175. But there is the block in the book?—But the blocks and the registers may not be reliable.

176. If the Audit officer could not check it, how could the Warden at the end of a month check it, because the deed is issued, and the only thing the Warden would have would be his memory, which is not a proper thing to depend upon, and the written evidence in the office—the block; so that he would only have the same means of checking as your own Audit officer?—Yes, that is so, but I never heard of the Wardens auditing before.

177. *The Chairman.*] Did the Warden, in referring to audit, refer to the cash-book?—I think he would. He would not communicate with me. I do not think my duty would be satisfied.

178. *Right Hon. R. J. Seddon.*] If all the Wardens did the same as Mr. Stratford, and checked the accounts, would not that be an improvement on signing the abstract?—No; I think he should abandon that audit, and that it should be left to the Audit Inspector.

179. You think he should receive the abstract made by some officer, and that he should sign it: but the Warden may be somewhere else?—I think it is more expedient than any of the other courses proposed.

180. That is the groundwork on which you put the tag to your report—because Mr. Stratford refused to comply with your request?—It was the failure of the Mines Department to comply with that Audit requirement; and, to my mind, the statement required was as simple a statement as a public officer could be called upon to furnish.

181. I want to know under what section of the Public Revenues Act you reported this matter to Parliament?—I regard it as my duty, if there be no special provision, or unless there be a special provision prohibiting it, to report to Parliament on the accounts every failure to comply with an Audit requirement.

182. Section 32 of the Public Revenues Act is specific as to what shall be reported, and section 32 provides what surcharges shall be made?—Take section 72.

183. Was it under that section you reported to Parliament?—That is the section under which it is my duty to report my objection.

TUESDAY, 13TH SEPTEMBER, 1898.—(Hon. W. J. M. LARNACH, Chairman.)

J. K. WARBURTON, Controller and Auditor-General, further examined.

1. *Right Hon. R. J. Seddon.*] Will you turn to section 32 of "The Public Revenues Act, 1891," and look at the last subsection: "In every case in which any surcharge shall be disallowed by a Minister on appeal, a report of the circumstances shall be transmitted by the Audit Office to the Speakers of both Houses of the General Assembly within fourteen days after the then next sitting of the same." Do you find power there to report to Parliament?—That is one power, if the Minister disallows the surcharge. It is a duty.

2. Now refer to section 49: "All sums so issued during the currency of the annual Appropriation Act shall be charged to an account to be called the 'Unauthorised Expenditure Account,' and an abstract of the same certified by the Audit Office shall be laid before Parliament within ten days after its first sitting-day next after the end of the then financial year." That is also obligatory —you "shall" lay before Parliament?—The Treasury should do that.

3. Section 72 is the next reference: "If the Audit Office objects to any part of such abstract or appropriation account, it shall notwithstanding certify the same, with such remarks thereon as it thinks fit, which shall be published and laid before Parliament, together with such abstract or account." Did you object to any part of the abstract or appropriation laid before Parliament?—Yes, I objected to the abstract. I was unable to certify the abstract without the objection. The question for the Audit Office is whether it objects to the accounts, and on that question the Audit Office alone can be the judge.

4. Your only objection to the abstract was that you could not obtain the certificate of Warden Stratford to it?—No; it was the failure of the Mines Department to comply with the requisition. The collections of gold revenue have not been verified to the satisfaction of the Audit Office, and the Audit Office has been unable to verify them.

5. What was the ground on which you objected to this abstract? You have said that it was because the Mines Department failed to give effect to your requisition?—Because I was unable to verify the collections of gold revenue in the accounts of the Receivers.

6. On what ground do you base the failure?—I was unable to verify them because there was no means of verifying them.

7. Was it because the Mines Department had not obtained the certificate of Mr. Warden Stratford to the abstract?—It was because the Mining Department had failed to furnish a statement certified to by an officer independent of the Receiver.

8. Were you aware that Mr. Stratford had refused to sign this abstract?—I must take what the Minister has stated to me. He stated that if I had in the first instance addressed him on the subject he could easily have arranged with the Warden to comply with the requirement.

9. Then, you are aware that Mr. Stratford declined to sign the abstract?—I could not get a certificate to verify the abstract.

10. That was your reason for reporting to Parliament?—I cannot state the reason; I can only conjecture what Parliament requires the objection for. My ground of objection was that I could not verify the collections.

11. And the reason of that was because Mr. Stratford refused to give you the abstract?—No; because I had no means of verifying. I could not discuss it with the Minister. If the Minister had offered to me as his own the objection of the Warden I would then have suggested ome other course perhaps. He was satisfied that the requisition was reasonable enough. The Minister, as far as I can see, did not object to the requisition.