

1894.

NEW ZEALAND.

# ACCOUNTS OF THE PUBLIC TRUST OFFICE

(FURTHER PAPERS IN RELATION TO).

*Laid before the General Assembly in pursuance of Section 42 of "The Public Trust Office Act, 1872," as amended by "The Public Revenues Act, 1882," Section 15.*

SIR,—

Audit Office, 4th September, 1894.

In my memorandum of the 1st August, I stated that the Audit Inspector counted the cash in the Public Trust Office of the 31st December last.

In his memorandum of the 11th August, the Public Trustee states that, "Of the fact that the cash was not on the 31st December last counted by the Audit officials the evidence is too conclusive to leave a shadow of doubt."

The differences between the Audit Office and the Public Trust Office have hitherto been confined to differences of opinion as to the mode of dealing with or stating facts; but the charge now made is a direct imputation on the personal integrity and honour of the Audit Inspector, which leaves me but one course to pursue—namely, to withdraw the Audit officers altogether from the Public Trust Office until the charge is withdrawn and apologized for, or until it has been established by evidence on oath before a competent and independent tribunal.

As the facts are personally unknown, either to myself or to the Public Trustee, the charge must have been made on the authority of one of the officials in the Trust Office, and it is the veracity of that person or of the Audit Inspector which is in question.

As regards the Audit Inspector, Mr. Webb, it is only due to him that I should say that he has been in the public service since the year 1869; that he has been twenty years in the Audit Office, and has been engaged in the audit of the Trust Office and Insurance Office accounts for seven years; that I have known him during all those years, both in public and private life, and have had every opportunity of forming the opinion I have of his character as a man of unquestionable integrity and honour.

I need hardly say that if this charge has been unjustly made it involves the conclusion that no man's character would be safe within the precincts of the Public Trust Office.

I have, &amp;c.,

JAMES EDWARD FITZGERALD,  
Controller and Auditor-General.

The Hon. the Colonial Treasurer.

The Hon. Mr. WARD.

Public Trust Office, Wellington, 17th September, 1894.

I do not find fault with the disposition which the letter from Mr. FitzGerald affords of his reluctance to condemn the Audit officer who has rendered the services which have been accepted in connection with the Public Trust Office. Mr. FitzGerald himself would not be uncompromised by the fault of his officer, and it is but due to that officer that he should be allowed the benefit as well perhaps of every speculative as of every moral doubt, which might not be impossible to every reasonable mind, of the fact that the cash in the Public Trust Office was not counted by the Audit official on the last day of December, 1893, that business was transacted and the cash balanced at the office, or at any time afterwards up to midnight of the 31st December, which fell on a Sunday.

But, while I find no fault with this consideration for his officer, I protest against Mr. FitzGerald's assumptions, direct and indirect, which are conveyed in the statement that, "*As the facts are personally unknown to the Public Trustee, the charge must have been made on the authority of one of the officials in the Trust Office, and it is the veracity of that person or of the Audit Inspector which is in question.*" This statement implies that I have been speaking without a personal observation of my own, and that I would rely, as completely as Mr. FitzGerald himself, on the reports of one subordinate official. The care, however, which I took to remind the Trust Office clerks of the duty which the Audit officer ought, and was expected, to have performed of counting the cash; the directions which I gave in the matter; my personal visits to the Chief Clerk, to the Acting-Accountant, and to the Cashier; and especially my frequent personal visits, which, from the moment when business closed for the day until the cash had been balanced by the Cashier and deposited in the safe by the Accountant, I made to the counter where the cash was kept during business hours, and is counted and checked daily by the Cashier and Accountant after the close of business—all these personal precautions, clearly recollected by myself and confirmed by Trust Office officials, warrant me in claiming a personal knowledge alone sufficient to establish the fact that the cash was not counted.