

27th October, 1942.

SIR,—

We report that we have completed the audit of the accounts of the East Coast Native Trust Lands for the twelve months ended 30th June, 1942, and attach hereto a set of the foregoing accounts. We have the following comments to make :—

Freehold Property.—We have not inspected the title deeds relative to the properties of the Trust, but have accepted certificates from mortgagees—namely, the District Public Trustee and the State Advances Corporation— that they are holding certain documents as security for advances. The solicitors to the Trust have certified that they are holding on behalf of the East Coast Commissioner the documents relating to the properties of the Trust which are not subject to mortgage.

Stock.—We have accepted the numbers and values of the live-stock on stations as at the 30th June, 1942, as certified by the Farm-managers and Mr. H. Syme, the Farm Supervisor.

Distributions.—In cases where payments have been made to Natives during the year under review through the Tairāwhiti District Maori Land Board, we have accepted the Board's receipts for the moneys paid to them, but have not checked the individual receipts from the Natives concerned. The same procedure has been adopted as in previous years, and the individual receipts of the Natives will be checked by the Government auditors in the course of their audit of the Tairāwhiti District Maori Land Board.

The following distributions have been made during the year under review :—

	£
Pakowhai	374
Paremata 78	36
	£410

Mill Suspense Account (£8,756 8s.).—This represents the cost of the erection of the timber-mill at Mahurangi and includes roading, buildings, plant, houses, tractor, cutting and hauling of logs, and mill working, less the sawn timber disposed of and on hand at the mill at the 30th June, 1942.

Subject to the foregoing remarks, we certify that to the best of our knowledge and belief the accounts signed by us are correct.

We have, &c.,

CLARKE, MENZIES, GRIFFIN, AND CO,
Public Accountants, Auditors.

The Hon. the Minister for Native Affairs, Wellington C. 1.

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