

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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