

(5) Payment of £2,032,677 19s. 5d. in excess of the limit of £500,000 fixed by section 58 of the Public Revenues Act, 1926, as the limit of unauthorized for all other services.

(c) STATEMENT OF IRREGULARITIES IN CONNECTION WITH PUBLIC MONEYS AND STORES

Fifteen cases of misappropriation of public moneys by departmental officers involving a total sum of £783 11s. 11d. are included in this statement. The largest defalcation (£395 14s.) occurred outside New Zealand. Proceedings against the defaulter could not be taken here, and it was deemed inadvisable to institute them abroad. The Audit Office was in agreement with this decision. The full amount of the loss has been made good by the person concerned, and he has left the Public Service. In addition to the above-mentioned cases, there appears in that part of the statement detailing irregularities committed by persons not departmental officers one which occurred in the Air Department and which involved a sum of £359 1s. 1d. In this case rail tickets were obtained by the issue of forged orders for travel, and cash refunds were irregularly obtained by the surrender of unused tickets to the Railways Department with certain markings erased. The system of control and issue of the forms in the Department has been strengthened, and it should be possible, in future, to fix the responsibility should any similar losses occur.

As has been mentioned on previous occasions, the ordinary safeguards provided by internal checks are applied, wherever possible, to prevent irregularities, and the Audit Office, in the course of its duties, examines the accounting systems in operation and suggests improvements where necessary. The instances reported, apart from the Air Department loss, did not point to remediable weaknesses in accounting procedure.

The number of cases reported to the Audit Office in which recipients of pensions, sickness, age, and other benefits obtained payment in excess of scale rates by failing to disclose material particulars of their circumstances to the Social Security Department was 164, as against 232 last year, the relative amounts involved being £1,992 17s. and £5,061 18s. 2d.

File No.	Nature of Irregularity.	Amount involved.	Action taken, and Result.
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NOTE.—In cases marked * Police inquiries were either unsuccessful or are incomplete.

CASES IN WHICH DEPARTMENTAL OFFICERS WERE INVOLVED

Agriculture Department

A. 21/4/32 ..	Misappropriation of moneys ..	£ s. d. 23 10 0	*
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Department of Labour and Employment (Employment Division)

A. 21/122 ..	Misappropriation of moneys ..	9 15 0	Offender admitted to probation for twelve months. Restitution made.
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Land and Income Tax Department

A. 21/21/3 ..	Misappropriation of moneys ..	13 19 0	Offender admitted to probation for two years. Restitution made.
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