"Service to whose possession or control any moneys shall have come from or on "account of the Consolidated Revenue or (by virtue of his office, or employment, "or of any legal process whatsoever) for or on account or for the use or benefit of "any other person, and all stores belonging to Her Majesty of whatsoever nature "or description the same may be, and shall cause stock thereof to be taken; and "shall also investigate and examine all contracts, accounts, invoices, requisitions, "books, bills of parcels, and vouchers in any wise relating to or concerning the "same, and all circumstances affecting or attending the making of any such con-"tract, and shall ascertain the quantity, description, and price of all stores pur-"chased on account of Her Majesty, and the quantity, description, and price of "all stores supplied for the use of every department of the Public Service, and shall "forthwith make and sign a report of the result of such inspection, investigation, "examination, and comparison, and as to the manner in which the books, accounts, "and other papers aforesaid, and stores shall have been kept; and every such "report shall, within one month after the making and signing thereof, be trans-"mitted to the Treasurer."

By the 47th and subsequent clauses the Commissioners are required to audit and report upon the Treasurer's annual statement of receipt and expenditure, and to present such report to Parliament; and by the 51st section to make any suggestions they may think fit for the improvement of the public accounts.

Such are the duties of the Audit Office as defined by the Act. There have been until lately three Commissioners, who have divided the work between them, each taking a separate branch by turn: one inspecting the various offices in Melbourne; another inspecting the offices throughout the country; and the third taking the work in the Audit Office itself. Recently, however, a vacancy has occurred in the office of one of the Commissioners, which has not yet been filled; and it is proposed to limit the Commissioners, if possible, to two in future. Considering, however, that certain acts can only be performed by two Commissioners, requiring the presence of two from time to time in the Audit Office, whilst an important branch of the work consists in the local inspection of the country offices at a distance, it is doubtful whether the present arrangement can be satisfactorily continued without an alteration of the law. Nearly every office in the colony, excepting the railway stations, is inspected once a year; and last year the Commissioner taking the country work states that he inspected 244 offices, travelling 9,749 miles for the purpose.

The basis of the audit is that of the daily cash-sheet of receipts and payments, which is sent by the Treasury to the Audit, and is supported by all the vouchers on both sides of the account, showing all the transactions throughout the colony on the day to which the account relates.

As regards the receipt side, the collections as stated in the account are traced into the Bank by comparison with the Bank-sheet, which is furnished daily by the Bank to the Audit. The vouchers on the receipt side consist of the returns made by several Receivers, supported by the vouchers which each Collector sends with every remittance to the Receiver, containing a full detail of his collections, and which the Receiver attaches as a sub-voucher to the daily account accompanying his remittances to the Treasury. The Collector sends an independent monthly return to the Audit Office showing in one sum the amount of his collections for the month, and his several payments to the Receiver on each day. This is equivalent to the "attested account" of New South Wales, and is supported by a statutory declaration as to its correctness. It serves as a check on the Receiver's accounts which accompany the cash-sheet. It is admitted, however, that the accounts thus furnished are not sufficient to enable a complete audit of the receipts to be made, or to show that the sums due to the revenue have in all cases been collected. It is the opinion of the Commissioners of Audit—an opinion which is shared by all who have practical experience in the audit of Government accounts—that no satisfactory check can be maintained over the receipt of revenue except by a personal inspection of the accounts in the local offices. A register is therefore kept in the Audit Office, called the "Register of Declared Returns,"