

(1) Stamps,	} Mr. Holdsworth and Mr. Roeband.
(2) Post Office balance-sheet,	
(3) Registration of births, deaths, and marriages,	
(4) Miscellaneous,	
(5) Property-tax (yearly),	
(6) Land revenue	Mr. Greville.
(7) Gold revenue	Mr. Ward.
(8) Receiver-General and other deposit accounts,	} Mr. Swift.
(9) Law trust accounts,	

A return is made by the Chief Clerk every Monday morning showing the date up to which each class of revenue is partially or completely audited. It will be seen by this return that the audit of the land revenue is fourteen months in arrear. One more clerk is required in this department to replace Mr. A. Easton, lately deceased.

It is a standing order that when there is a press of vouchers for expenditure they are distributed amongst all the revenue staff, so that no payment shall be delayed in the Audit Office.

The accounts of all receiving officers are also inspected once a year by the Travelling Inspectors to see that the accounts in the office correspond with the statements returned to the Treasury weekly or monthly.

There are a considerable number of memoranda books and registers kept in order to check the correctness of the revenues, especially in the case of recurring payments, as in the land and gold revenue; and complete knowledge of the land laws, mining laws, stamp laws, and many other Acts is required in order to audit the accounts.

(b.) *The Audit of Expenditure.*—The New Zealand laws contemplate a pre-audit of all accounts, but this is modified to a very large extent in practice by the system of imprests, which amount to more than one-third of the whole expenditure.

The principal part of the vouchers for issue, as well as of those for imprests accounted for, are passed by the Chief Clerk and Mr. O'Connor; but, when necessary, all the clerks share the work.

It will be seen from the accompanying return what is the average amount of work done by the Audit; and also the actual number of days during which accounts lie in the Audit Office before being sent on to the Treasury for payment.

As there is an impression that payment-vouchers are delayed in the Audit, I find the following returned for the year ended 31st March, 1891:—

Total payment-vouchers received	...	...	...	...	57,248
Total credit-schedules* ...	...	...	...	...	5,136
Passed on day of receipt (per cent.)	...	...	...	...	73
Passed on day after (per cent.)	...	...	...	...	16.6
Passed on second day after (per cent.)	...	...	...	...	4.2
Passed after (per cent.)	...	...	...	...	6.2

The majority of those left over are salary-vouchers not payable till the end of the month.

Of the Audit Inspectors.

Formerly all the inspection of local offices was done by the Auditor-General in person, who travelled over one part of the colony each year. As the business increased and the officers became more numerous, especially by the introduction of railways, Travelling Inspectors were added to the Audit staff, and all local offices were inspected once a year. When it was proposed to bring the local bodies under the Audit Office, the late Colonial Treasurer requested me to state how many Inspectors would be required. I estimated the number at *nine*; only eight have, however, been employed, who might possibly be sufficient did no interruption to the current work occur; but when an Inspector is called off from his ordinary work, in the case of a defalcation being discovered in some account, and is detained to get up the case for a prosecution, great delay occurs in the audit of the local bodies account, which causes much dissatisfaction. After the experience of three years I am satisfied that the services of another Travelling Inspector are urgently needed. The colony is divided into eight districts, to each of which there is an Inspector. I propose that the additional Inspector shall be attached to the Head Office, so as to take up the work at any point in which arrears were accumulating. Without this additional aid I cannot undertake that the local bodies accounts will be audited with the expedition which those bodies reasonably expect. Of the accounts of local bodies for the year ended on the 31st March last, there are still undone those of four boroughs, ten counties, one hundred and two Road Boards, twenty Town Boards, eight River Boards. I append a statement of the whole number of local bodies accounts which have to be audited.

The accounts of Counties and Road Boards were formerly inspected by Provincial District Auditors, who were not under the Audit Office. They were dispensed with at a saving to the Government of £2,700 a year, which should be deducted from the Audit vote when estimating the cost of the Audit Department as compared with that of former years.

The local bodies were partly inspected in 1887 and 1888. But outside Inspectors were employed. In 1889 the House voted *nine Inspectors* on the permanent staff; but only eight have been appointed, and the number was reduced to eight on the estimates of 1890. The experiment has thus been tried and has failed, and my original estimate has been proved to be correct.

The Audit Inspectors also audit the accounts of every officer receiving or paying public money once every year throughout the colony. In order to secure that the whole time of the Inspectors is devoted to the public service, they send in a return—of which I append a specimen—every

* Each schedule contains many vouchers—sometimes as many as a hundred.