

In the same connection we note that there is no attempt made anywhere throughout the Service to take stock of, or trace, the very large quantity of furniture, stationery, and office requisites that is in use in Government Buildings and offices. They have not been inspected or checked for many years, and we have not seen any departmental records of such property. Its proper care is a matter left entirely to heads of Departments, and typewriters, desks, printed books, or other articles of value are received and entered in the property return without any further check. It is quite conceivable that articles may disappear without attracting any attention. The duty of checking returns of furnishings should be laid either upon the Audit Department or officers appointed for the purpose, and be done annually.

Pre-audit and Post-audit.—From the description already given, it will be seen that at present neither one system of audit nor the other is complete. The history of the matter is given very fully in the evidence (I.—11) taken by the Public Accounts Committee in 1910, in connection with the Public Revenues Bill. We need not therefore deal with it at length. The present practice is governed by the Treasury Regulations. Clause 70 defines the class of vouchers which must be audited before payment, but the procedure as there defined has not been strictly followed. Rather conflicting evidence was given before that Committee, and also before us, on the respective merits of the two systems, but after careful consideration of the matter we have no hesitation in declaring ourselves in favour to a *post-audit*. The only contention in favour of pre-audit is that it prevents a good many mistakes which would not be prevented under post-audit. The fact that “there is no chance of trouble cropping up after payment under pre-audit” led one Audit officer to state that he “had no hesitation in saying that he believed in the pre-audit system,” but the reason is not convincing. When a voucher has been passed before payment, it may be altered to a larger sum and go through undetected, or the cheque may be paid to a wrong person. The remedy lies in careful checking of claims (or vouchers) when received by the Departments, and also by the Treasury. It should be the business of administration and not of audit to decide whether an account should or should not be paid, and the pre-audit system seems to take away some at least of that responsibility. Not only so, but it also seems to tend rather towards less effective and close scrutiny of accounts when vouchers have already been audited and passed before payment. Mr. Warburton (ex Controller and Auditor-General), commenting on this aspect of the matter, said, “The powerful motive of self-defence is wanting,” and defined pre-audit as “an audit of the proposal to pay.” We are quite at one with him in his contentions. We are not aware of any business outside of the Government Service where pre-audit is in force, and, indeed, the term itself seems to us a misnomer. Audit should follow and not precede the payment or action to be checked or reviewed.

PART VIII.—CORRESPONDENCE AND RECORDS.

We made a fairly full inspection of the systems of recording, filing, and carrying on correspondence generally in the various Head Offices of the different Departments in Wellington, and also a number of the branch offices situated in Dunedin, Christchurch, and Auckland. Generally speaking, the system of filing away the correspondence is one of filing under subjects, but this is about the only thing common to the methods adopted by the various Departments and branches. There is no uniformity about the various systems. Each Department (and in many cases the separate branches of the same Department) has a system of its own, with methods of filing, recording, indexing, and general treatment differing from those adopted in other Departments. A clerk accustomed to the handling and filing of correspondence in one Department would, for some little time, be quite lost on going into another Department until he learned the new system; and even the Record Clerk in one branch office would find on being transferred to another branch of the same Department that the system of recording, &c., was entirely new to him, and he would have to learn it afresh. In one