1944
NEW ZEALAND

PUBLIC ACCOUNTS COMMITTEE

REPORT ON THE ANNUAL REPORT OF THE CONTROLLER AND AUDITOR-GENERAL (B.-1 [PT. II]) FOR YEAR ENDED 31ST MARCH, 1944, REFERRED TO THE COMMITTEE BY THE HOUSE

(MR. T. H. McCOMBS, CHAIRMAN)

Laid on the Table of the House of Representatives

ORDERS OF REFERENCE

Extracts from the Journals of the House of Representatives

THURSDAY, THE 16TH DAY OF MARCH, 1944

Ordered, "That for the remainder of the session all Select Committees of the House have leave to sit on days on which the House is not sitting."—(Right Hon. Mr. FRASER.)

FRIDAY, THE 24TH DAY OF MARCH, 1944

Ordered, "That a Select Committee be appointed, consisting of ten members to examine into and report upon such questions relating to the Public Accounts which may be referred to it by the House or the Government, and also into all matters relating to the finances of the Dominion which the Government may refer to it: the Committee to consist of Mr. Bowden, Mr. Coleman, Mr. Combs, Mr. Goosman, Mr. McCombs, Mr. Mackley, Hon. Mr. Nash, Mr. Polson, Mr. Thorn, and the Mover."—(Hon. Mr. SULLIVAN.)

THURSDAY, THE 31ST DAY OF AUGUST, 1944

Ordered, "That the name of the Honourable Mr. Sullivan be discharged from the Public Accounts Committee, and that of Mr. Petrie substituted therefor."—(Hon. Mr. NASH.)

TUESDAY, THE 12TH DAY OF SEPTEMBER, 1944

Ordered, "That Parliamentary Paper No. 134 (Public Accounts for Year ended 31st March, 1944, together with Report of the Controller and Auditor-General—B.-1 [PT. II]) be referred to the Public Accounts Committee."—(Right Hon. Mr. FRASER.)

THURSDAY, THE 23RD DAY OF NOVEMBER, 1944

Ordered, "That the Public Accounts Committee have leave to sit during the present sitting of the House."—(Mr. McCOMBS.)

WEDNESDAY, THE 6TH DAY OF DECEMBER, 1944

Ordered, "That the Public Accounts Committee have leave to sit during the present sitting of the House."—(Mr. McCOMBS.)

REPORTS

REPORT ON THE ANNUAL REPORT OF THE CONTROLLER AND AUDITOR-GENERAL FOR THE YEAR ENDING 31ST MARCH, 1944 (B.-1 [PT. II])

I HAVE the honour to report that the Public Accounts Committee has examined the report of the Controller and Auditor-General referred to it by the House, and has heard from the Controller and Auditor-General and his officers the various circumstances which gave rise to the comments in his report. The Committee has also heard, at considerable length, departmental officers on the points raised affecting their Departments, and other witnesses who had evidence relative to the inquiries made. The investigations required the Committee to sit on twenty-five occasions and the examination of twenty-three witnesses.

After hearing the evidence the Committee agrees that the comments of the Controller and Auditor-General are substantially in accordance with the facts as he found them, and supported by the results of careful checking of departmental records by his Inspectors. In extenuation, however, of any weaknesses or defects found in the administration of wartime Departments, concerning which most of the adverse comment has been made, the Committee found there has been considerable difficulty both in obtaining sufficient and trained staff, and also in improvising methods of dealing with sudden emergencies.

While the Committee has not been able to complete inquiries into all the matters raised in the report, it feels that it cannot usefully add to the Controller and Auditor-General's comments, except in regard to the Ministry of Supply and the disposal of Army vehicles.

In his remarks on the Ministry of Supply the Controller and Auditor-General reports a number of instances where stocks held are either in excess of requirements or not quite suitable for the purpose intended. Many of these goods have been obtained on lend-lease terms, and it should be pointed out that lend-lease goods no longer required for war purposes become "surplus" and cannot be disposed of or used until agreement can be reached with the Government of the United States of America. As always occurs in wartime, some of the excess goods are held because orders were placed in anticipation of exigencies which did not arise. In some instances where goods were proved to be not quite suitable for the intended purpose, a wartime substitute was sent by the supplying country because the particular goods ordered could not be obtained. The Committee has noted that the Controller and Auditor-General agrees that, since his previous report, improvement has been made and continues to be made in the accounting and organization of this Department.