

PUBLIC ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 1922.

REPORT OF THE CONTROLLER AND AUDITOR-GENERAL.

THE Controller and Auditor-General has the honour, in compliance with section 84, subsection (2), of the Public Revenues Act, 1910, to submit to Parliament the accompanying statement of accounts prepared by the Treasury for the financial year ended 31st March, 1922, and to report as follows:—

After entering upon my duties as Controller and Auditor-General in January last I took the earliest opportunity of visiting the chief centres of the Dominion, with a view of ascertaining the position regarding the audit of local authorities and other accounts in the local centres. A careful inspection of the system of audit obtaining generally in regard to Government accounts under the provisions of the Public Revenues Act, 1910, has also been made.

The ordinary duties carried out by Audit may be classified under the following heads:—

- (1.) Audit of the receipts and expenditure of all local bodies.
- (2.) Audit of Government stores and property.
- (3.) Checking of Government loans and public debt and Treasury expenditure.
- (4.) Audit of departmental balance-sheets.
- (5.) Audit of receipts and expenditure of Government Departments.

LOCAL AUTHORITIES.

The work of auditing local bodies' accounts has been carefully and well done, but unfortunately, owing to insufficiency of staff, in some instances the work is in arrear.

The vast increase in the revenues of local authorities during the past ten years, all of which must, of course, be audited, is a feature which is liable to be overlooked when considering the capabilities of the Audit staff. A reference to local-body statistics will show that while in 1910-11 the total of receipts of these bodies (excluding Hospital and Education Boards) for that year was £5,541,284, the sum for the year 1919-20 was £10,959,798—practically a doubling of the receipts in ten years. These sums are receipts only, and do not include outstanding rates, &c., and the expenditure, all of which must, of course, be checked in the routine of audit.

For general information I may state that the numbers of local governing bodies existing at the end of 1921, the accounts of which require to be audited by the Government, were as follows: Boroughs, 115; counties, 129; Drainage Boards, 61; Education Boards and bodies, 63; Electric-power Boards, 21; Fire Boards, 36; Harbour districts, 33; Hospital Boards, 45; Local Railway Boards, 3; Maori Land Boards, 7; River Boards, 51; Road Boards, 82; Town Boards, 70; Tramway Boards, 2; Water-supply Boards, 7; Cemetery Trusts, 327; and Domain Boards, 658.

Of these bodies, the Electric-power Boards are rapidly increasing, and are likely to continue to do so.

At the present time, when the Treasury is finding it necessary to curtail expenditure as much as possible, it is not desirable to increase the Audit staff if it can be avoided, and I am endeavouring, therefore, to so arrange the system that some members of the headquarters staff may be spared to strengthen the district inspectional staff.

I am pleased to be able to record that local bodies as a rule have assisted the Audit officers in every possible way, and the only complaint that has been received from them is on account of the work being in arrears.

In addition to many adjustments of technical irregularities by Audit during the year, special action was taken in respect of the various classes of local bodies as follows:—

	Surcharges.	Loan Refunds.	Defalcations.	Miscellaneous.
Boroughs	4	3	4	2 prosecutions <i>re</i> disqualifications.
Counties	2	2	1	1 prosecution <i>re</i> use of loan-moneys.
Drainage Boards	2	1	..
Education authorities	3
Electric-power Boards	1	2	..	1 prosecution <i>re</i> disqualification.
Harbour Boards	1	..	1	..
Hospital Boards	2	1 illegal deposit of funds.
Road Boards	1	..	1	1 disqualification.
Town Boards	1	1	1	..