

SESSION II.  
1912.  
NEW ZEALAND.

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# PUBLIC SERVICE COMMISSION

(MEMORANDUM BY THE SECRETARY TO THE TREASURY AND LETTER FROM THE CONTROLLER AND AUDITOR-GENERAL ON A PARAGRAPH IN REPORT OF THE) RELATIVE TO THE DEFENCE DEPARTMENT.

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*Laid on the Table by Leave of the House.*

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The Hon. the Minister of Finance.

THE report of the Public Service Commission just published contains the following statements under the paragraph on Defence, pp. 38, 39 :—

“Instead of working in harmony with the head of the Defence Department an officer in the Department appears to have been sending misleading information as to the nature of certain expenditure to the Treasury and Audit Departments, and inviting these Departments to object to the expenditure. This has caused the Treasury and Audit to hold up vouchers which we think they would not have held up had they been informed of the true position, or had they not been supplied with the misleading information to which we have referred. We think that clerical officers taking advantage of the absence of regulations to send misleading statements to the Treasury and Audit Departments without the knowledge of their chief is a matter which should not be tolerated.”

These statements are entirely wrong. No misleading information was ever at any time given to the Treasury. Everything stated was correct in every detail; and, further, instead of inviting the Treasury to object to the expenditure the communications appear to have been with the object of expediting the payments. Had the information of the irregularities in the expenditure not been supplied it would have meant returning the vouchers for explanations, and further delays.

It is due to the persons who have been so unjustly censured in this report that at the earliest possible moment you should be made acquainted with the true position. It is most surprising that such statements should be made without any endeavour on the part of the Commission to ascertain their truth. Inquiry at the Treasury would at once have shown that these grave charges were baseless.

J. W. POYNTON,  
Secretary to the Treasury.

The Treasury, Wellington, 5th September, 1912.

The Audit Office, Wellington, New Zealand, 5th September, 1912.

SIR,—

Re *Public Service Commission Report*.

There is a statement in the Public Service Commission Report to the effect that “an officer in the Defence Department appears to have been sending misleading information as to the nature of certain expenditure to the Treasury and Audit Departments, and inviting these Departments to object to the expenditure.”

I consider it my duty to state that no information of a misleading character in respect of expenditure has been given to the Audit Department by any officer of the Defence Department.

I have, &c.,

The Hon. the Minister of Finance, Wellington.

R. J. COLLINS,  
Controller and Auditor-General.

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