

New Zealand National Airways Corporation

Section 29 of the New Zealand National Airways Act, 1945, requires the Audit Office to audit the accounts of the Corporation established by the Act. The first statements to be presented will cover the year to 31st March, 1947, and the first balance-sheet will show the position on that date. Up to then, however, the Corporation had not itself provided air transport, but in 1946, acting under the authority given in section 15 of its Act, it acquired all the shares in Union Airways, Ltd. This company continued to operate its services until it went into voluntary liquidation on 31st March, 1947, and the company's auditors will continue to audit its accounts until it is finally wound up. Then, with its liability disposed of, its remaining assets will pass to the Corporation as the sole shareholder. The Audit Office has made an interim audit to 28th February, 1947, of the financial transactions of the Corporation and will complete it to 31st March when the accounts to that date are ready.

Accounts of Local Authorities

Three cases of misappropriation of funds by local-body officials involving an aggregate of £1,294 5s. 10d. were reported during the year. In each case the matter was placed in the hands of the police for appropriate action. No restitution was made in two cases, and in the other case the Court ordered restitution of £55 17s. 1d.

Numerous breaches of law relating to accounts were dealt with, and an adjustment thereof or a recovery of moneys was required in all cases.

Eight cases of disqualification for membership of local authorities in terms of section 3 of the Local Authorities (Members' Contracts) Act, 1934, occurred during the year. Reference has previously been made to the fact that it is sometimes overlooked that a member may be interested in a contract as a shareholder in a contracting company of twenty members or less, and six of the eight disqualified members were shareholders in companies of this nature. There is no doubt the provisions of the Act are a trap for the unwary shareholder-member, and the Audit Office would be glad to escape some odium which arises from applying them where, as is often the case, the member's personal interest in any payments arising from the illegal contract is small.

Patriotic Funds

The accounts of the National Patriotic Fund Board and of eleven Provincial Patriotic Funds for the year ended the 30th September, 1946, have been audited, and Audit reports thereon have been submitted to the Hon. the Minister of Internal Affairs, as required by regulations. The audit of the accounts of two Councils for the same period is in progress, but that of the remaining one has been delayed through lack of Audit staff. The accounts of one Council for the year ended the 30th September, 1945, have not yet been certified, but the audit has been substantially performed.

The Audit Office raised with the Taranaki Provincial Patriotic Council the question of its authority to make a grant of £1,000 towards the cost of establishing a returned services' club at Stratford. The Council replied that it intended to propose