

Schedule B.

Unsatisfactory system of accounts—

(a) Financial	11
(b) Stores	26
Stores on hand accepted on the certificates of officers	13
Excessive sundry debtors, laxity in collecting rates, &c.	9
Profit and Loss Account : Balance incorrectly stated	3
Receipts and other items not verified owing to inadequacy or non-production of supporting evidence	20
Payments unsupported by receipts and/or vouchers	39
Inability to certify wholly to accounts owing to destruction of records by fire, &c.	11
Failure to keep an essential book of record	4
Cheques signed in blank form	3
Liabilities not included in accounts	5
Payments not certified or passed for payment by local authority	4
Miscellaneous	12

Schedule C.

Cambridge Electric-power Board ..	Payment of interest on loan-moneys in respect of a period not authorized by the consenting Order in Council.
Christchurch City Council ..	Investment by the Council in certain of its own debentures resulted in the cancellation of those debentures, and legislation is required to effect their reissue.
New Plymouth Fire Board ..	Compassionate grant to widow of employee.
Pahiatua County Council ..	Expenditure incurred in replacing bridge by a culvert unlawfully charged to Bridges Loan.
Prebbleton Domain Board ..	Disqualification of member of the Board under section 3, Local Authorities (Members' Contracts) Act, 1934, and unlawful payment of £17 made to such member by the Board.
South Canterbury Electric-power Board ..	Payment of interest on loan-moneys in respect of a period not authorized by the consenting Order in Council.
Westport Borough Council ..	Donation to Cawthron Institute.

Surcharges.

Pursuant to the provisions of section 69 of the Public Revenues Act, 1926, it is necessary for me to surcharge any person who, through his default, negligence, or error, may be considered responsible for any deficiency or loss of public moneys or stores. Section 69 is mandatory in its terms, but section 71 provides that, upon appeal, the Minister of Finance may give full or partial relief in respect of any surcharge.

During the financial year I found it necessary to issue the following surcharges :—

—	Number of Officers surcharged.	Number of Surcharges.	Amount.
Department of Labour	17	12	£ 295 14 4
Department of Agriculture	2	2	11 0 11
Department of Lands and Survey	1	1	2 10 7
Transport Department	1	1	11 1 0
Post and Telegraph Department	1	1	14 18 3
	22	17	£335 5 1

Two officers elected to meet their surcharges without appeal, the Minister of Finance directed full payment in one case, gave total relief in respect of fourteen surcharges, and partial relief in respect of another.

The following table explains how the surcharges were satisfied :—

—	Without Appeal.	Upon Appeal to Minister.		Total.
		Confirmed.	Waived.	
Department of Labour	£ 1 2 6	£ 2 5 3	£ 292 6 7	£ 295 14 4
Department of Agriculture	..	..	11 0 11	11 0 11
Department of Lands and Survey	..	..	2 10 7	2 10 7
Transport Department	..	..	11 1 0	11 1 0
Post and Telegraph Department	..	..	14 18 3	14 18 3
	£1 2 6	£2 5 3	£331 17 4	£335 5 1

I have to report that all surcharges issued prior to 31st March, 1939, have been satisfied.