

reports on the operations to the Board of Native Affairs, but, as far as Audit is aware, the Board does not fix a term to its development and control programme, and several properties have been held for many years, while none has been returned to the owners.

From time to time the Trustee's attention has been drawn to instances where stock losses appeared to be excessive, or the farming returns low, and explanations usually attributed the position to unseasonable weather, lack of fencing, or incompetence of some particular manager.

As regards subsidies from the Consolidated Fund, vote, "Native," the Audit Office inquired from the Trustee whether the assistance referred to both maintenance and capital operations, and was informed that subsidies referred to expenditure of a capital nature. In most cases this appears to be so, but, since the date of the reply, a subsidy of £1,000 on maintenance labour of one station worked at a loss was approved. Audit drew attention also to the granting of subsidies in certain cases in which the accounts disclosed that properties could be profitably administered without assistance.

In addition to the aforementioned station properties controlled under section 25, the Native Trustee administers others, such as two on account of the Gisborne Maori Soldiers' Fund, the management of which was vested in the Trustee by section 23 of the Appropriation Act, 1925. The Audit certificate on the balance-sheets of these stations for several years contained a comment that the advances from the Trustee's Account exceeded the value of the realizable assets, but the position has improved of late, and the comment has been discontinued. In recent years the leases of parts of the properties expired and the Trustee was awarded compensation, but this will not be received immediately. The Native Trustee in 1941 assumed control of the major portion under section 25, and, in view of the fact that there are now interested in the properties the Maori owners, owners other than Maoris, the Maori Soldiers' Fund, the Native Trustee as mortgagee of the Fund, and the Native Trustee under section 25, Audit suggested during the year to the Minister in Charge of War Funds that he review the position of the trust affecting this Fund.

The Taranaki Maori Trust Board

The Taranaki Maori Trust Board is constituted under section 49 of the Native Purposes Act, 1931, and receives an annual grant from the Consolidated Fund of £5,000. A statement of accounts is included in parliamentary paper B.—1 [Pt. IV].

For several years the Audit Office has experienced difficulty in vouching expenditure by some of the District Committees of the Board, and its certificate to each of the annual accounts included in the period of four years ended the 31st March, 1946, includes a comment in regard to the absence of receipted vouchers or invoices, the respective amounts involved being £217 18s., £1,012 11s. 3d., £1,671 11s. 3d., and £1,409 4s. 10d.

A new procedure was agreed on in September, 1946, under which—

(a) A Committee which has shown that it will obtain properly receipted and authenticated vouchers for expenditure made is to receive its annual grant in advance in one sum.

(b) A Committee which cannot be relied on to obtain properly receipted and authenticated vouchers is to receive an advance of one-fourth of the annual grant, and further instalments from time to time in reimbursement of expenditure made and satisfactorily supported by receipted vouchers.