

convictions being obtained in each case. Particulars are as follows, the sum total involved being £4,050 7s. 2d., and the recoveries thereon £2,885 18s. 4d.:—

H. G. Leslie, Stamp Department, Invercargill: Manipulation of stamps, £769 5s. 2d. As this is a loss of revenue the amount will be required to be made good by vote of Parliament.

T. Silsby, Mental Hospitals Department, Wellington: Forgery amounting to £2,872 3s. 8d., of which £2,477 has been recovered, the net loss being £395.

W. H. T. Mardon, clerk, Public Works Department, Blenheim: Misappropriation, £92 9s. 4d. (recovered).

D. P. Phillips, Clerk of Court, Waihi, Justice Department: Misappropriation, £162 12s. (recovered).

T. Wallace, foreman carpenter, Public Works Department, Auckland: Misappropriation and forgery, £127 17s. (recovered).

Captain R. C. Hocking, Defence Department, Auckland: £26. Failure to account for this amount resulted in Captain Hocking being proceeded against in the Magistrates' Court, Auckland, and he was convicted and fined £100.

Considering the magnitude of the financial transactions of the Public Service I cannot but express the opinion that the losses in the way of misappropriation are very small.

MONEYS IRRECOVERABLE.

It was, of course, inevitable under war conditions that overpayments would take place in regard to the pay of returned or deceased soldiers, and sundry of such overpayments have been found to be irrecoverable, while in various instances where refunds might have been obtained the recovery would have created unwarrantable hardships, and the claims were consequently not enforced. These will all be included in the list of irrecoverables submitted to Parliament for authority to write off.

AUDIT RESULTS NOT PREVIOUSLY REPORTED.

As a result of the Audit examinations of the past three years various claims against the Public Account have been reduced, credits obtained, and savings effected to the amount of £7,695.

THE STAFF.

The constantly enlarging sphere of Audit operations has made it necessary for me to employ, at least for the period of the war, a considerable number of female clerks to cope with certain classes of the work. Twenty-two of these are employed at Head Office and its branches, while forty-five are engaged on the war-expenses audit, and the result has so far been satisfactory.

Notwithstanding the stress of war conditions the various phases of Audit service have been well maintained, and I have substantial grounds for believing that a certain amount of leeway caused by the sudden drain on the staff some three years ago will soon be made up. This satisfactory position is being attained by the staff's close attention to its duties, and I hereby express my appreciation of the good work done by them.

ROBERT J. COLLINS,
Controller and Auditor-General.

Audit Office, Wellington, 17th August, 1917.