

laid down by the Public Revenues Act, the Post Office is now utilised for the collection of revenue of various kinds, Telegraph, Property-tax, Insurance deposits, Sheep-rate, &c.; all of which are paid not directly into the Public Account, but into the Postmaster-General's Account, and thence periodically into the Public Account. Similarly the payments in the Post Office Department are made, although generally by the Treasury, yet in many instances out of the Postmaster-General's Account. I need only here repeat my opinion, confirmed by the practice in all the colonies, and which I have several times had the honor of urging on the Government, that the whole staff and other expenditure of the Post Office could be paid out of the Postmaster-General's Account with less trouble and more expedition than in any other manner, the revenue being paid in as at present in lump sums periodically to the Public Account, and the expenditure drawn from the Treasury in a similar manner, to recoup the Post Office Account. That there is a distinction between the Post Office and all other departments, arising out of its dealings in the Money Order and Savings Bank branches, has already been recognized by the Act of 1878, which established a separate Post Office Account, and the step now recommended seems to be no more than the logical sequence to the provision then made.

In conclusion, I have to beg the indulgence of the Government for the delay which has occurred before placing this Report in your hands; a delay which has been caused solely by the unremitted work in the Audit Office, and the absence of the Assistant-Controller and Auditor on special service ever since I returned from Australia.

The nature of the subject of this inquiry is such that the Report necessarily deals to a great extent with technical details of little interest except to those professionally engaged in accounts, but I hope it will not be thought wholly devoid of information which may interest more general readers, and will prove of some service to the Government.

I have the honor to be, Sir,

Your most obedient humble servant,

JAMES EDWARD FITZGERALD.

Audit Office, 17th May, 1881.