PUBLIC ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 1914.

REPORT OF THE CONTROLLER AND AUDITOR-GENERAL, AS REQUIRED BY SECTION 84, SUBSECTION (2), OF THE PUBLIC RESERVES ACT, 1910.

Public Accounts.

The Controller and Auditor-General has the honour to submit to Parliament the Treasury Statement of the Revenue and Expenditure of the Public Account for the year ended 31st March, 1914, and to report that—

1. The statement has been examined and found correct.
2. There are no discrepancies between the statement and the books of the Treasury.
3. Fees amounting to £25 for the survey of oil-launches have not been collected, and are to be written off as irrecoverable.
4. Vouchers passed by Audit without supporting receipts on the authority of a Minister as provided for by section 69 of the Public Revenues Act, 1910:—

	£	s.	d.
Claims in connection with teachers' training-camp at Hastings for steamer fares, &c. (claimants being public-school teachers were not conversant with the requirements of the Audit Office) ...	123	1	0
Expenses incurred by Mr. B. M. Wilson in entertaining the officers and men of H.M.S. "New Zealand," it not being possible to obtain receipts...	77	10	0
Incidental expenses incurred by Mr. C. W. Naylor (Education), travelling from Palmerston North to Dannevirke to conduct examination in music	1	5	0
P. Curtis (Post and Telegraph Department, Auckland), medical and other expenses on account of accident incurred when travelling on public service	15	11	3
R. E. Tate (Machinery Department), hire of horse and gig ...	0	10	0

5. Surcharge against the Superintendent of the Mercantile Marine, at Dunedin, for £263 9s. 9d. (reduced to £247 11s. 7d.), being amount of public moneys misappropriated by the late clerk, C. B. Jarman, disallowed by the Minister on appeal, and amount made good to revenue by vote of Parliament.

Local Authorities' Accounts.

Sundry incidents in connection with the audit of local-authority accounts for the financial year ended 31st March, 1912, and the year ended 31st December, 1912, made it quite apparent that a stringent enforcement of statutory provisions would have to be made in order to check the growing laxity of various authorities in the use of the moneys entrusted to them, and also to stop the clearly excessive charges being made for travelling and contingent expenses, which were further in many cases paid in such a form as to constitute a positive breach of the law. In addition, therefore, to the ordinary exception recorded, where required, against the local-authority accounts when being certified, representations corresponding with the circumstances were made between the 1st January, 1913, and the 30th June, 1914, to 170 authorities of various classes. In 118 of the cases the improper operations were of such a nature as to enable the Audit Office to refrain from further action on an undertaking that the breaches of statutes in question would not be repeated, or, as in the case of a County Chairman's allowance, where the irregularity complained of was made legal by new legislation. In fifty-two instances it was, however, necessary to proceed to a final issue, although the desired result was attained in all but nine cases without surcharges being necessary, and in all but four cases the surcharges were met without Court action, and in each of these four actions judgment was given for the plaintiff.

The amount involved was in some instances considerable, the total sum of illegal expenditure and illegally claimed subsidies recovered being £3,709 12s. 10d., and in addition to this the Audit Office demanded and obtained adjustments of £22,672 of loan-moneys, the number of local authorities concerned being forty-two. Defalcations totalling £1,543 in the case of five local authorities were discovered by the Audit Inspectors during the period under review, and criminal proceedings were accordingly instituted, the clerks concerned in each being found guilty.

Robert J. Collins,
Controller and Auditor-General.

Audit Office,
Wellington, 9th October, 1914.