

That report, from which I should like to quote all Mr. FitzGerald's "General remarks," in pages 33 to 36, and from which I should not dispute that the path of the Audit into its present fallen condition may be paved with good intentions, makes conclusively evident the facts that fourteen years ago there had been "*complaints against a pre-audit*," which Mr. FitzGerald protests were "*extravagant*"; that the principle of the pre-audit was even then not "*a reality*," and was standing "*in the way*" of improvement; and that he was, to the best of his ability and at great expense to the colony, trying to find or suggest the way to a "*simpler and more expeditious mode of paying*," which would meet with the approval of the public. How then can he, with any decent propriety, suggest that I am the "solitary complainant" for nearly thirty years, and explain that my objections to the principle of his control and pre-audit must arise from a "personal peculiarity." The pre-audit and control being what Mr. FitzGerald might now call "simply a fiction or hallucination," through the operation of the system of making payments out of Imprest advances, it occurred to him to suggest in his report of 1881 that in the amount of these advances a large restriction might be effected by "delaying the payment of wages for a fortnight after their due date." "Where the recipient of wages," he added, "is quite certain of his money, and is paid at equal periods of time, it would not be felt as a grievance that his wages were a fortnight in arrear"! Here was a suggestion that, in order to make a *reality* what was an impracticable theory, "*in which*," as he said in 1881, "*New Zealand stands alone*," the natural subordination of accounts as auxiliary to business should be reversed into the subordination of business to the accounts. Concluding that the complaint must be treated in one way or another, and procrustean in his resources, he was quite prepared, if unable to find a bed to properly accommodate the patient, to make the patient accommodate a bed. I have quoted Mr. FitzGerald from his own report of 1881 for the purpose, not of any arguments which have convinced myself, but of satisfying that very large number of persons to whom authority is more satisfactory than demonstration. At the same time I will acknowledge that though his proposal that cheques might be drawn for payment by the Treasury, is not sufficiently comprehensive, I in 1881 regarded that proposal as I regard it now—to be deserving of the "favourable consideration" which Mr. FitzGerald expected.

Mr. FitzGerald conveys a false impression by his statement: "Accounts come before me daily in which errors from year's end to year's end are almost unknown; yet I am happy to say, for the credit of the colony, that such is the case." That was the case with the balance-sheets which were prepared in the Public Trust Office, and certified by him as without one error, before it became expedient to remove his control. Those balance-sheets, however, afforded no conception of the confusion, irregularity, and error which really existed. A mere glance which my late Accountant gave me showed that there were errors innumerable in that immaculate time. And, such was Mr. FitzGerald's own realisation of the unsatisfactory state of the accounts and shortcomings of the Audit, that, notwithstanding "accounts coming before him daily," and balance-sheets "to the credit of the colony" certified from "year's end to year's end" by himself as without error, he could not but, after all, allow to be really wanting what was "necessary to secure the department from fraud." Mr. FitzGerald falls too often into the error of accepting the accounts which exhibit to himself no errors in their preparation as evidence of a correct or satisfactory state of things. Men of experience in commercial matters, and especially in the preparation of commercial accounts, regard a balance-sheet as itself affording them nothing but the satisfaction of pointing out how it may consist with what they themselves may have ascertained otherwise to be the actual condition, conduct, and prospects of the relative business. The accounts which come before him, and which are rather statements than accounts, might not exhibit many errors, because the actual errors in the accounts have not been shown in these statements, just as the old Public Trust Office balance-sheet exhibited nothing wrong. But such is his general inaccuracy, and the character of his charges against the Trust Office, that I am unable but to discredit even this assertion. When his control existed in the Public Trust Office, and the accounts of the office were kept in the manner approved by himself, there were in the accounts, as is evident from the most cursory glance at the vouchers and books, thousands of errors; and, efficiently as the accounts of the Public Trust Office are now kept, I cannot but regard the failure to discover more than one error a day as a sign of Audit incompetence. The clerks who keep the accounts of the Public Trust Office are as competent for their work as any in the colony, but they are, I believe, incapable of keeping any such accounts as those of the Public Trust Office free from more than one error a day.

In our Post Office the system of accounts is the same as that of the United Kingdom, and that system is now acknowledged by high European authority to be one of the best of modern times. These accounts are more accurate and reliable than any of the departmental accounts which are furnished according to methods which have Mr. FitzGerald's approval. Yet, though the Post Office accounts are kept by men who, in industry, intelligence, and ability, and in earnest effort to maintain the efficiency of the public service, are a credit to the colony, and would do honour to any country, there are at least from fifty to a hundred errors a day in those accounts. And in 1881 there were errors in the accounts which now from "year's end to year's end" Mr. FitzGerald would have us believe to be without error; for, in his report of that year, he says: "If the process of paying claims on the Government is to be reconsidered, the *value of a prior audit* of the vouchers must necessarily come in question. It has been abundantly proved that where the vouchers are sent in by the departments *correctly filled up* no delay occurs in the Audit or Treasury in making the payment. But in cases where the voucher is *wrongly charged*, or is *incorrect or incomplete* in other respects, and has to be returned to the department *for correction*, delay necessarily arises, and the claimant has just cause of complaint that he is kept out of his money, not through any fault of his own, but because conditions of which he has no knowledge have not been fulfilled. *If a payment is due, it is no satisfaction to the claimant to be told that it cannot be paid at once because a difference of opinion exists amongst the officers of Government as to how the payment is to be charged.*" Here was Mr. Fitzgerald expressing, as plainly as language could convey, a