

Proceedings have not yet been instituted in either of the two cases outlined, for it appears that if refunds are enforced to the amounts mentioned the punishment would far outweigh the offence. The Audit Office suggests that the Act should be amended so that a fine at the discretion of the Court in which any proceedings are instituted would replace the refund now required. This would allow all the circumstances of a case to be considered before fixing a penalty.

Recoveries by the Audit Office

The presence of the Audit Office is doubtless effective in preventing many happenings which would be undesirable, but, in addition to supplying that salutary influence, it is sometimes able to instigate action to effect recoveries of overpayments or to collect moneys where collection has been overlooked. In general, the amounts involved are small and do not suggest that the accounting is seriously at fault, but a few comparatively large sums totalling some £19,000 were recovered or otherwise saved to Government funds during the year under review.

The gross cost of the Audit Department during 1948-49 amounted to £110,000, while its earnings in cash from local authorities and trading departments, &c., amounted to £42,000.

MONEY OR STORES WRITTEN OFF

Section 3 (3), Public Revenues Act, 1926

The above section provides that no public moneys or stores may be finally written off and discharged from the relative Account without the authority of Parliament, and the Treasury Regulations require that before presentation of relative items to Parliament the concurrence of the Audit Office and the Treasury shall have been obtained.

A statement of moneys and stores in respect of which Audit concurrence to writing off has been given since last report is given in the Appendix to this report.

CONCLUSION

The Audit Department continues to work at under its pre-war strength, but it does the best it can with the forces at its command. This shortage of staff was brought to the notice of the Government during the year, and has been referred to the Public Service Commission from time to time.

The Commission and the Treasury have assisted the Audit Office to carry out its duties, and Departments generally were courteous and co-operative in dealing with the very large number of audit references which were made to them.

J. P. RUTHERFORD,

8th August, 1949.

Controller and Auditor-General.
