

5. I beg to submit revised estimates. I regret that in those printed the sum of £2,000 was estimated as likely to be received as recoveries. This included £300 to be paid by the Trust and Insurance Offices. But as the audit of those departments is not now borne on the Consolidated Fund estimates, that recovery ought to have been omitted.

6. The proposed estimates exceed those printed by £444. But, as the salary of the additional Inspector is put down at £210, and the recoveries are estimated at £300 less, the proposed estimates are practically less than the former; and the question for the Committee will be whether an additional Inspector is necessary.

I have, &c.,

JAMES EDWARD FITZGERALD,  
Controller and Auditor-General.

AMENDED ESTIMATES.		£	s.	d.	£	s.	d.
<b>AUDIT OFFICE—</b>							
Audit Office, in London, half-salary...	...				200	0	0
Chief Clerk ...	...				400	0	0
10 Clerks, 2 at £300, 1 at £275, 1 at £210, 1 at £200, 3 at £180, 1 at £156, 1 at £85...	...	2,066	0	0			
Cadet, at 15s. a week ...	...	39	0	0			
					2,105	0	0
<b>Audit of Local Bodies and Railway Expenditure—</b>							
2 Clerks, 1 at £350, 1 at £170...	...				520	0	0
9 Travelling Inspectors, 4 at £250, 4 at £235, 1 at £210	...				2,150	0	0
Contingencies	...				2,500	0	0
					£7,875	0	0
Less recoveries	...				1,700	0	0
					£6,175	0	0
Vote	...						
Vote as printed	...				5,731	0	0
Increase	...				444	0	0
					£6,175	0	0
<b>The increase is made up of—</b>							
Audit Inspector	...	210	0	0			
Over estimate of recoveries	...	300	0	0			
					510	0	0
The remaining estimates are therefore less by £66.							

#### MEMORANDUM BY THE CONTROLLER AND AUDITOR-GENERAL ON THE DUTIES OF THE DEPARTMENT OF AUDIT AND CONTROL.

##### 1. Control.

All moneys are paid into the bank, and issued thence by orders of the Controller and Auditor-General.

The issues are limited: (a.) By the cash in the fund out of which the payment is to be made; (b) by the vote or appropriation of Parliament.

Ledgers are kept in which the issuing balance is currently carried out, showing the ways and means in each fund, and the unexpended balance on each vote. These ledgers are balanced weekly. The ledgers are entered on the receipt side from the daily revenue account, and on the expenditure side from requisitions supported by vouchers, the latter having been previously passed by the Audit. The requisitions are called over and checked with the vouchers before entering. An Imprestee's Ledger is also kept showing the moneys issued on imprest to each imprestee, and the sums accounted for, with the balance outstanding against each. The Imprestee's Ledger is balanced with the general ledgers quarterly. A Local Bodies Ledger is also kept showing the state of the account of each local body with the Treasury.

Keeping the above books and passing the vouchers and accounts in several branches of revenue and expenditure occupies the whole time of two clerks—Mr. Roskrige and Mr. Innes. They have very frequently had to work to late hours to avoid arrears.

An account is also kept by the Controller personally, showing the Governor's warrants, and the issues against them, which is balanced with the general ledgers occasionally.

The above constitutes the work of the Control of the moneys of the Public Account, as distinct from the Audit, and a similar Control is exercised over the issues from the Post Office, the Insurance Office, and the Trust Office, although the accounts of the latter are kept in the departments themselves.

##### Of Audit.

Audit is divided into two branches—(a) Audit of receipts; (b) Audit of expenditure.

(a) *Of Audit of Receipts.*—All Receivers of Revenue send a *weekly* account of their receipts to the Treasury (*four-weekly* when the receipts are small). These accounts are sent to the Audit Office for audit, and are distributed among the several clerks:—