

Loss of £1,800.

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The Department's report shows that this loss was the result of a forced sale, as far back as 1922, of stock held in excess of immediate requirements in connection with special schools. The determination to reduce stocks was the outcome of a recommendation of the Controller and Auditor-General himself that the store should be closed.

The Department, in common with most mercantile firms, in order to secure adequate supplies, was during the immediate post-war period compelled to order goods in excess of immediate requirements. The Department simply followed the mercantile practice of securing supplies during that period. Although the store was to a certain extent overstocked in some lines, yet its issue prices for such were lower than local current prices. For instance, the Department could have sold some of the lines to local warehouses at profits varying from 200 to 300 per cent.

The Department's report clearly indicates that no loss would be shown if the total savings were offset against the alleged losses.

LOAN OF DAIRY STOCK TO FARMERS.

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The departmental report indicates the following: Because of the fact that some four years ago no accommodation was available, a large number of pedigree heifers were likely to deteriorate through lack of care and attention, and in April, 1923, the local Officer in Charge suggested that fifty-eight of these heifers then running on the estate should be handed over to a settler to care for, he to have the use of them for their first season, and to hand them over in good condition for the following season. Had such a course not been pursued, in all probability the heifers would have deteriorated so much that they would have been badly set back for subsequent milking seasons. In the circumstances the head of the Department agreed to the proposal. The heifers referred to were duly returned by the settler in accordance with the arrangement made.

GOVERNMENT FARM-MANAGER—ALLEGED DEALING IN STOCK.

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The facts from the departmental statement are that nothing is known officially of any trafficking by this officer in live-stock detrimental to Government interests, and, further, that the Department is not aware of any investigation by the Audit Office into irregularities of the nature implied.

In regard to the resignation of the Farm-manager referred to, the resignation was brought about by the fact of his preference to resign rather than to transfer to another institution.

FARMING INSTITUTIONS.

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No evidence can be found on record to support the sweeping statement that "generally irregularities in one shape or another exists" in cases where Government officers own farms in the vicinity of the State farms.

In one case of alleged irregularities which was reported, investigation showed that the transactions had the sanction of the Permanent Head.

GRATUITOUS ISSUES TO STAFF.

The Departments referred to state that where this has been done it is mostly in kind. In one Department the staff is at an isolated place, and it is decidedly more economical to allow these issues than to consider pay to cover cost of procuring the supplies elsewhere.

In another Department some employees on farms were allowed produce at less than retail delivered prices at adjoining town, but the rates were considered reasonable. In other cases the issue of produce of the institutions to employees was part of the agreement as to their employment, and was certainly a less expensive mode of remuneration.

RECORDING OF WORKMEN'S TIME.

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Extract from Engineer's report:

The works were not big enough to warrant the employment of an independent timekeeper.

In all cases of discrepancies between time-books and time-sheets, explanations have been obtained from the overseers and gangers responsible, and these show clearly that the time-sheets were looked upon as the correct record, and the time-books were considered as notebooks of temporary value only. With men scattered over a large area, and many of them visited by a ganger or overseer at off times only, it is obviously impossible to keep an office record against each name of the time worked each day. And where men are working in isolated spots and visited at off times only by an overseer, there is no absolute check on the hours worked, and naturally more importance is placed on the amount of work performed than on the actual number of hours worked.

It is a very difficult matter for an overseer to explain discrepancies in the times worked by odd men over a twelve-month period. Nevertheless, these alleged overpayments have been satisfactorily accounted for in nearly all cases, and the times still in doubt total only ninety hours. The other cases occurred where a Maori was foreman of the gang.