Accounts of Local Authorities

There were seven cases of misappropriation of funds by local-body officials, as compared with nine in the previous year, and in each case the matter was placed in the hands of the police for appropriate action. The aggregate sum of the misappropriations was £426 8s. 5d., and it appears that restitution will eventually be made in respect of the whole of this sum.

During the year nine cases of disqualification of members of local authorities were dealt with by the Audit Office, as compared with three during the previous year. All these cases arose from members being concerned or interested in contracts entered into by their respective local authorities in excess of the limits fixed by section 3 of the Local Authorities (Members' Contracts) Act, 1934.

Numerous breaches of law relating to accounts were dealt with by Audit during the year, and an adjustment thereof or a recovery of moneys was required in all cases except where special circumstances were such that Audit requirement was waived conditionally on legislation being obtained to validate the irregularities.

The following is a list of the cases where this waiver was granted:—

Thames Borough Council ..	.. Gift of land.
Eketahuna Borough Council	.. Payments under a disqualifying contract.
Normanby Town Board ..	.. Water charges not levied in accordance with the provisions of the Municipal Corporations Act, 1933.
Ohai Railway Board ..	.. Payments under a disqualifying contract.
Kumara Borough Council	.. Failure to comply with the requirements of the Local Bodies' Finance Act, 1921–22.
Waipawa Hospital Board ..	.. Expenditure charged to a loan account without authority.

Except in the last two cases, the necessary legislation has already been obtained.

Attention was drawn in two previous reports to the fact that certain local authorities had engaged in activities of a farming nature although not authorized by law to do so. The position has now been regularized by the Local Authorities (Primary Production) Emergency Regulations 1944.

I am pleased to report that, despite the lack of trained Audit assistants, the work of auditing the accounts of local authorities has not been allowed to fall into arrear.

Patriotic Funds

The accounts of nine Provincial Patriotic Councils for the year ended 30th September, 1943, have been audited, and Audit reports thereon have been submitted to the Minister of Internal Affairs as required by regulations. The audits of the accounts of the remaining two Councils and of the National Patriotic Fund for the same period are almost completed, and receipts and disbursements of moneys of the Fund in England, the Middle East, and parts of the Pacific area have been examined by officers of the Audit Department stationed overseas.

Canteen Board

The year ended 31st March, 1944, has been a record for the Canteen Board. The sales for the period amounted to £2,280,426, spread over ninety-two canteens. Cash sales were £1,373,429, and credit sales to unit canteens were £906,997.

With the size of the turnover, the Board's staff has been hard pressed to maintain efficiently the current work of checking the vouchers for payments, and cash and stock control. In general, however, the work in this direction has been satisfactory.

The Board has nine canteens operating in the Pacific area, and operations there are more difficult to control than in areas closer to the controlling authority. Some of the vouchers for payments cannot be considered satisfactory, while losses due to thefts, pillages, shortages upon outturn, and breakages have been considerable. During the year, as a result of representations by Audit, a more effective check was instituted upon the returns from these canteens, and the current position has improved in the matter of stock shortages.