

Land Purchases From Members of Parliament.—Under section 23 (f) of the Electoral Act, 1927, the seat of a Member of Parliament shall become vacant if he becomes a contractor with the Government as defined in section 15 (3) of the same Act. Where, however, the contract is for the acquisition of land the member is not disqualified, but it is provided that a copy of the contract shall be tabled in Parliament within a time laid down. During 1949 two cases occurred where the Government purchased land in which Members of Parliament had an interest. The contracts were not tabled, the Director-General of the Lands and Survey Department being of opinion that this action should not be taken as the approach to buy the lands was made by the Department. The failure to table the contracts was met by provision in the Finance Act, 1949, section 20 (c) and (d), of which stated that the provisions as to disqualification of Members of the General Assembly should not apply in the two cases mentioned. The Audit Office does not in any way question the *bona fides* of the transactions, but is of opinion that the contracts should have been tabled as required by the relevant statutory provisions.

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

Misappropriations of public moneys by departmental officers included in this statement involve a sum of £2,094 16s. 6d. In addition, there are two cases of misappropriation involving £557 11s. 5d. by non-permanent postmasters who undertake Post Office work in conjunction with their private businesses. These appear in that part of the statement detailing irregularities committed by persons other than departmental officers.

The largest defalcation was committed by an officer of the Army Department, who drew a cheque for £765 10s. 3d. on his imprest account and converted the proceeds of it to his own use. He also operated an imprest account of the Department of Labour and Employment, and from this account he misappropriated the sum of £425. Restitution of £252 12s. 10d. was made by him, and £500 was recovered under a fidelity guarantee insurance policy.

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 accounting systems in operation and suggests improvements where necessary. The instances reported do not point to remediable weaknesses in the accounting procedure.

Attention is drawn to the note under the heading "Social Security Department" on page 11 of this report. The relevant Treasury regulation has not been fully complied with in that it requires the return to include all cases where "any person illegally obtains possession of any public moneys," and this would apply to moneys improperly received as the result of any beneficiary's carelessness or negligence in advising the Department of altered circumstances. The return will be improved next year in that it will state the number of cases and the amount involved where the Department considers that there has been misappropriation, default, or malfeasance, even though the circumstances are not considered to justify Court action.