is altered to dealing with one bank?—If you refer to the interpretation clause, the work bank is defined, “‘The bank’ means any bank in which the Public Account is appointed to be kept as provided by this Act.”

61. This Act provides that “any bank”?—I think it would cover any banks.

62. “Interest payable to the bank?”—Each bank would be “the bank” within the meaning of the Act.

63. Without altering the interpretation or construction of this Act?—I think so. It was held to be plural, for Sir Julius Vogel advertised for terms from all the banks.

64. Yes; but not under this Act?—The same terms were used in the former Acts. The wording comes down from the Act of 1867, I think.

65. *Mr. Peacock.*] I understand you have indicated, as the result of your experience in the various colonies, that our system of control and audit is superior to that in any other colony?—It is far more minute.

66. You think there is better control?—I think our control has one great advantage. It enables the public accounts to be published at a much earlier period than in any of the other colonies. The public accounts here may be published within a month—in two or three weeks, in fact—from the end of the year. It enables us to audit the public accounts, for the quarter or year, within two or three hours. Under the old system it took more than twelve months after the conclusion of the year. Of course, the accounts being pre-audited, no audit is required, except to see that the balances in the printed account are the same as the balances in our books. That is the great advantage of it.

67. I understood you to state that there was nothing to hinder the Treasurer drawing out upwards of £800,000 on the 31st May? I should be glad if you would explain to me how that comes to be, considering subsection (a) of section 9 of the Act of 1882, which states that “Payments in respect of any service shall not exceed the amount of the unexpended balance of the vote for such service provided in the Appropriation Act for the year or period immediately preceding, together with an amount equal to one-sixth part of the total of all salaries, pay, wages, allowances, mail contracts, rents, and other recurrent charges, and of all ordinary contingencies of any office or department provided for by the aforesaid vote, and set forth in the estimates relating thereto; but no payments shall be made for any services other than those for which provision was made in the aforesaid Appropriation Act and estimates, or in excess of the scale therein set forth.” I understood that this £192,000 was the whole of the unexpended balances?—No; the unexpended balances were over £867,000. The £192,000 was only so much as the Government thought it wanted for the fortnight till Parliament met. It was the enormous votes under the Public Works Appropriation Act of 1882 which ran the balances up so largely. £600,000 or £700,000 which had been voted the previous session under the Public Works Appropriation Act had never been spent.

68. In the event of the Treasurer having made application for that money a fortnight preceding the 31st May, or even a month preceding, what difference would it have made as far as control is concerned?—None whatever. We should have issued it.

69. Would there have been any ground for taking exception to it if application had been made in the early part of May?—No more than we should have said, You cannot possibly expend this money, because we know what the average expenditure is. We should have had no power to refuse.

70. That is, it would have called for no remark if these moneys had been requisitioned for issue or payment in the beginning rather than the end of the month?—No; except we should have remonstrated as we did, and say, You are drawing money you cannot expend. That is all we could have said, and we think it was our duty to report it to Parliament.

71. I presume the probabilities are it would not have called forth any special remark?—I think it would; that they were taking an unusual step to do an obviously illegal thing; but we could not have refused it.

72. Will you explain wherein your control was done away with by the taking of these moneys altogether at that date rather than at an earlier stage?—On the face of it, it was a conversion of the whole system from pre-audit payment to payment before audit. All vouchers are first passed by the Audit, sent down to the Treasury for payment, then put in the requisition, and come up to us again