

"The Age" 11th April 1902.

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UNIVERSITY MANAGEMENT.

FURTHER EVIDENCE BEFORE THE COMMISSION.

THE FINANCE COMMITTEE'S METHODS.

The royal commission appointed to inquire into the financial position and the administration of the Melbourne University took further evidence yesterday in the Law Courts Library. The members present were, the president (Mr. T. Fink, M.L.A.), Sir John McIntyre, Messrs. D. Mackinnon, E. C. Warde and J. A. Boyd, M's.L.A., and S. G. Black and E. E. Smith, M's.L.C.

John Grice, a member of the University council since 1888 and of the finance committee almost the whole of the time, gave evidence as to the duties of the committee. The committee had at first to recommend to the council, and afterwards had the authority for the investment of University funds. By a resolution passed by the council on 10th February, 1890, it was provided that the registrar lay before the council every two months at least a detailed statement showing the condition of the various University funds. In December, 1884, a treasurer was appointed, and this, in his opinion, indicated that it was clearly intended to restrict the duties of the committee and not give the members any more control than was exercised by other members of the council. Thus, the finance committee did not even meet at the University. A finance committee could not carry out detailed work "as the man in the street" expected it to do; it must trust its executive officer, who was paid a high salary for doing the work, and the auditors, who checked the accounts. It merely acted as an advisory board.

The President: Was it your duty to advise as to the propriety and sufficiency of the books kept?—I think not.

Is it the duty of a director of a bank to go into the question of how a bank's books are kept?—They trust to the managers, who are paid high salaries as experts. Directors are not elected as experts.

Witness further stated to Mr. Boyd that since the frauds the duties of the finance committee had been enlarged. The Registrar said that he was absent when the resolution was passed, and never knew of it. He thought no finance committee in the world would prevent frauds of the kind which had happened. That was the duty of the auditors, who should be like detectives.

To Sir John McIntyre: He supposed that the Registrar had not read the minute bearing on the resolution referred to.

To Mr. Boyd: The Registrar was made responsible by the advisory board for financial matters and general administration, but the council passed a minute that "in practice this responsibility was not insisted upon by the council."

Robert L. J. Ellery, a member of the council since 1883, examined by the president, stated that when he was treasurer and chairman of the finance committee he carefully examined accounts before the cheques were drawn.

Were you sufficient of an accountant to say that the vouchers and adjustment cheques were genuine and correct?—I can not say; Mr. Dickson was a trusted officer.

Witness (continuing) said that in order to save the high cost of custody of documents charged by the bank it was decided to transfer the securities from the bank to the Safe Deposit Company. When the transfer was made he attended with the Registrar and Dickson at the Safe Deposit premises. He did so because the safe was in the name of the treasurer of the University, and the Safe Deposit Company would not take the documents except from him. He had not attended the Safe Deposit and inspected the documents. He trusted to the auditors to count the securities. All he saw was a bundle of papers which he believed were debentures.

To Mr. Smith: The chairman of the finance committee was merely styled treasurer in order that he might sign the cheques for the whole of the committee.

Dr. A. Morrison, a former member of the finance committee, stated that he had Mr. aBeckett, as the chief commissioner, responsible for the proper keeping of the University accounts. The drift was due to a reduction of Government grants and the falling off in fees. Witness read a number of statements to show that while he was on the finance committee estimates of receipts and expenditure were very close.

The President: What judgment do you form of the registrar's discharge of duties: was he negligent or inefficient?—I would not say negligent, but in the discharge of his duties he was inefficient.

Did the inefficiency contribute to the financial loss of the University?—I think it did.

In that case is it just that he should be awarded that handsome retiring allowance?—I have qualms of conscience about it.

Sir John McIntyre: What does that mean?—The council did not want to turn adrift an old servant, who did many things remarkably well.

The President: Was there any inquiry with a view to ascertaining whether or not he was censurable by reason of conduct making the continuance of these frauds possible?—No.

Therefore, that generous treatment of the council did not represent any conclusion of the council on that question?—No, not on that question, although there was a long discussion on the subject.

Sir John McIntyre: Was it a gratuity or a pension?—It was a pension.

Witness (continuing) said he did not think any more retrenchment possible, as the University was inadequately equipped now. If forced to make a further economy he would reduce the number of lecturers. Owing to the reduced efficiency of the University, many students were going to Sydney. That was particularly so in the mining course. The great drawback was the want of laboratories.

Dr. Barrett, examined by the president, stated that he had been appointed a member of the inquiry committee of the council in November, 1901. The management of the University was a triumvirate; the registrar did certain work, the assistant registrar other work, and Dickson looked after the accounts. The registrar allowed the supervision and control of accounts to drift out of his hands. To that extent he was blameable, but he was an honorable man, and in some respects an able one. They could only retrench by touching salaries, and he pointed out by slaughtering the salaries of six professors the University would gain £2300, but by doing that they might lose the best portion of their staff. As to the lecturers and demonstrators little could be saved there, as the salaries were already very low. The mining school, thanks to the gift of £1000 from Professor Kernot, was sufficiently equipped to go on with, but its equipment was not comparable with that of Sydney.

The commission adjourned till Wednesday next.

The University authorities have been anticipating, as a small measure of consolation in its distressing financial difficulties, the payment of the fidelity bond for £1000 entered into on behalf of Dickson, the defaulting accountant. It now appears, however, that they are to be denied this consolation, or at least that they will have to fight for the amount of the guarantee. The secretary of the London Guarantee and Accident Society, which body gave the security for Dickson's honest behavior on his appointment in 1884, yesterday informed the University Inquiry Commission that the society declined to recognise the claim for £1000, basing its repudiation on the ground that the University authorities had not carried out the conditions under which the bond was issued. It is understood, however, that negotiations are in progress with the object of bringing about a compromise.

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The time for lodging nominations for the seat on the University Council recently vacated by Mr. Justice aBeckett has been extended to 5th May. For the seat on the council rendered vacant by the departure of Bishop Gee from Australia nominations will be received until 8th May.

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Interesting evidence was given by Dr. Barrett to the University Inquiry Commission last evening on the subject of extending scientific teaching. Dr. Barrett pointed out that the new mining school was only barely equipped to undertake instruction, and did not compare with that of Sydney. He thought it a great fault, seeing that this State depended mainly upon its mineral productions and what was raised from the soil, that the University made no effort to train men to follow these natural pursuits. The president questioned whether in a time of financial stress like the present it was opportune to consider such matters. Dr. Barrett replied that one of the greatest universities in the world, that of Berlin, was founded when Napoleon was ravaging Germany. The Teutonic people, he said, realised that they were only going to pull Germany out of the fire by cultivating brains. The president: "Scotland was a very poor country when it started its university." Sir John McIntyre: "There was no poverty in brains there." Dr. Barrett suggested further that colleges for dental, veterinary and public health should be incorporated with the University. Owing to the professions being overstocked, its great work in the near future would be in the teaching of special science subjects.