

By means of forgery £80 was obtained from the Post Office Savings-bank by a person who cannot be traced. The amount lost will require to be written off with the sanction of Parliament.

A person not in the Service attempted by means of fraud to obtain £160 from the Post Office Savings-bank. He was sentenced by the Court to two years' imprisonment.

Burglars broke into four railway-stations and stole cash aggregating £1 5s. and some tickets. The amount stated will require to be written off with the sanction of Parliament.

For stealing sums totalling £10 from a number of registered packets in transit a non-permanent Postmaster was convicted and sentenced to twelve months' hard labour. The loss will require to be written off with the sanction of Parliament.

By means of forgery a person not employed in the Service obtained £30 from a savings-bank account. He was convicted and sentenced at the Auckland Supreme Court to eighteen months' hard labour. On his arrest £10 6s. 3d. was recovered, and the remainder will require to be made good by the departmental officers who failed to exercise reasonable care in handling the transaction.

For the theft of postal packets a message-boy not employed by the Department was convicted at Christchurch and placed on probation for two years. He was also ordered to make restitution.

The theft of a £10 bank-note from a letter entrusted to him for registration at the Wanganui Post-office led to a lad who was not connected with the Post Office in any way being convicted and sentenced to one month's imprisonment. Restitution was made.

Two platinum dishes and two crucibles, valued at £100, were stolen from the Dominion Laboratory. The police have been unable to trace the articles or detect the culprits. The value will require to be written off with the sanction of Parliament.

Three platinum dishes, valued at £75, were stolen from the Chemical Laboratory of the Department of Agriculture. The police have not been able to trace the articles or detect the culprits. The value will require to be written off with the sanction of Parliament.

The fraudulent withdrawal of £300 from a Post-office Savings-bank account led to the arrest of a person in Melbourne who is not connected with the Service. He will be brought to New Zealand and charged with the offence.

Arising out of the failure in delivery of a letter containing a 10s. postal note, a lad not employed in the Service was convicted of theft and placed on probation for two years.

Section 84 (2) (d), Public Revenues Act.

A schedule of all sums allowed or disallowed without vouchers or with imperfect vouchers or upon incorrect certificates is appended to this report.

Section 84 (2) (e), Public Revenues Act.

A list of cases in which proceedings have been taken in pursuance of the Public Revenues Act or regulations thereunder will be found under paragraph 84 (2) (c) above.

Section 84 (2) (g), Public Revenues Act.

There are no surcharges imposed by the Controller and Auditor-General remaining unsatisfied nor have any surcharges been disallowed during the year by the Minister on appeal.

Section 84 (2) (h), Public Revenues Act.

It became necessary to make certain transfers during the year from the Consolidated Fund to the Working Railways Account in terms of section 4, subsection (1) (d), of the Government Railways Amendment Act, 1925, and a detailed audit was, with the consent of the Minister of Finance, dispensed with in respect to the year under review. Arrangements have, however, been made for an independent audit for the future, as the departmental internal check which has been in operation in the past is not considered sufficient for the verification of the amounts which may become payable from the Consolidated Fund under the authority of the Government Railways Amendment Act, 1925.

Section 84 (2) (i), Public Revenues Act.

STORES AUDIT.

During the period under review 150 Store Accounts of various Departments have been examined and reported on, and in addition the ledgers and accounts connected with the Naval Service have also been dealt with.

The results disclose a marked improvement in care, custody, and accounting for stores and Government property since the date of my last report.

Stores Rules for the guidance of officers have been compiled by the following Departments (in some cases the rules are not yet issued but are in a well-advanced state): Agriculture, Audit, Customs, Education, External Affairs, Government Life Insurance, Industries and Commerce, Internal Affairs, Immigration, Justice, Labour, Land and Income Tax, Lands and Survey, Legislative, Mental Hospitals, Mines, Native, Native Trust, National Provident, Prisons, Post and Telegraph, Police, Printing and Stationery, Pensions, Public Service Superannuation Board, Public Trust, State Forest, State Advances, State Fire Insurance, Stamp Duties, Valuation.