

49. Do you know whether it is usual in passing a voucher along for payment for military services that his position is named in that voucher, such as Captain R. J. Seddon at the top, or such as Commander or Colonel?—I think not. We should not question it as long as the payee was named. I could not answer without specially satisfying myself, but I believe it not to be so. The Audit would not raise any question on that point.

50. *Mr. E. M. Smith.*] You have carefully read the evidence given by the witness Willis?—Yes.

51. Now, in regard to the suggestion that a voucher could be put through the Treasury for certain work done and then could be abstracted afterwards, do you say that those two signatures would have to be forged?—Two Audit officers' signatures of authority, or rather we should call them initials.

52. Are there not two Audit Office stamps on the vouchers?—Yes; there is the Audit Office stamp of receipt and payment and the approval stamp of the Department which approves the voucher.

53. So that there would be stamps to be forged as well as initials?—They would have to place the stamps on.

54. So that it would easily be identified if the voucher had been abstracted and another one put in its place?—We could identify it by our initials, the initials of the Audit officers and the stamps, though the stamps, of course, are hand-stamps, and it might be practicable to get possession of the hand-stamps for the purpose.

55. You examined the officers of the Defence Department to see whether this work had been authorised?—Yes.

56. And their evidence was that no authority had been given, no work had ever been performed, and they were positively sure that no payment had been made so far as they knew?—That is so.

57. What becomes of the cheque after it is paid at Christchurch?—The cheque, I believe, is retained by the paying-office. The Treasury could give evidence on that.

58. Did you put any obstacle in the road of Mr. Willis in regard to his overhauling the papers in your Department for the purpose of finding whether such voucher existed or not?—He did not ask to overhaul the books of the Audit Office. He had every facility placed in his way for examining all the original vouchers according to lists which he had signed himself as correct, lists prepared from the record kept by the Chief Postmaster of the vouchers for payments made by him on cheques countersigned by him, and the lists which he signed as correct were verified by the Audit Office books. I think that his requests received every consideration. If there was any fault to find I think it was that the facilities afforded to him were rather too great, if anything.

59. *Mr. Fowlds.*] With reference to the question of the substitution of a voucher during the time the inquiry was being held, did your examination of these vouchers establish to your satisfaction that they were all genuine vouchers?—Yes, sir.

60. You are satisfied there was no fraud as far as those vouchers were concerned?—Completely.

61. With reference to the mistake that was made in the amount of one voucher—£7 4s. 9d. as against £70 4s. 9d.—was that mistake only in the memorandum-book kept in the Christchurch office?—Yes.

62. There were one or two little mistakes?—There was one other—according to my report there were two, but I found subsequently that one of those two was an error in a list taken out from the Christchurch book—an error in the taking-out.

63. And the other one of those two was an error in the Christchurch books?—Yes; there could be no error in the Audit Office books.

64. *Mr. Rutherford.*] This, of course, Mr. Warburton, was a departmental inquiry that you held?—An inquiry by the Controller and Auditor-General. It is not, strictly speaking, a departmental inquiry, because I have no official superior.

65. There is a distinction?—It is not, strictly speaking, a departmental inquiry.

66. At this examination only one witness was present at a time?—Yes.

67. You sat in the room and the witnesses were admitted one at a time?—Yes, in my own office.

68. Then there was no cross-examination, that is to say, Willis had no power to cross-examine any of the witnesses—when Mr. Collins gave his evidence Willis was not there to cross-examine him—he was not cross-examined by any one but you?—No; it was evidence I was taking in exercise of my powers under the Public Revenues Act.

69. He was not cross-examined by Mr. Willis?—No.

70. When Mr. Willis gave his evidence he stated that he could give what evidence he pleased, but that all of it was not placed on record?—That is not correct.

71. You deny that?—Yes.

72. Mr. Willis also stated, "Then we come to the fact that Mr. Grey states that certain records, certain books of account and the register of records have been searched, but they would not allow me to search them, they would not give me an opportunity of seeing them, but only the things that would establish their case; and the Treasury and Defence books apparently, according to the evidence, are the only places where the name of the payee, the particulars of the services rendered, and the amounts are recorded. That is the very thing I wished to see, but they would not allow me to see them—I had no opportunity of getting at those records. Then Mr. Collins refers to the many records of such payment, but he would not allow me to see one of them."