

officers that because a limit is set to the amount for which a receipt to support expenditure is required by regulation, it is not improper to charge that limit when the cost has been less. It should be unnecessary to emphasize the fact that travelling-expense claims should be made only for the actual amounts disbursed, due regard being also given to the use of the least expensive mode of transit. The Audit Office must rely to a large extent on the certificate of the departmental officer in these cases, and it is essential in the public interest that proper care should be exercised by certifying officers before signing the certificate. Unfortunately, Audit finds that many officers take little trouble to subject these claims to any scrutiny before certifying.

GENERAL.

The Audit Office has suffered considerable reduction in staff during the year, the number of officers being now 123, or twenty-three less than last year. The reduction is represented chiefly by temporary clerks who were either dispensed with or resigned.

The past practice of examining the War Expenses and Repatriation Accounts concurrently with expenditure therefrom has been continued, but the work has been greatly reduced. The following classes of work have absorbed the greatest part of the time spent on the examination: Retrospective allowances, of which 517 were passed during the period, bringing the total to the 31st March up to 16,173; gratuities were not obtained, (2) that it was not possible to obtain them, or (3) that they were lost and could not be replaced. The total of claims so passed was £2,479 17s. 4d., the details of which appear in a schedule attached hereto.

The work of the Imperial Supplies Branch is now so much reduced that the audit examination is principally confined to the shipping and storage accounts of wool. The examination of the Butter Equalization Fund required a large amount of work, but at the present date only two claims have still to be disposed of.

Arrangements have been made for a continuous audit of the operations of the Meat-producers' Board.

During my visit to London over a year ago I inspected the Audit staff in the High Commissioner's Office. Two Audit officers perform the whole of the London work, which entails a thorough examination of the expenditure made by the High Commissioner on behalf of all Departments of the Government, in addition to the audit of all financial operations by the Treasury. I am pleased to be able to report that the work is being satisfactorily performed.

IMPERFECT VOUCHERS.

In terms of section 69 of the Public Revenues Act, 1910, the authority of the Minister of Finance was given to pass certain claims without the production of supporting vouchers, on the grounds (1) that receipts were not obtained, (2) that it was not possible to obtain them, or (3) that they were lost and could not be replaced. The total of claims so passed was £2,479 17s. 4d., the details of which appear in a schedule attached hereto.

Authority contained in section 70 of the Public Revenues Act, 1910, enabled the Audit Office to pass certain vouchers as shown in the schedule attached, which were defective for want of certificates or other relative documents.

LOSSES, DEFICIENCIES, DEBTS IRRECOVERABLE, ETC., TO BE WRITTEN OFF.

The Audit Office submits a schedule of losses or deficiencies in cash, stores, or supply, for which parliamentary authority will be required before such can be written off. The total amount is £49,498 18s.

The reason for writing off is in each case stated in the schedule, the items requiring special mention being the following:—

Health Department.

Value of Russell Ward Building at Te Waikato Sanatorium, handed over to Waikato	£	s.	d.
Hospital Board by authority of Cabinet	£1,800	0	0

Lands Department.

Rents and interest due by settlers remitted owing to holdings being in an unproductive state or because of losses of stock by floods	12,706	6	5
Rents and rates of discharged soldiers' and other holdings forfeited on account of rent being in arrear, or the settlers being unfinancial or deceased, or on account of the surrender of holdings	16,310	17	6
Mortgages and interest in respect to discharged soldiers' and other holdings that had been forfeited	3,924	3	6
Depreciation of motor-cars and tractors	1,154	3	11
Net loss on live and dead stock written off	3,589	14	10

Mines Department.

Shortage in coal stocks due to evaporation and stone	774	12	6
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Repatriation Department.

Loans granted to returned soldiers who have become bankrupt, or are wasters or deceased	1,692	8	11
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