

Monday, showing where they were and how engaged during each day of the preceding week, and support the same by reports on the accounts inspected.

A register is kept in the Audit of every account requiring inspection by the Inspectors, and the inspection is marked off as each is done. A memorandum-book of the same is kept by myself, in which I tick off every account as I certify it.

Recoveries.

Much of the time of the department is occupied in writing queries as to matters in each account which require explanation, and the result is a very considerable saving to the country. No complete account of such recoveries was kept till the year 1883; but since that date the whole amount recovered was—On the receipt side, £14,399 6s. 4d.; on the expenditure side, £22,973 16s. 3d.: total, £37,313 2s. 7d.—besides recoveries on the railway accounts from 1883 to 1886, when the Audit was abandoned, of £2,072 16s. 4d.

Prior to 1883 a recovery was made by the Chief Clerk of £2,778 on one claim, in which the case went to the Supreme Court, and the decision of the Audit was upheld. I remember another saving of £600 in one sum; and since March last two recoveries have been made—one of £1,000, and one of above £500—by which the gentleman who discovered them has saved his salary to the country for five years.

Character of an Audit Department.

I take the liberty of respectfully representing to the Committee that, in one respect, the work of an Audit Office differs from all others. In all other departments it can be readily ascertained whether work is honestly done or not. In an accounting-office it can be ascertained whether accounts are correct or not; but if you set any one to see whether the additions or extensions in an account are correct, you cannot tell, except by another audit, whether the work has been honestly done or scamped. The whole work of an audit-office is therefore one of trust and honour, not of compulsion; and I respectfully submit that it has ever been held that such duties are deserving of higher remuneration than those of mere penmanship; and I respectfully submit that the recoveries made by the Audit in this colony conclusively shows that its duties have not been performed in a perfunctory manner, and that not only the public and members of the Civil Service, but that banks, members of Parliament, and Governors have alike borne pecuniary evidence to the carefulness of its investigations, and the impartiality of its decisions.

The Status of the Audit Department.

There is one other subject which I beg I may without disrespect submit to the Committee. It is the relation of the Audit Office to the Executive Government.

The Audit Office is supposed to be a part of the Colonial Secretary's Department, and its cost is borne on the Colonial Secretary's estimates. It is so borne on the estimates of New South Wales, Victoria, and South Australia. In Queensland, Western Australia, and Tasmania it stands on the estimates, as in those of the English Government, as a separate department. So far from complaining of the position of the Audit Office as subordinate to and represented by the Colonial Secretary, my complaint is that no Minister who has ever held that office has taken such interest in the Audit or its work or requirements as to represent it and defend its estimates in Parliament in the same manner as he does those of his own department. Every Minister is and feels himself to be acquainted with, and responsible to Parliament for, the work done in his department; but the Audit Office has no such representative.

I venture respectfully to submit that this is not a satisfactory position. The Audit Office is really the agent, so to speak, for and representative of Parliament when not in session, so far as regards the expenditure of the public money, and I would respectfully suggest that if its estimates were voted as a separate department, and it were deemed to be directly under the control of Parliament as represented by this Committee—if, in short, it were regarded as an office under Parliament itself—its position would be more intelligible, and its requirements would be considered apart from that which must always influence all Governments—viz., the desire to curtail the public expenditure as far as possible.

In reference to this point, I desire to point out that in England and every colony other than New Zealand the Auditor-General makes a special report to Parliament on each year's expenditure, and especially on any excess of expenditure over the votes. That has not been the practice in this colony, and the Auditor-General could not make a special report without bringing the cause of it into invidious notoriety, and placing himself, as it were, in a position of hostility to the Government. Such an annual report is in some colonies required by law. It is so required in England as regards the Appropriation Account (see "Exchequer and Audit Act, 1866," section 32), and it is expressly stated (section 27) that "the Appropriation Account shall be examined by the Controller and Auditor-General *on behalf of the House of Commons.*"

I have appended hereto the following papers with amended estimates: (A) Weekly returns of the state of the audit of the revenue accounts; (B) Inspector's weekly report of work done; (C) present staff, and how employed; (D) return of vouchers passed and recoveries since 1883; (E) estimates printed since 1881; (F) expenditure since 1881; (G) annual return of work done, 1890–91; (H) description by each clerk of his work; (I) number of local bodies.

JAMES EDWARD FITZGERALD.

Controller and Auditor-General.

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