

1874.

NEW ZEALAND.

REPORT ON THE PRINTING DEPARTMENT,

BY THE AUDITOR-GENERAL.

Return to a Resolution of the House of Representatives, No. 56, of 15th September, 1873.

“That the Government be requested to lay on the Table of the House, an audited Capital and Profit and Loss Account of the Government Printing Office, covering the last four years ending 30th June, 1873; also to append a Memorandum stating what system of check or control has been adopted in respect of the working and management of the Printing Office.”—(*Mr. Creighton.*)

No. 1.

The AUDITOR-GENERAL to the Hon. the COLONIAL SECRETARY.

SIR,—

Audit Office, 8th July, 1874.

In reference to the resolution of the House of Representatives, requesting the Government to lay on the Table of the House an audited Capital and Profit and Loss Account of the Government Printing Office covering the last four years ending 30th June, 1873; also to append a Memorandum stating what system of check or control has been adopted in respect of the working and management of the Printing Office,—I have the honor to report that I undertook, at the request of the Government, to prepare an inventory and valuation of stock in hand on the 31st December last, and obtain the information desired by the House of Representatives.

In thus undertaking the whole of the inquiry, instead of merely auditing a statement of account prepared by others, I considered that the Audit Department would be in the best position to obtain information necessary for securing an effective examination of the accounts of the Printing Office, and for drawing up instructions for a more complete system of daily accounts in future.

The Profit and Loss Account has been compiled under my directions by Mr. Anderson (the Chief Clerk in the Audit Office). It embraces a shorter period than that required by the resolution of the House.

As explained in Mr. Anderson's report (herewith), there are no means of preparing a satisfactory statement for the full period of four years. An inventory of stock must necessarily be the basis of construction of a profit and loss account. No such inventory had been taken prior to the 30th June, 1872, and that date has been taken for the foundation of the present account.

The want of more early information does not detract from the value of the account; as it may be assumed with confidence, judging from the favourable report now rendered, that the profits of the period prior to the 30th June, 1872, were at least sufficient to make good the losses arising out of depreciation in the value of the plant up to that date.

Mr. Anderson's report has been prepared with much care, and great anxiety to furnish as complete information as possible. It will be seen that much of the value of the report arises out of the valuable assistance given by Mr. McKenzie. That gentleman's letter of the 18th June shows that he was favourably impressed with the appliances and the state of the printing office, that he found it well conducted, and the work produced excellent; and I understand that impressions which he had entertained not favourable to the establishment were removed by information from the books of the office, which could not be obtained from the published statements of former years.

Nevertheless, he seems to be of opinion that private offices could contract to do the work at somewhat lower rates than those on which the value of the work done in the Government establishment has been computed. It will be seen from the Profit and Loss Account, that after allowing for the depreciation of stock, and for interest on value of buildings and plant, the profit to the colony is estimated at £5,267 16s. 8d. for the eighteen months for which the account is made up.

The word “profit” is used in its restricted sense. It means here the difference between the expense of doing the work in a Government establishment and the cost of the same work if done in a private office. Nor is it necessarily a “saving,” as it may happen—and probably it is frequently the case—that work executed in the Government Printing Office, when only one or two copies are required, could be more cheaply done by a copying clerk; and it would be well that the Government Printer should so far assert himself in these matters as to point out for the guidance of the Government the occasions when orders could be more cheaply done in manuscript than in printing. No doubt, if the printing were done by contract, any extravagance in