

to use the facilities thus created included provision for the ultimate realization of the assets, either by sale to the companies if they required them, or otherwise. Since War Expenses Account had been recouped to the extent of £673,332 from the Meat Industry Account and £220,000 from the Dairy Industry Account, the proceeds of realizations were to be paid into those accounts.

In December, 1948, the New Zealand Meat-producers Board was authorized by the Minister of Marketing to undertake the realization of the assets, and a committee of the Board was set up for that purpose. So far, disposal has been completed in respect of only one of the companies concerned, but Audit is advised that negotiations are proceeding with other companies. In the case of the completed transaction, approximately the whole of the amount expended, about £34,000, has been recovered, and paid into the Meat Industry Account. There has so far been no recovery in respect of assets paid for out of the Dairy Industry Account.

### **Cook Islands Administration**

The Cook Islands Treasury Regulations 1916, as amended on 11th May, 1931, made under the Cook Islands Act, 1915, impose on the Audit Office the duty of auditing the accounts of the Cook Islands Treasury annually, "save that if for any reason the Controller and Auditor-General may deem it necessary or advisable the audit of any one year's accounts may be postponed and the accounts be audited with the following year's accounts."

The last visit to the Islands by an Audit Inspector was made towards the end of 1947, but a fair amount of auditing has since been done under an arrangement whereby expenditure vouchers are forwarded for examination in Samoa, where officers of the Audit Department are stationed. The next visit is now overdue, but the Audit Office has been advised that the final accounts and balance-sheets have not yet been prepared. During the past two or three years it became apparent that the accounting work was falling seriously into arrears owing to shortage of staff, and, as the Administration handles several hundreds of thousands of pounds annually, efforts have been made to improve the position. It is anticipated that the accounts will be audited within the next three months.

### **Local Authorities' Accounts**

Four cases of misappropriations of funds by local-body officials, involving an aggregate of £1,354 8s. 9d., were reported during the year, and in each case the matter was placed in the hands of the police for appropriate action. Full restitution was made in all cases.

Numerous breaches of law relating to accounts were dealt with, and an adjustment thereof or a recovery of moneys was required in all cases. Mention was made in the last two reports of increases in the number of local authorities which had failed to live within their incomes or which had incurred bank overdrafts without authority or in excess of statutory limits. During the year 1949-50 there was a further slight increase in the number of such cases.

Two cases of disqualification for membership of local authorities in terms of section 3, Local Authorities (Members' Contracts) Act, 1934, were dealt with.