

Schedule A—continued.

Travelling expenses and allowances in excess of or without statutory authority	7
“ Unauthorized ” and other payments in excess of legal limits	18
Unlawful sinking and other funds	8
Miscellaneous	48
Public Reserves, Domains, &c., Act (offences under)—	
(a) Borrowing without authority of law	18
(b) Breaches of trustee law	7
(c) Failure to bank funds as required by statute	17
(d) Investments and deposits without authority of law	11
(e) Payments without statutory authority	12
(f) Miscellaneous	13
Cemeteries Act (offences under)—	
(a) Breaches of trustee law	1
(b) Failure to bank funds within prescribed time	16
(c) Miscellaneous	8

Attention has been drawn during the year to the following matters which relate to the accounts of local authorities but which are not breaches of statute :—

Unsatisfactory system of accounts	23
Excessive sundry debtors, including laxity in collecting rates, &c.	28
Profit and Loss Account—Balance incorrectly stated	16

Schedule B.—Breaches of Law passed subject to Validation of Irregularities.

- Raglan County Council—Entering into an agreement without authority of law to contribute over a period of years towards cost of erection of an overhead railway-bridge.
- Tuakau Town Board—Entering into an agreement without authority of law to contribute over a period of years towards cost of erection of an overhead railway-bridge. Also limit of provision for unauthorized expenditure exceeded.
- Masterton Fire Board—Omission to obtain approval of Local Government Loans Board to purchase of land by way of mortgage.
- Pukekohe Borough Council—Payment of a compassionate allowance without authority of law.
- Waimairi County Council—Limit of provision for unauthorized expenditure exceeded.
- Leamington Town Board—Water charges fixed according to quantity used without consent of Governor-General in Council being obtained.
- Auckland and Suburban Drainage Board—Agreements entered into without authority of law with certain contributory local bodies for construction of works.
- Mangapu Drainage Board—Expenditure incurred without authority of law in connection with constitution of district and formation of Board.
- Opunake Electric-power Board—Bank overdraft in excess of legal limits.
- Dannevirke County Council—Special orders not passed as required by law for apportioning certain expenditure between Riding Accounts and General Account and for charging certain expenditure in full to General Account.
- Waikato Hospital Board—Approval of Local Government Loans Board not obtained to raising of loan.
- Napier Harbour Board—Portion of loan raised maturing at a date later than that provided by the loan authority. Also Loan Account not recouped from General Account with value of material originally purchased with loan-moneys, but used for general purposes.
- Wairoa Borough Council—Bank overdraft in excess of legal limits.

SUGGESTIONS BY THE CONTROLLER AND AUDITOR-GENERAL.

Section 90, Public Revenues Act, 1926.

CONSOLIDATION OF GOVERNMENT LOANS.

The Public Accounts of the Dominion, and particularly the statements relating to the public debt, are rendered more complicated than is necessary by the fact that there are many loan authorities or authorizing Acts for each account for which loans are raised. In one case over forty loan Acts have from time to time been passed for the one account, and, as there are usually a number of loans bearing different dates of maturity and different rates of interest raised under each Act, the amount of detail in the accounts can be readily understood. In the opinion of Audit there is no need for more than one loan authority for each account—that is to say, for each particular purpose—and if arrangements could be made to consolidate the loan authorities which have been passed, so that there would be only the one consolidated authority for each account, a very large amount of detail could be dispensed with, and great advantage from the point of view of efficiency, simplicity, and economy would result. As regards future legislation providing for the raising of additional loans, I would suggest that, instead of passing a new authorizing Act when the original authority has been exhausted, an amendment of the principal Act extending the amount originally authorized might be passed.

This matter has been discussed with the Treasury, and, in view of the pressing need for economy at the present time, I would suggest that steps be taken to introduce legislation to enable the loan authorities to be consolidated. It has been suggested that the consolidation might go even further than this, and that all Government loans should be consolidated irrespective of the account for which they were raised; but, in my opinion, this would not be desirable, as it is essential in the interests of proper accounting that the loans of each separate account should be kept distinct from the loans of other accounts.