

the Treasury Cashier out of imprest moneys which it was contrary to law to apply to such payments; and these points having been ascertained, the vouchers are passed by which the payments are charged to the Unauthorised Expenditure Account.

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

No. 11 (attached to No. 8).

The Hon. the Colonial Treasurer.

Audit Office, 25th March, 1901.

Advances to Colonel Penton and Major Owen.

THE vouchers which now have been sent in for credit of the imprestee, and according to which the payments are charged to the Unauthorised Expenditure Account, are passed subject to the objection, already raised by the Audit Office, that it was contrary to law for the imprestee to use, in making such payments, money which had not been issued to him by way of imprest for the purpose of being expended under section 47 of the Public Revenues Act, without the appropriation of Parliament; and as the Treasury is understood to contend that it was not contrary to law for the imprestee to do so, the Audit Office proposes, in the circumstances, to take exception to the payments in question having been made by the imprestee out of money of which the issue to him by way of imprest had been charged to votes for authorised services.

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

No. 12.

For the Solicitor-General's opinion.—J. G. WARD.—18th June, 1902.

The Solicitor-General.

Your opinion is asked on the question disclosed on the papers herewith. The facts are as follows:—

Major Pilcher was instructed to make payments in South Africa for services not provided for by vote, and he obtained authority from the Treasury to draw upon the Agent-General in London for the amount required, estimated at £3,000. The Treasury advised the Agent-General to honour the draft, and to charge it to General Imprest in the Foreign Imprest Account.

The Audit officer in London cabled to the Controller and Auditor-General, stating the instructions received by the Agent-General, and asking if the charge should be to General Imprest.

The Audit Office holds that, inasmuch as the Treasury knew that there was no appropriation, the amount could not be charged to General Imprest, but should be specially sent Home pursuant to requisition, and bank order charged to "Unauthorised."

The Treasury, on the other hand, contends that, as the unexpended balance of General Imprest would not exceed £60,000 after charging the draft, a special requisition and bank order is not necessary, and that the payment can be lawfully made by being charged to General Imprest out of the Foreign Imprest Account.

The question is whether the view of the Treasury or of the Audit Office, as to the law, is correct.

It is not considered necessary to ask your opinion as to whether the Treasury was justified in delaying the transmission of the Controller and Auditor-General's proposed telegram, until the legal position is definitely ascertained. The Treasury is satisfied that its action was amply justified in the interests of the public credit, as the proposed telegram was in effect an instruction to the Audit officer not to countersign the necessary cheque required to be drawn by the Agent-General, and might have resulted in the dishonour of the draft.

19th June, 1902.

J. G. WARD.

No. 13.

Re Draft for £3,000, Known Unauthorised Expenditure.

1. ON the facts as stated, I am of opinion that the Treasury is right.

2. The Foreign Imprest Account is regulated by sections 60, 62, 63, and 64 of "The Public Revenues Act, 1891." Moneys are transferred to it from the New Zealand Public Account by requisition from the Treasury to the Audit Office (section 60). The sums transferred are to be "charged as far as possible against votes, but moneys may be issued by way of general imprest, of which the balance unaccounted-for shall not at any time exceed £60,000" (section 63). The term "votes" here means existing appropriations, whether permanent or otherwise.

3. Pursuant to this section the practice of the Treasury in making a requisition is to specify the votes as far as possible, and the amount required in respect of each, and to charge the amounts accordingly. "Unauthorised" is treated as a vote within the meaning of the section (to wit, a standing vote or appropriation of £15,000 a year), and accordingly, where the requisition is expressed to include a sum for unauthorised services, the requisition charges the sum to "Unauthorised." Similarly "General Imprest" is treated as a vote (to wit, a permanent vote or appropriation made by the section itself, and limited to £60,000 at any one time). It is intended to meet the exigencies of the public service in London; and accordingly, where the Treasury desires to place the Foreign Imprest Account in funds for general purposes, it makes requisition charging the amount against General Imprest. In my opinion this practice is according to law. The sums thus charged against votes (including, of course, "Unauthorised" and "General Imprest" as votes) reduce the available balances of the votes as from the date on which the Audit Office passes the requisition and issues the bank order, although the money is not then actually expended, but is merely transferred to the Foreign Imprest Account to be subsequently disbursed, under Ministerial authority, by the Agent-General, and accounted for by him, as imprestee.