

Social Security (Medical Benefits) Regulations 1941

My officers have satisfied themselves that revision has been satisfactorily maintained of Patients' Lists which determine the amount of fees payable from the Social Security Fund to medical practitioners giving services on a capitation basis.

Public Stores

I have again to report that the inspection of the accounts of the General Branch of the Public Works Department has, through shortage of Audit Inspectors, been left to the Department's own staff. Their reports, which are made available to me, indicate that a satisfactory standard of accounting is being maintained.

Even with the relief so afforded, Audit Inspectors have been unable to inspect the stores accounts of all other Departments, but those examined have, with few exceptions, been found in order.

The position of the stores purchased or received for the use of the Armed Forces is separately dealt with in the War Expenses section of this report.

Accounts of Local Authorities

Two cases of misappropriation of funds by local-body officials were reported during the year, as compared with seven in the previous year. In each case the matter was placed in the hands of the police for appropriate action, and restitution was made in respect of the sums involved.

Fifteen cases of disqualification of members of local authorities were dealt with by the Audit Office, as compared with nine during the previous year. All these cases arose from members being concerned or interested in contracts entered into by their respective local authorities in excess of the limits fixed by section 3 of the Local Authorities (Members' Contracts) Act, 1934.

Numerous breaches of law relating to Accounts were dealt with by Audit during the year, and an adjustment thereof or a recovery of moneys was required in all cases except where special circumstances were such that Audit requirement was waived conditionally on legislation being obtained to validate the irregularities.

The following is a list of cases where this waiver was granted :—

Waimumu Stream Drainage Board	Money borrowed in excess of lawful authority and rate levied after authority to levy such rate had expired.
Petone and Lower Hutt Gas Board	" Unauthorized " expenditure in excess of statutory limit.
Otago Education Board	Investment of funds in other than trustee security.
Bluff Harbour Board	Loan raised without precedent consent of the Governor-General in Council.
Masterton Fire Board	" Unauthorized " expenditure in excess of statutory limit.
Half-moon and Horseshoe Bay Harbour Board	Conduct of a ferry service as agent for the Crown without statutory authority.

In the first three cases referred to the necessary legislation has already been obtained.

Although the number of officers on the inspecting staff remains below normal, I am pleased to report that the work of auditing the accounts of local authorities has not fallen unduly into arrear, but the time devoted to individual audits has of necessity been restricted.

Patriotic Funds

The accounts of the National Patriotic Fund and six Provincial Patriotic Councils for the year ended 30th September, 1944, have been audited, and audit reports thereon have been submitted to the Minister of Internal Affairs as required by regulations. The audit of the accounts of a further three Councils for the same period is almost completed, but that of the remaining two has been delayed through lack of audit staff.

Canteen Board

The turnover of the Board for the year ended 31st March, 1945, was £1,810,000, showing a reduction of some £400,000 from the previous year. This has been occasioned by the withdrawal of the Third Division from the Pacific Area and the reduction in the number of home-service personnel.

The accounting work of the Board has been brought up to date, and a re-organization of the accounting system has greatly facilitated the audit work for the current year.