

1890.
NEW ZEALAND.

AUDIT OFFICE ESTIMATES

CORRESPONDENCE WITH THE CONTROLLER AND AUDITOR-GENERAL RESPECTING THE, FOR
THE YEAR ENDING 31st MARCH, 1891.

Laid on the Table by the Hon. Captain Russell, with the Leave of the House.

No. 1.

The CONTROLLER and AUDITOR-GENERAL to the Hon. the COLONIAL SECRETARY.
(No. 124.)

SIR,—

Audit Office, 28th July, 1890.

As I learn from the papers that the vote for the Audit Department has been reduced, I shall be much obliged if you will be so good as to send me a list of the gentlemen who are to be retained in the establishment, and of the salary payable to each, as without it I shall not be able to certify to the salaries.

I shall be especially obliged if you will say whether salaries for *nine* Inspectors are allowed, as changes are now taking place in their duties the arrangements for which are pending.

I have, &c.,

The Hon. the Colonial Secretary.

JAMES EDWARD FITZGERALD.

No. 2.

The UNDER-SECRETARY, Colonial Secretary's Office, to the CONTROLLER and AUDITOR-GENERAL.
SIR,—

Colonial Secretary's Office, Wellington, 7th August, 1890.

I have the honour to acknowledge the receipt of your letter No. 124, of the 28th July, asking to be supplied with a list of the names of the officers who are to be retained in the Audit Department, and of the salaries to be paid to those officers out of the amount voted by Parliament for that Department for the year ending the 31st March, 1891.

I am directed by the Colonial Secretary to inform you that he will be glad to receive from you a scheme for the distribution of the £5,265 voted for the services of the Audit Office for the current financial year.

I have, &c.,

The Controller and Auditor-General, Wellington.

G. S. COOPER.

No. 3.

The CONTROLLER and AUDITOR-GENERAL to the Hon. the COLONIAL SECRETARY.
(No. 136.)

SIR,—

Audit Office, 11th August, 1890.

I have the honour to acknowledge the receipt of Mr. Cooper's letter of the 7th instant, requesting me to draw up a scheme for the distribution of the £5,265 voted for the services of the Audit Office for the current financial year.

I much regret that, after giving full consideration to the subject, I am unable to comply with this request without further information as to the wishes of the Government. The sum named is £950 less than the vote of last year, which means the dismissal of three or four clerks and the discontinuance of a large part of the audit of the public moneys. It would be impossible to dispense with the services of the older clerks, who have given the best part of their lives to the public service, and whose experience and knowledge of the laws they assist in administering render their services of peculiar value, and who are not receiving any higher remuneration than they would be earning in any other business to which they had devoted such long and faithful service.

I beg to point out that the Audit Office in New Zealand is not one of audit only but also of control; the latter being by far the more important, and requiring a staff independent of that necessary for audit only. These duties are imposed by statute and must be fulfilled, or the issue

of money would cease or be seriously delayed. It follows, then, that the only mode of curtailing the cost of the audit to the figures you name is by giving up, in a great measure, the audit of the revenue accounts, and dispensing with the staff engaged on it.

As I am not informed, and do not believe, that it is the wish of the Government or of Parliament to apply this novel experiment as regards an Audit Department, and that such a result was not contemplated in the reduction proposed, I take the liberty of requesting that, before it is enforced, the whole question of the work and management of the Department of Control and Audit may be made the subject of inquiry before a Committee of Parliament, or a Royal Commission, in order that the facts may be thoroughly understood to which the proposed remedy is to be applied.

I should wish at the same time to submit to Parliament the following table, showing the cost of the Audit Office in other colonies, which may be interesting to those who are under the impression that the New Zealand office is expensively managed. The figures are taken from the latest accounts furnished to me by the Auditors-General of the several colonies :—

New South Wales	...	...	...	...	...	...	£10,954
Victoria	...	...	...	...	...	...	9,260
Queensland	...	...	...	...	...	...	6,482
South Australia	...	...	...	...	...	...	3,720
Tasmania	...	...	...	...	...	...	2,171
Western Australia	...	...	...	...	...	...	1,357
New Zealand	..	...	...	...	...	...	5,533

It should be taken into consideration that the Audit Department, unlike any other, is the means of recovering considerable sums to the public chest; so much so that in some years the Audit Office has not cost a farthing. The following table shows the recoveries for the years specified (shillings and pence omitted) :—

	1883.	1884.	1885.	1886.	1887.	1888.	1889.	1890.
On the side of receipts	1,792	1,731	1,655	1,572	1,250	4,216	556	511
On the side of expenditure	3,581	952 ³	6,841	1,502	1,234	3,144	3,147	1,620
On railways	844	807	318	106	Audit discontinued.			
Totals	6,217	3,490	8,814	3,180	2,484	7,360	3,803	2,132

* Returns imperfect.

I shall be greatly obliged if you can inform me at your early convenience of the alterations proposed to be made, and much regret that I am unable to take the responsibility of advising what arrangements should be made until I am further instructed of the result which it is intended to effect.

I have, &c.,

JAMES EDWARD FITZGERALD,

Controller and Auditor-General.

The Hon. the Colonial Secretary.

P.S.—I also very respectfully request that you will be pleased to lay this letter before Parliament, unless you should think that there is any objection to your doing so.—J.E.F'G.

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