4. Then the Committee understand that, in your opinion, the inaccuracy of the published statements referred to, is attributable to your using the books of the late Auditor-General, and not to your own examination?—Yes. (The Auditor-General subsequently informed the Committee, that the Nelson Treasury accounts for the six months ending 30th September, 1853, reached the Audit Office at Auckland on the 30th May, 1856). He also furnished the following extract from the explanations of the late acting Auditor-General of New Munster, dated May 15, 1856:—

"I would remark, that all the accounts of the Treasury of New Munster, and of the several sub-treasurers, had been entered in the Departmental Book of this Audit (Wellington), which was forwarded with the accounts in April, 1854, as I have before remarked; so that the Auditor-General could be at no loss whatever for reference to the accounts of New Munster, and therefore I felt easy on that score.

*(Signed)* "H. St. Hill."

5. *By Mr. Fitzherbert.*—Between the period of the publication in October, 1853, and the publication in September, 1854, were other materials at hand than the books of the late Auditor-General forthe compilation of these statements?—There were other materials, but they were not complete; I assumed the Auditor-General's books as correct; I afterwards ascertained that six months of the Nelson accounts were missing. I called for them, but have not received them. I came up from Wellington at the end of May, 1854, and I had no time, or assistance, to engage in a close examination of such voluminous accounts before the statements were published. It will be seen on reference to my memorandum, forwarded to the House, with his Excellency's Message No. 14 (*Vide* Proceedings, Sess. 1, fol. 9 of Messages), that, at the time the accounts of the nine months ending September 30, 1853, were received at Auckland, there was no regular clerk in the Audit Office, so that nearly the whole work of the Department devolved upon me. I was also engaged in preparing financial statements for the General Assembly, in frequent attendance on Committees at the House, and in performing other duties consequent on the introduction of the new Constitution. The Committee is to bear in mind that my duties included the direction and control of all financial matters of the Government, and the entire business of the Accountant-General of New Zealand. I had to control the receipts and disbursements of the Customs, to report on questions of Tariff, to examine every report of seizures of goods, to recommend whether the proceeds should be distributed or not. I had to remodel the Customs accounts, the Land Fund accounts, and those of the sub-treasurers, so as to bring them into uniformity, in order that they might at any time be brought into the Treasury accounts. I had to make myself acquainted with the regulations of the Customs and Post Office Departments, and to audit the Treasury, Customs, and Post Office accounts of six Provinces. I had to bring into the books of the Audit Office by double entry the transactions of the numerous accountants in New Zealand—in fact, to do over again, in almost every particular, the work which had taken not less than two or three dozen clerks in the Accountant's Office to do. And if to these be added the financial correspondence with the Superintendents of Provinces, I think it must be admitted that the day was not long enough for such multifarious duties.

6. *By Mr. Stafford.*—Did you apply for the clerical assistance required to examine those accounts? If so, was it afforded?—I asked for clerical assistance, but the difficulty was to get it. I had a clerk, and the assistance of a sergeant, who was a pay sergeant. I was promised the services of an accountant, but the gentleman who was to have been appointed accepted employment elsewhere, and I was left to train the gentlemen who afterwards were placed in the Audit Office to assist me.

7. *By Mr. Brodie.*—Had you no clerical assistance in September, 1854?—I had only one clerk at that time, but I applied for one or two extra clerks in the month of October following.

8. *By Mr. Stafford.*—In computing the amount due to the Company, in Provinces where there are considerable revenues from pasture licenses and assessment of stock, on what receipts is the Company credited?—The Company is only credited with its proportion on land sales and pasture licenses; not on assessment of stock, nor on timber licenses.

9. Then the apparent difference between the calculation of one-fourth of the whole land revenue, and the amount actually credited to the New Zealand Company, arises from leaving out those items?—It arises from leaving out those items not chargeable with the New Zealand Company's fourths.

10. *By the Colonial Treasurer.*—There is a statement published in the *Gazette* of the 1st of June, 1855, in which I have observed several inaccuracies. I addressed the Colonial Secretary on the subject. Who is responsible for those errors?—In your letter to the Colonial Secretary you incidentally referred to the subject. The Governor considers the examining clerk responsible for such errors. I made out the account myself, which was correct. The clerk who copied the statement from my draft made, I believe, every error which appears in the *Gazette* referred to, though of course I cannot clear myself entirely from the errors so published. I have no wish to throw off that responsibility. The head of a Department must be responsible.

11. *By Mr. Macandrew.*—In looking over the accounts published by the House last year, I observe, in the Otago Disbursements, "Fencible Force," Cr. £731, and Dr. £1130. What is the explanation of that?—I am not answerable for that error. The accounts in last year's Blue Book were printed by order of the House. It is evidently an error of the printer.

12. *By the Chairman.*—Is the statement I now hand you a statement made out in your office?—Yes.