No. 10.

Memorandum for the Controller and Auditor-General.

In reply to the Controller and Auditor-General's explanatory memorandum of yesterday's date, I am directed by the Colonial Treasurer to observe that he is of opinion that the qualified certificate the Controller is good enough to state he will append to the Treasury accounts is quite unnecessary, and, with all respect, that it should not be attached. It must be clear that the statements of accounts as submitted are absolutely and entirely records of the receipts into and the payments out of the Public Account of the colony, and as such can be verified by the Audit Office. If they are correct, it should be so stated; if incorrect, the error or errors should be pointed out.

The Controller and Auditor-General does not clearly indicate the nature of the information which has been refused by the Mines Department; but, assuming that certain particulars are wanted for the purpose of ascertaining what amount of rents or fees should have been received into the Public Account, and also of obtaining an Audit check, it is evident that the quarterly accounts could not in any case serve as a medium to convey such information, as they do not purport to show the "assets" of the colony in the shape of uncollected dues.

The Colonial Treasurer still hopes the Controller and Auditor-General will see his way to withdraw the proposed addition to the usual certificate, and I am to express his desire that all proper information shall be afforded to the Audit Office, if it can be given, by the officers whose duty it is to supply such.

Jas. B. Heywood,
Secretary to the Treasury.

The Treasury, Wellington, 20th October, 1897.

No. 11.

The Treasury. Audit Office, Wednesday, 21st October, 1897.

I regret that I am unable to concur in the opinion of the Colonial Treasurer, if I understand his opinion correctly to be that the certificate which it is my duty to append to the public accounts of the colony can be so restricted as to apply only to the Treasury compilation.

In my judgment it is essential to the certificate that it should apply to the whole fabric of the public accounts. The basis or foundation for which the Treasury disclaims responsibility, and the superstructure for which the Treasury acknowledges responsibility, must equally come within the scope of that certificate.

The Treasury, if it is not responsible for a part of the whole work, does not become responsible for that part in consequence of a report that the part has not been satisfactorily proved. Nor can the Treasury be affected by such a report, otherwise than the department would naturally be affected at seeing its work resting upon a doubtful foundation. The statement required from the Mines Department is for the purpose of enabling the Audit Office, not to ascertain what are the assets of the colony in the shape of uncollected dues, but to render more satisfactory and effective the means of proving whether the revenue collected by the Receivers has all been brought to charge.

It is questionable whether the fact of doubt existing as to the correctness of the receipts brought to charge in accounts should be passed over, even in a report on a mere compilation from these accounts, when such doubt is not generally known and acknowledged. In any case it will not be disputed that such reason as there may be for doubt respecting the foundation for the Treasury statement of the public accounts should be communicated to Parliament; and it appears to me that the channel most appropriate and convenient for such communication is my report respecting the statement.

I have made on the Government, through the Department of Mines, a requisition for a certified statement deemed by me to be necessary to satisfactorily put to the proof the foundation of the Treasury work; and being in no uncertainty that, as the case now stands, it is my duty to add to my certificate the fact of the requisition having been made, and made in vain, I could not reconcile it with such duty to consent to withdraw from my certificate the reference to the requisition without an understanding from the Government that the required statement shall be furnished.

In order to form a correct judgment of the position it would, I think, be well to read all the correspondence with the Mines Department on the subject. It appears to me, as I gather from a letter of the 16th instant, which I have had the honour to receive from the Minister of Mines—for whom my respect is very great—that the Under-Secretary to whom the requisition was addressed did not, in the first instance, submit it to the Minister; that the fact of the requisition having been made upon the department had only just come to the knowledge of the Minister; and that, consequently, as he was not directly apprised by me of what was required, he is unable to make now the arrangement which he might otherwise have made.

J. K. Warburton,
Controller and Auditor-General.

No. 12.

Memorandum for the Controller and Auditor-General.

In reply to your memorandum of yesterday, I am desired by the Colonial Treasurer to state that he regrets you should have considered it advisable to add to the usual certificate accompanying the quarterly accounts a reference to the failure of the Mines Department to supply certain information which you have desired to be furnished with.