

50. *Mr. Fraser*] If the regulations are drawn by the Ministry of the day, they might not desire to give the information respecting details—how are we then going to get them?—Through Parliament.

51. The Bill does not provide for it?—But the regulations have to be placed before Parliament.

52. What is there new in clause 86?—Regulations may be made, such as to provide for the Post Office paying accounts on behalf of the Treasury. They will be paid more promptly by that means.

53. *Mr. Fraser*] They do that now, do they not?—Yes, up to a certain amount, or upon special instructions from the Treasury.

54. Is there any new matter in clause 90?—It simply gives authority for the payment of claims from the Consolidated Fund. The Audit Office has hitherto objected to such payments, on the ground that there was no authority for them.

55. With regard to clause 92: does the fact of its appearing here obviate the necessity for repeating it in the Appropriation Act?—Yes.

56. In clause 120 it says that the Audit Office shall surcharge in connection with amounts expended or applied without authority. I was under the impression that the Audit Office had to report the matter to the Minister, and the Minister was to surcharge?—No. That clause referred to “public moneys”; this clause deals with moneys of the local authorities.

57. Will the clause effect what is necessary, do you think?—It has been effective in the past.

#### TUESDAY, 13TH SEPTEMBER, 1910.

Colonel R. J. COLLINS, I.S.O., Controller and Auditor-General, further examined. (No. 3.)

1. *Right Hon. Sir J. G. Ward.*] You are now Controller and Auditor-General of New Zealand?—Yes, that is so.

2. How long have you been connected with the Treasury?—Thirty-two years.

3. Has the Treasury during the whole of that time been under the pre-audit system?—Yes, it has been under the pre-audit system during the whole of that time.

4. From your experience of the Treasury, does this alteration to the post-audit system give the Controller and Auditor-General more power or less power than he had before?—It gives him more power under section 84, which he had not before. That section gives him the power of reporting to Parliament everything in connection with the financial transactions of the Government that comes under the Audit for review.

5. Does the alteration to the post-audit system, in your opinion, give the Government of the day or the Minister more power or less power than exists under the pre-audit system?—It certainly does not increase their power. Whatever payment by a Minister is made under the system of post-audit—i.e., audit after payment—the Administration has to justify that payment, otherwise the Auditor and Controller-General would have the right to report it to Parliament under the provisions of the present Bill.

6. It does not give him more power?—No, it does not give the Minister more power.

7. What is your opinion as to the effectiveness of the post-audit as against the pre-audit system in regard to the conduct of the business of the country: is it preferable or not?—Yes, I think it is preferable, because it means that a payment will not come before the Auditor-General for examination until it is completed. The payment voucher will be complete in every respect when it reaches the Audit Department.

8. In other words, under that system of post-audit the whole operation is complete, as against the existing system, which is not complete when it reaches the Department?—Yes. There is no doubt the audit examination should take place when the whole operation is complete.

9. *Mr. Allen.*] With regard to the system of pre-audit, I understand there is a waste of time regarding the production of the Public Accounts. We have been told that we cannot get certain public accounts because the system of pre-audit delays it. In what way does the system of pre-audit delay it?—Pre-audit does not delay the publication of the Public Accounts.

10. Not in any way whatever?—No, not in any way whatever.

11. Can you get the Public Accounts as quickly under the pre-audit system as under the post-audit?—Yes, just as quickly, but the question that has been raised is that you cannot get a statement of the payments actually made, because, although the cheques may have been issued, it is not known that such cheques are actually paid until after an examination of the vouchers. The statement you get would be a statement of the cheques issued.

12. And would be a statement of your books?—Yes, a statement from our books.

13. Well, can you under the post-audit system get a statement of the books on the 31st March?—Yes, you can do so just the same as we do now under pre-audit.

14. Will all cheques that have been issued on the 31st March, if you are going to have the post-audit system, go into the audit of that year?—They will be in the accounts of that year.

15. Will cheques issued on the 30th March, if they are not paid till the 2nd April, come in for the year ending 31st March?—No, because the receipt could not be returned in time.

16. Therefore under the pre-audit system you get the audit which you do not get under the post-audit. A cheque issued on the 30th March, which is not paid till April, is audited for the year ending 31st March under the pre-audit system?—It is audited at the time of issue.

17. In case of post-audit, if it is not paid till after the 31st March it cannot be audited till after the end of the financial year?—But it is included in the accounts. You may audit a voucher on the 31st March under the present system which may never be paid.