

[1916.]

The Controller and Auditor-General would also take this opportunity to make some observations in respect of other accounts which come under his control.

AUDIT OF LOCAL AUTHORITIES.

The period which has elapsed since my former report has not produced any radical change in the merits or the weaknesses of the operations of local bodies in general, although it is gratifying to have to state that there is much more promptitude in making good any errors of charge and in bringing practice into line with statutory requirements than was the case before the custom of carrying irregularities to Court whenever necessary was adopted by Audit some four years ago. The same strange variance of conception respecting the obligations relating to the treatment of personal and public moneys is, however, still strongly in evidence, with the result that in the period under review a vast amount of time and correspondence were involved on the part of this Office in dealing with technical and essential breaches of statute, the following cases being brought to a successful issue, either by official pressure or by process of law, in which latter operations the Crown Law Office was in all cases successful :—

	No.	Amount £
Recoveries of subsidies	17	852
„ under surcharge	71	2,402
„ to public fund	2	1,100
Loan adjustments	62	34,818
Criminal prosecutions and convictions	5	

There were, in addition to these, sundry overdraft adjustments and illegal borrowing validations enforced.

PATRIOTIC FUNDS AUDIT.

Additional responsibilities have been placed upon the Audit Office by the War Funds Act, 1915, and notwithstanding that it involved much more work (between four hundred and five hundred funds being approved), the service has been smoothly and effectively dealt with. Pleasing features in this relation are the facts that a large amount of gratuitous audit has been performed by various public auditors of the first rank in their profession, and that with two or three notable exceptions the operations in inaugurating, accounting for, and administering funds have given no serious cause for complaint.

IMPERIAL GOVERNMENT SUPPLIES DEPARTMENT.

When the Department commenced operations in March, 1915, an additional sphere of work, imposed by section 31 of the Public Revenues Act, was created for the Audit Office.

At first, when meat was the only article of produce handled, the extra work entailed but little disarrangement of the permanent duties of the staff. However, contemporaneous with the increase in the audit of the operations of the Department the work of the Audit Office has increased, and now a special branch is required to cope with an audit of considerable magnitude. The volume of work can be gauged by the fact that the payments to the 31st March last amounted to £27,787,735, representing purchases and incidental expenses on behalf of the Imperial Government on account of meat, cheese, wool, skins, hides, and scheelite. There are also included payments made on behalf of the local Government for butter and cheese for military supplies, the price-of-butter-equalization scheme, and the receipts on butter-fat, all of which accounts have been audited to the 31st March, and found to be satisfactorily kept.

In connection with the payment for produce for the Imperial Government the Audit Office requires that the purchases are in conformity with the conditions arranged by the controlling authorities, and in some cases the concurrence of the Imperial Government is also required.

A continuous detailed audit has been instituted, an outline of the scope of which has been drawn up for submission by the High Commissioner to the consignees in London for purposes of co-ordination with the Imperial Government Auditors.

Audit Office, Wellington, 30th June, 1917.

ROBERT J. COLLINS,
Controller and Auditor-General.

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