

PUBLIC ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1921.

REPORT OF THE CONTROLLER AND AUDITOR-GENERAL AS REQUIRED BY SECTION 84, SUBSECTION (2), OF THE PUBLIC REVENUES ACT, 1910.

THE Controller and Auditor-General has the honour, in compliance with section 84 of the Public Revenues Act, 1910, to submit to Parliament the statement of accounts prepared by the Treasury Department for the financial year ended 31st March, 1921, and to report as follows :—

- (1.) The Treasury statement has been examined and found correct.
- (2.) There are no discrepancies between the statement and books of the Treasury.

ACCOUNTS.

The various accounts as under, dealing with the operations of the Public Account for the period under review, have been duly audited, certified to, and presented to Parliament as required by the Public Revenues Act, 1910 :—

Abstract of the Public Account.
Civil List Account.
Appropriation Account.
Unauthorized Expenditure Account.

The publication of the Budget makes available each year so full an exposition of our finances that a repetition of details of like nature could only be regarded as superfluous, and it is therefore deemed unnecessary to repeat the information here.

The Auditor-General is pleased to note that, as recommended in his last year's report, legislation has been enacted to provide for meeting emergency expenditure, and thus avoid the necessity for requesting him to issue moneys under a promise of indemnity.

PUBLIC DEBT.

During the past year the transactions in connection with the public debt have been numerous, and a *résumé* of same may be interesting.

The total amount of securities outstanding at the 31st March, 1921 (including State Advances debt) was £206,324,319, an increase during the year of £5,153,564. New loans amounting to £17,149,789 were issued during the year, but against this must be placed the amount of £11,996,250, debentures under section 3 of the Discharged Soldiers Settlement Loans Act, 1919, paid off by transfer from the Ordinary Revenue Account under section 8 of the Discharged Soldiers Settlement Loans Act, 1920, thus giving a net increase of £5,153,539 in the debt during the year. To this must be added an amount of £25 issued for redemption of debentures which fell due during the year but was unpaid at the 31st March, which gives the increase in securities outstanding as stated above.

Securities to the amount of £6,766,210 are held by the various funds and accounts which together form the Public Account, and are included in the amount of public debt shown as outstanding on the 31st March, 1921, but such debt is merely interdepartmental, and is therefore distinguished in the General Balance-sheet and Summary of Transactions by being shown under Debenture Sales Account (£6,137,780) and Inscribed Stock Sales Account (£628,430), instead of under Public Debt Account.

During the year it was found necessary to take advantage for the first time of the provisions of the Public Revenues Act, 1910, allowing the issue of Treasury bills in aid of the Public Works Fund. Treasury bills amounting to £670,000 were so issued, but were paid off during the year out of loan-moneys received to the credit of the fund.

LOANS REDEMPTION ACCOUNT.

Debentures amounting to £1,736,460 were paid off during the period under review, the requisite funds being provided by the issue of fresh securities of an equal amount, of which £1,474,700 was in debentures and £261,760 in inscribed stock. Loans amounting to £8,358,457 were renewed by the issue to the holders of fresh securities of an equal amount, and inscribed stock to the amount of £571,340 was issued in conversion or replacement of other securities.

SINKING FUNDS.

Inquiry has been made by the Audit Office as to the position of the various special sinking funds established by law for the repayment of particular loans. As a result of this action an effort is being made to ensure that, so far as statutory provisions permit, all such sinking funds shall be represented