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

Misappropriations of public moneys by departmental officers included in this statement numbered thirteen, involving a total sum of £8,686 9s. 3d. The largest concerned the Social Security Department, in which a cashier in Auckland, who handled very large sums of money, stole £6,329 6s. 6d. The check on daily transactions in the Auckland office is an internal one, and the Audit Office takes no part in its application. Any tightening of the check which the fraud indicates to be desirable will be made.

Where a Department is handling an immense number of transactions, as the Social Security Department is, it is an extremely difficult matter to keep checks so up to date and efficient that a defaulter cannot escape detection for a time.

Another considerable theft, to an amount of £993 16s. 11d., happened in the Works Department, and was committed by a senior clerk who obtained the moneys by falsifying wages-sheets and, in collusion with two contractors of the Department, by preparing and causing to be paid fictitious claims for lorry hire. Inquiry revealed that the official time-books were not supported by field time-books, nor were the hire claims supported by daily cartage dockets certified as correct by field personnel. The police brought charges against the three offenders, and they were convicted and sentenced as stated in the schedule below. At a subsequent inquiry by the Public Service Commission into the actions of the officers who passed the claims for payment, it was found that they had failed in their duty to see that the departmental instructions relating to the payment of moneys were observed, and they were suitably disciplined.

Of two other large defalcations one was in the Land and Income Tax Department and the other in the Post and Telegraph Department. In the Land and Income Tax Department a cashier misappropriated the sum of £869 6s. 7d. The major portion of this amount was obtained by him by suppressing the Department's copies of receipted demands. He also omitted to issue receipts, and in one or two instances he manipulated the carbon copies of receipts.

The Post Office case concerned a Postmistress at a small post-office who converted moneys from cash in hand to her own use and falsified her returns by delaying the accounting of departmental remittances which had been sent to her to meet current commitments.

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.

File No.	Nature of Irregularity.	Amount Involved.	Action Taken, and Result.
	Note.—In cases marked * Police inquiries were either unsuccessful or are incomplete.		
	CASES IN WHICH DEPARTMENTAL OFFICERS WERE INVOLVED		
	Air Department		
		£ s. d.	
A. 21/101/48	Misappropriation of moneys ..	13 15 3	Offender admitted to probation for twelve months. Restitution made.