

Schedule C.

Arthur Pass National Park Board ..	Unlawful payment of bonus to contractor.
Awatere County Council ..	Issue of debentures after expiration of period stipulated by the Order in Council consenting to the raising of the loan.
Coromandel County Council ..	" Unauthorized " expenditure limit exceeded by £16 19s. 11d.
Ellesmere Land Drainage Board ..	Raising a loan on terms other than those authorized by the consenting Order in Council.
Kaitangata Borough Council ..	" Unauthorized " expenditure limit exceeded by reason of expenditure incurred in connection with borough jubilee celebrations.
Lake Okataina Scenic Board ..	Rentals in respect of lease of portion of reserve retained by the Board instead of being paid into Public Account.
Mount Roskill Road Board ..	" Unauthorized " expenditure exceeded by £50 5s. 9d.
Nelson Hospital Board ..	Payment by the Board of £1,000 to nurses as compensation for their personal effects destroyed by fire.
Wellington Hospital Board ..	Advances unlawfully made from the Centenary Block Loan 1937-40 Account to other loan accounts.

Surcharges.

Section 69 of the Public Revenues Act, 1926, requires the Controller and Auditor-General to issue a surcharge in every case where it appears to him that a loss of public moneys or stores may be due to negligence, fraud, or error. He is similarly required to surcharge any person who fails to comply with the Acts and regulations governing the receipt, custody, and proper application of public moneys or stores.

During the year ended 31st March, 1940, the Audit Office issued the following surcharges, no fewer than nine resulting from accidents to departmental motor-vehicles:—

Department.	Number of Officers surcharged.	Number of Surcharges.	Amount.
			£ s. d.
Air	4	2	29 18 11
Health	1	1	19 13 8
Labour	3	3	54 11 7
Lands and Survey	1	1	14 9 1
Marine	1	1	5 15 3
Post and Telegraph	2	2	16 3 9
Public Works	2	2	143 10 1
Transport	2	2	9 1 0
	16	14	293 3 4

Section 71 of the Act provides that any person surcharged by the Audit Office may appeal to the Hon. the Minister of Finance, who may confirm or waive the surcharge in whole or in part. Each of the officers surcharged during the past financial year exercised his right of appeal, with the result that two surcharges were partially sustained and the balance waived. All surcharges issued on or before 31st March, 1940, have now been satisfied, and the appended table summarizes the Hon. the Minister's directions:—

Department.	Upon Appeal to Minister.		Total.
	Confirmed.	Waived.	
	£ s. d.	£ s. d.	£ s. d.
Air		29 18 11	29 18 11
Health		19 13 8	19 13 8
Labour		54 11 7	54 11 7
Lands and Survey		14 9 1	14 9 1
Marine		5 15 3	5 15 3
Post and Telegraph	1 0 0	15 3 9	16 3 9
Public Works	50 0 0	93 10 1	143 10 1
Transport		9 1 0	9 1 0
	51 0 0	242 3 4	293 3 4