

(f) **SURCHARGES**

Section 69 (1) of the Public Revenues Act, 1926, provides that the Controller and Auditor-General shall surcharge the person responsible wherever it appears to the Audit Office that public moneys or stores have been lost through the default, neglect, fraud, or error of any person.

In the past year it was found necessary to surcharge five officers, three of the surcharges being in respect of loss of cash and two in respect of damage to departmental motor-vehicles.

Any person surcharged has the right under section 71 of the Act to appeal to the Minister of Finance, and the Minister may thereupon confirm or waive the surcharge as he thinks fit. Four of the surcharges were made the subject of appeal.

The appended table summarizes the position in connection with surcharges issued:—

Department.	Number of Surcharges.	Total Amount of Surcharges issued.	Upon Appeal.	
			Confirmed.	Waived.
		£ s. d.	£ s. d.	£ s. d.
Air	3	21 19 0	..	21 19 0
		25 3 0	5 0 0	20 3 0
		285 0 0	No appeal yet lodged.	
Industries and Commerce .. .	2	13 5 0	5 0 0	8 5 0
		55 0 0	..	55 0 0
	5	400 7 0	10 0 0	105 7 0

The two unsatisfied surcharges mentioned in the report of last year have not yet been met. Appeals have not been received, and money which would otherwise be due to the persons concerned is still being withheld.

Officers of the Defence Services have expressed concern that after offences involving loss of Government property have been dealt with by Court of Inquiry or other disciplinary action the power of surcharge by the Audit Office remains in terms of section 69 of the Public Revenues Act, 1926, and has in some few cases been exercised. They submit that it is undesirable, from the point of view of discipline and morale, that this position should obtain.

When the Audit Office decides to surcharge, it must, in terms of section 69, do so for the full amount of the loss or damage. If it could be given a discretion in the matter in the direction of taking into account action by other authorities, the few difficulties that have hitherto arisen could be reduced to an even smaller number in the future.

It has to be remembered that any person surcharged has the right of appeal to the Minister of Finance, and there has been no example of a surcharge being harshly enforced. As these reports have shown year by year, waivers have been very generously applied.