

This report deals fully and adequately with the matter, and in view of the position thus disclosed no criticism can justifiably be made against the General Manager or the Board, and none was made at the hearing. A purchase in fact would have been an improvident one, involving the State in heavy loss.

It is now my duty to record that the General Manager and the members of the Board failed to act carefully, diligently, in a businesslike and efficient manner, and with faithfulness to the interests of the State in respect of the matters enumerated :—

*Question 3* : In relation to the ascertainment of the value of the assets for the purposes of disposal.

*Question 5* : In recommending to the Minister the acceptance of the tenders for which acceptance was recommended.

*Question 8* : In accepting the offer of £500 for motor parts and scrap.

*Question 9* : In releasing Archibalds from their contract.

And that the General Manager similarly failed in respect of the matters enumerated in—

*Question 4 (c) and (d)* : in relation to the method of disposal of the assets in so far as relates to the description of Lot 4 in the conditions of tender and in the advertisement.

I have also to record that Warner, in respect of the valuation made in connection with the further tenders referred to in question 12, failed to act carefully, diligently, in a businesslike and efficient manner, and with faithfulness to the interests of the State.

There are also some matters of procedure and routine to be dealt with. Regulation 20 provides that the Secretary shall, if so directed by the Board, keep the following records :—

(a) Minute-book.

No such direction was made by the Board.

The General Manager accepted responsibility for the minutes. He said he prepared the minutes and handed them to Mr. Conibear, the Secretary, just to see if they were in proper shape as to numbering of the minutes, and so on, but on many occasions they went straight from him to the typist, and the first Mr. Conibear saw of them was the completed minutes. Mr. Conibear agreed with this statement, but added that for many months the minutes have as a rule gone direct to the General Manager's personal typist for typing, except on occasions where there was business which he had been personally responsible for presenting to the Board and the writing of the minutes pertaining to that business had been his responsibility.

If the Secretary had been responsible for the minutes, then his would be the liability for the irregularities dealt with in an earlier part of this report. This not being his responsibility, there is nothing in these proceedings to in any way impugn him, and the evidence shows him to be a capable, efficient, and trustworthy officer.

Further questions were asked as to the opening of the first group of tenders and in the action of the General Manager in taking home the original tenders and cheques that accompanied them, and in connection with the week-end mail.

Prior to the 4th March, 1946, tenders were opened by the Accountant's deputy and the Secretary's deputy, but on the 4th March the Secretary suggested to the General Manager that the tenders should be opened by officers of executive level, particularly in view of the value of the assets being sold, and the General Manager agreed, and the tenders were opened on the 4th March in the General Manager's room in the presence of the General Manager, Mr. Levick (the officer in charge of the Motor-vehicles Section), and the Secretary.

This procedure is to be commended as a wise and proper one.

The General Manager took home on the night of the 4th March the original tenders and the cheques that accompanied them. His reason for taking home the tenders was to prepare a summary for consideration by the Board. This was an irregularity due to excess of zeal on the part of the General Manager, and, as regards the cheques, in breach of Treasury Regulations and instructions relating to cheques. Nothing untoward, however, happened on this account.