

SESS. II.—1891.
NEW ZEALAND.

REPLY TO THE “REMARKS ON THE REPORT OF THE COMMISSIONERS ON THE PUBLIC TRUST OFFICE.”

Presented to both Houses of the General Assembly by Command of His Excellency.

MEMORANDUM by the Commissioners appointed by His Excellency the Governor to inquire into and report upon the condition and working of the Public Trust Office in reply to the remarks by Mr. James Edward FitzGerald, Controller and Auditor-General, on the Report of the Commissioners.

THE Controller and Auditor-General of this colony has endeavoured, in a Memorandum just submitted to Parliament, to criticize in an adverse spirit the report made by us to His Excellency the Governor in reference to the Public Trust Office.

In the exercise of the grave responsibilities committed to us by His Excellency, it was incumbent upon us to ascertain in what manner the Audit Department had performed its duties in connection with the Public Trust Office. It was a matter of the deepest regret to each member of the Commission that the investigation revealed the fact that the daily examination, as conducted by the Auditor-General and his officers, was in no sense an audit, and, in the words of the report, “has been in reality a delusion.”

It is an unusual experience for the Auditor-General to find either himself or his officers the subject of investigation and criticism by a Royal Commission. The Auditor-General's long tenure of office, his age, and the fact that by Act of Parliament he is free from the control of Ministers of the Crown, and responsible only to Parliament, has created in his mind a feeling that he is above all criticism, has made him autocratic to a degree, and rendered it almost impossible for him to realise the startling facts respecting the audit of the Public Trust Office without a feeling of irritation and annoyance which has completely clouded his judgment.

So strongly do we recognise the latter fact that we should have refrained from replying to the remarks of the Auditor-General, leaving the evidence of himself and officers, as recorded in the report, to speak for itself, had we not been informed that Parliament would expect the Commissioners to make a full and complete reply to his strange and misleading statements.

The Auditor-General has, in his remarks now under review, deliberately stepped out of his official line of duty to discuss matters foreign to his department. He has thereby invited criticism. He has himself to blame if that criticism on our part is of a most searching character, and reveals the weakness of his department and its utter uselessness as an office of audit.

Let us examine his contentions in the order in which he has attempted to deal with them.

THE DUTIES OF THE AUDIT OFFICE.

We are told by this great authority that the duty of the Audit Office is confined to the following points: (1) To ascertain and to certify *that all the money received* by any department is duly accounted for; (2) that such money is charged to the proper account; and (3) that it has been paid out of such account to the persons entitled to receive it.

This is the whole duty of the Audit Office, as defined by its responsible head, and from him conveyed to his subordinate officers. Not one word about that most important duty of every audit—to see *that all the money that was due and owing* has been properly charged and accounted for as arrears or otherwise.