Attention has been drawn during the year to the following matters which relate to the accounts of local authorities but which are not breaches of law :—

Unsatisfactory systems of accounts—	
(a) Financial	12
(b) Stores	12
Excessive sundry debtors, laxity in collecting rates, &c.	24
Profit and Loss Account: Balance incorrectly stated	3
Receipts and other items not verified owing to inadequacy or non-production of supporting evidence	23
Payments unsupported by receipts and/or vouchers	18
Inability to certify wholly to accounts owing to destruction of records by fire, &c.	6
Failure to keep an essential book of record	2
Miscellaneous	6
Cheques signed in blank form	5
Liabilities not included in accounts	5
Payments not certified or passed for payment by local authority	3

Schedule B.—Breaches of Law passed subject to Validation of Irregularities.

Auckland Harbour Board: Expenditure incurred in connection with reception of Australian Squadron.

Buller County Council: Borrowing by way of overdraft in excess of statutory limit and entering into an invalid agreement with the bank in respect of that borrowing.

Christchurch City Council: Free installation of electric cookers and fittings in private premises and granting of concessions to consumers purchasing electric ranges from private firms trading in electrical supplies.

Christchurch City Council—Sinking Fund Commissioners: Payment of remuneration to Sinking Fund Commissioners.

Christchurch Domains Board: Expenditure of moneys in sending exhibits to Dunedin National Show and travelling-expenses of Board's Curator at a conference held in conjunction with that show.

Hastings Borough Council: Handing over Depreciation Fund Commissioners' moneys to Hawke's Bay Electric-power Board on sale of electricity undertaking to Board.

Hokianga Harbour Board: Purchase of wharf by instalments extending over period of years.

Lyttelton and Heathcote Domain Board: Entering into agreement to lease a Railway Reserve.

Statement of Royalties payable to the Crown and unpaid at the 31st March, 1936.

Section 91 (2) of the Public Revenues Act, 1926, reads as follows :—

"The Controller and Auditor-General shall include in the report to be prepared by him pursuant to subsection two of section eighty-nine hereof a statement as to all royalties payable to the Crown and for the time being unpaid, setting forth in respect of such royalties :—

"(a) The name of the person by whom the same are payable;

"(b) The amount payable by each such person; and

"(c) The steps (if any) that have been taken to recover the said royalties, and, if no such steps have been taken, the reasons for allowing the said royalties to remain outstanding."

Following the course previously adopted, the names of those in arrear are not published, although so required by the Act, but in the figures hereunder are included all amounts which were shown on the departments' books as owing and unpaid on the 31st March last. No attempt has been made to distinguish between the persons who have reasonable grounds for non-payment and those who have not :—

Department.	Amount unpaid. £ s. d.	£ s. d.
Forestry—		
Auckland Region	141 5 10	
Nelson Region	3,118 7 7	
Rotorua Region	158 0 0	
Wellington Region	384 10 7	
Westland Region	710 13 8	
		4,512 17 8
Lands and Survey—		
North Auckland District	992 14 10	
Auckland District	111 4 11	
Gisborne District	281 17 1	
Hawke's Bay District	115 14 10	
Wellington District	1,200 13 9	
Nelson District	304 1 2	
Canterbury District	8 4 5	
Westland District	1,581 14 6	
Southland District	139 11 3	
		4,735 16 9
Marine		582 6 9
Mines		7,402 13 1
Native		1,994 18 7
Public Works		7 9 0
State Coal-mines		1,264 1 0
		£20,500 2 10