

Validating or other authority is awaited in respect of the following:—

(1) For the Crown (Marine Department) to operate vessels on a commercial basis, and to accept marine insurance risks on general cargo carried in those ships.

(2) For payment of increased annuities to widows who were in receipt of or entitled to annuities at the date of coming into operation of the Superannuation Act, 1947.

(NOTE.—It was found that section 39 (a) (i) of the Superannuation Act, 1947, did not apply, as, it is said, was intended, to the persons mentioned.

(3) For payment during the financial year 1947–48 of £642,730 12s. 3d. in excess of the amount of £2,460,947 assessed in terms of section 7 of the Finance Act, 1947, as the limit of unauthorized for all services in that year.

Since last report two members of Parliament became disqualified by reason of becoming contractors within the meaning of the Electoral Act, 1927. The action required of the Audit Office in such circumstances is to withhold payment of honoraria, but in each of the cases in question the Government advised that validating legislation would be introduced, and no withholding action was taken. Part of the legislation was provided by section 6 of the Rehabilitation Amendment Act, 1947, and what is still required is expected to be brought down during the present session.

(c) STATEMENT OF IRREGULARITIES IN CONNECTION WITH PUBLIC MONEYS AND STORES

Fifteen cases of misappropriation of public moneys by departmental officers, involving the total sum of £503 8s. 8d., are included in this statement. The largest occurred in the State Forest Service, where a field officer failed to account for timber royalties paid to him in respect of timber milled. He omitted to forward returns to his district conservancy office as he was required to do, and in some cases he gave receipts on copies of produce delivery-notes issued by him instead of on official receipt forms. He made full restitution. A defalcation of £51 5s. in the Social Security Department was committed by a cashier, who forged signatures to benefit advices to a beneficiary who had left the country, and whose identity card had come into the cashier's possession.

In addition to the above-mentioned cases, the theft of wire valued at £400 18s. from a dump controlled by the Ministry of Supply is reported in that part of the statement detailing irregularities committed by persons other than departmental officers. The loss occurred in 1945, but a case against the offenders was not brought until July, 1947. Detection of the theft was made difficult by the huge stocks held by the Ministry and its inability to have a physical check made of them.

As has been mentioned on previous occasions, the ordinary safeguards provided by internal checks are applied wherever possible to prevent irregularities, and the Audit Office in the course of its duties examines the