

132 Under the pre-audit system, before an amount is paid it is audited, is it not?—Well, it is, as a proposal to pay

133 When the cheques are made up and a cheque has been drawn, that account has been pre-audited?—Yes, that is so.

134 So that on the 31st March all your accounts are pre-audited except the details of imprest?—Yes.

135 Very well. Now, under the post-audit system how are you going to get your audit complete up to the 31st March? Say a cheque is drawn on the 29th March for a voucher, the voucher is not returned to the Treasury till some time in April, what check have you got on that for the year ending 31st March?—Up to the 31st March?

136 For the year ending 31st March. The account is made up to the 31st March the cheque drawn will appear in the account, but the voucher, not being returned, will not be audited?—No.

137 Well, what check have you got on that?—When the voucher comes back.

138 That is after the year is completed?—Yes.

139 The account as presented to Parliament will not be checked so far as that instance is concerned?—The accounts presented to Parliament will be the accounts as they are presented in the Commonwealth, and the Cape, and other places.

140 Made up to the 31st March?—Yes, but not made up on the last day. The accounts up to the 31st March under the present system are audited before payment, under which you treat the issue of a cheque as a payment. That account is not audited for six weeks after the 31st March.

141 The account so far as the book entry is concerned with pre-audit is audited before it is paid?—Yes.

142 Well, so far as the book entry is concerned it is correct?—The law makes it correct at present.

143 But in the case of post-audit you would have to wait?—You would have to make a perfect audit under the one system, and under the other you merely pass out a proposal of which you know nothing except that it was a proposal.

144 Then the accounts have to be kept open till all the vouchers come in?—In every audit of every public company a voucher has to be produced for the payment of money—not the issue of a cheque without a voucher.

145 That is not an answer to my question. I asked you whether the accounts would have to be kept open after the 31st March under the post-audit system until the last of the vouchers come in?—Generally speaking, that must be so. The accounts are not audited now under the law for six weeks. There is a month after the 31st March to allow the Treasury to prepare the accounts, and it is fourteen days after that that the Audit Office certifies to them.

146 What do you say about the six weeks?—The years' accounts to the 31st March are required by the Public Revenues Act to be prepared within a month after the 31st March, and to be audited a fortnight after that, so that it is six weeks at least after the 31st March before the accounts are ready to be presented to anybody.

147 Do you mean by that that under the system of pre-audit a voucher prepared for payment may be pre-audited six weeks after the 31st March, and may appear in the accounts of that year?—No.

148 Then what do you mean?—The books have to be made up.

149 When are the books closed?—The books are closed for actual payments on the 31st March.

150 Is there any account that is pre-audited after the 31st March which appears in the accounts up to the 31st March or not?—Only transfer and adjustments of one account to another.

151 I am talking about any fresh vouchers—would any fresh voucher appear?—You mean vouchers for payment.

152 Yes?—No, it would appear in the next year.

153 In regard to transfers you quoted the Cape of Good Hope Act. Was it the use of surplus moneys that was referred to there that might be transferred from one vote to another?—The word "surplus" is not used in the Cape Act.

154 Read the section again. Is not the word "surplus" used?—Yes.

155 He can only use the surplus of the item?—Yes.

156 Well, is our law like that? Section 47: is that the same as the Cape law?—That seems to me to be practically the same.

157 Is there the word "surplus" there?—No, but it may be transferred from any other vote of the same class. It seems to me that it could only apply in the case where money is required in aid of a vote—that is, where the moneys authorized by the vote have been expended, and there are moneys available in another vote.

158 Do you remember that some years ago the word "surplus" did occur in our Public Revenues Act with regard to these transfers?—Yes, I recollect that.

159 And do you remember that being repealed?—Yes.

160 Why was the word "surplus" cut out?—Because the Audit Office objected to a transfer until the end of the year under that section for any money whatever, on the ground that until the end of the year it could not be shown that there was any surplus.

161 Then, does the Cape law refer to the surplus vote?—The Cape law refers to the surplus vote.

162 Does our law refer to the surplus of a vote?—No, our law does not.

163 Then, do you think the two things are comparable?—I think they are. I think the Cape administers that provision the same as we should under this Bill.