

LIST OF DEPARTMENTS THE PROPERTY AND STORES OF WHICH HAVE BEEN AUDITED DURING THE YEAR
—continued.

Department and Office.	Number.	Date.	Remarks.
<i>Naval Defence Department—</i>			
Cash accounts	43	Various	Cash.
Provision accounts	21	Various	Stores.
Clothing accounts	16	Various	Stores.
Ledgers	52	Various	Cash.
Miscellaneous accounts	31	Various	Boatswain's, engineers', gunners', medical, and permanent naval stores and mess-traps.
Armament Supply Officer, Takapuna	..	11/3/32	Stores.
R.F.A. "Nucula"	..	12/3/32	Stores.
R.N.V.R., Wellington	..	5/10/31	Stores.
<i>Native Department—</i>			
Development schemes, North Auckland	..	16/12/31	Stores.
Base Farm, Motatau	..	16/12/31	Stores.
Development scheme, Ranana	..	3/2/32	Stores.
<i>Police Department—</i>			
District Office, Auckland	..	28/4/31	Cash and stores.
District Office, Wellington	..	15/3/32	Stores.
<i>Post and Telegraph Department—</i>			
Workshops, Wellington	..	11/1/32	Stores.
<i>Prisons Department—</i>			
Prisons	16	Various	Cash and stores.
<i>Public Works Department—</i>			
District Offices	24	Various	Cash and stores.
Road and construction works	46	Various	Stores.
Workshops, Auckland	..	1/7/31	Stores.
Waikaremoana	..	2/9/31	Cash and stores.
Mangahao	..	2/9/31	Cash and stores.
Workshops, Wellington	..	6/10/31	Stores.
Lake Coleridge	..	23/8/31	Stores.
Waitaki	..	12/9/31	Cash and stores.
<i>State Forest Service—</i>			
Auckland	..	30/9/31	Cash and stores.
Rotorua	..	28/1/32	Cash and stores.
Palmerston North	..	31/8/31	Cash and stores.
Nelson	..	31/1/32	Cash and stores.
Hanmer Springs	..	19/1/32	Cash and stores.
Christchurch	..	31/8/31	Cash and stores.
Tapanui	..	23/11/31	Cash and stores.

Audit of the Accounts of Local Authorities.

I am pleased to report that, despite the fact that the legislation of recent sessions of Parliament has considerably increased the work of the Audit Inspecting Staff, the audits of local authorities' accounts during the past year have been brought closer up to date than has been the case for a considerable number of years past.

It is also satisfactory to note that there is an improvement in the manner in which many of these accounts are now being prepared and also that greater promptness is being observed in submitting the accounts for audit.

During the past year there were no less than 2,006 accounts of local authorities audited and certified by the Audit Office, the classes of accounts and the number in each class, included in this total, being as follows :—

Counties	130	River Boards	41
Boroughs	128	Drainage Boards	74
Town Boards	73	Rabbit Boards	55
Road Boards	13	Electric-power Boards	48
Harbour Boards	36	Domain and Scenic, &c., Boards	843
Hospital Boards	55	Cemetery Trustees	335
Fire Boards	59	Miscellaneous	39
Educational	77		

Local Authorities' Finance.

The present adverse economic conditions are reflected in the accounts of local authorities, and it is apparent that many local authorities, owing to their inability to collect the rates levied, are finding it increasingly difficult to keep within the statutory limits of overdraft or to meet their obligations.

During the past year there were no less than forty instances where the statutory provisions governing borrowing on overdraft were contravened by local authorities, and in each case the local authority concerned was called upon to take immediate steps to reduce its overdraft to within the legal limit.

The Thames Borough Council was, during the past year, unfortunately compelled to notify its debenture-holders that it was unable to meet interest payments on its loans, and an arrangement was entered into between the Council and its debenture-holders enabling relief to be given to the borough ratepayers. Special legislation was passed during last session of Parliament to give effect to this arrangement and to provide for the appointment of a Commissioner for three years to control the affairs of the borough.