

MEMORANDUM FOR THE HON. C. H. MILLS.

THE correspondence attached explains the delay in forwarding the annual report and statement of accounts for the past year, and further sets out the attitude taken up by the Audit Office with regard to the accounts.

The accounts were submitted in precisely the same form in which they have been certified for some years, and this is the only possible form in which the position and results of the operations of the office can be shown in a clear and intelligible manner, and the refusal of the Audit Office to certify to these accounts places the Department in a position of difficulty, to deal with which some means will have to be adopted.

I have no hesitation in saying that the accounts which have on this occasion been refused a certificate are much more in accordance with the requirements of the statute than those which the Audit Office has drawn up; and I contend further that, even if the law does bear the interpretation put upon it by the Audit Office, common-sense and the universal practice of accountancy should prevail, so that the intention of the Legislature may be given effect to.

It may not be out of place to mention that we pay £200 a year for the auditing of our accounts. Though the money has been paid for last year part of the service paid for has not been performed.

JOHN MCGOWAN, Superintendent.

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