

Railways Department Accounts

The amount available for payment by the Working Railways Account to Consolidated Fund as interest on capital invested depends to a considerable extent on provision made in the Railways accounts for certain reserves. The position as shown in the accounts in respect of three of these for the last three years is set out hereunder:—

	Depreciation Reserve.	Deferred Main- tenance Reserve.	Renewals Reserve.	Interest Short Paid.
	£	£	£	£
1943-44	959,362	410,500	226,824	197,745
1944-45	911,407	..	234,390	1,642,926
1945-46	955,797	246,000	471,917	1,829,192

State Advances Corporation Agency Accounts

The State Advances Corporation has, under the authority of section 40, State Advances Corporation Act, 1936, accepted various agencies, including—

- (1) The collection of certain rent, interest, and instalments of principal on behalf of the Public Works, Air, and Marketing Departments.
- (2) The collection of interest and principal repayments in respect of loans granted under—
 - (a) The Agriculture (Emergency Powers) Act, 1934:
 - (b) Farmers' Loan Emergency Regulations 1940.

- (3) The supervision of advances to ex-servicemen for furniture, businesses, and tools of trade, and the recovery of the amounts so advanced.

The books and accounts of the Corporation proper are audited by two public accountants appointed by the Governor-General in Council under the second part of subsection (2) of section 43, State Advances Corporation Act, 1936, to act in lieu of the Audit Office.

The Audit Office, however, is at present required to examine the transactions relating to the above agencies in the books of the Corporation. All payments are made out of and all receipts are lodged to the Corporation's bank account, and the relative receipts and vouchers are intersorted with those of the Corporation. In view of the difficulty of searching out and identifying the agency transactions, the Corporation is of opinion, and the Audit Office agrees, that the audit can be more conveniently carried out by the Corporation's auditors in the normal course of their audit.

The Treasury has advised that the Right Hon. the Minister of Finance has approved of legislation being promoted during the present session of Parliament empowering the Audit Office, as it thinks fit, to entrust to the Corporation's auditors the complete audit of all types of transactions undertaken by the Corporation as agent for a Government Department. In anticipation of this legislation the Audit Office has arranged for the Corporation's auditors to examine the above agency accounts as from the 1st April, 1946, and to report thereon to it.