

# PUBLIC ACCOUNTS.

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 1929.

## REPORT OF THE CONTROLLER AND AUDITOR-GENERAL.

I HAVE the honour to submit my report for the year ended 31st March, 1929, in terms of subsections (2) and (3) of section 89 of the Public Revenues Act, 1926, which sets out in detail the several headings under which the Controller and Auditor-General is required to present his report to Parliament, and which reads as follows:—

“ 89. (1) The Treasury shall as soon as practicable after the end of every financial year prepare and send to the Audit Office a statement of the revenue and expenditure of the Public Account during that year.

“ (2) The Controller and Auditor-General shall forthwith examine that statement, and prepare and sign a report showing:—

“ (a) The particulars of any discrepancies between such statement and the books of the Treasury :

“ (b) Full particulars of every case in which the provisions of this or any other Act, or the regulations or any forms, have not been carried out or adopted, or have in any manner been varied or departed from :

“ (c) Every case of failure to deliver or send in accounts or to collect or account for any moneys or stores :

“ (d) All sums allowed or disallowed without vouchers or with imperfect vouchers or upon incorrect certificates :

“ (e) Any proceeding that may have been taken by or against any person in pursuance of the provisions of this Act or the regulations :

“ (f) All unsatisfied surcharges which have been made by the Controller and Auditor-General and all surcharges disallowed by a Minister on appeal :

“ (g) In what accounts the Controller and Auditor-General has, with the consent of the Minister, dispensed with a detailed audit :

“ (h) Such other information as may be prescribed, or as the Controller and Auditor-General thinks desirable.

“ (3) The Controller and Auditor-General shall annex or append to the said report copies of all cases laid by him before the Attorney-General for his opinion, together with a copy of the opinion given in every such case.”

### DISCREPANCIES IN THE ACCOUNTS.

#### Section 89 (2) (a), Public Revenues Act, 1926.

In accordance with the above section, I have to report that certain differences exist between the statement of accounts as submitted for audit and the Treasury books, owing to the method of treating investments pursuant to section 16 of the Finance Act, 1927 (No. 2).

The reason for the discrepancies was explained on the first page of my report for last year, and to remedy the defect as far as possible the Treasury agreed to the insertion of an explanatory statement as shown on page 73, B.—1, Part I, 1928-29. From this statement it will be seen that the balances of the Public Account are overstated in the summary of balances on page 72 by £4,187,102 11s. 8d., owing to the fact that although the balance shown in any one of the accounts mentioned is offset by a liability in one of the other accounts, such liability is not shown in the summary. Further, of the total balance of £17,235,651 7s. shown in the summary, the amount of £10,489,567 8s. 6d. represents moneys paid out of the Public Account for investment outside the Public Account, and this, together with the above £4,187,102 11s. 8d., makes a total of £14,676,670 0s. 2d., which was not actually available for expenditure on the 31st March, 1929, although included in the summary.

Experience of the system now followed, gained since writing my last year's report, has strengthened me in the opinion that this method of treating investments tends to make the accounts more involved than is necessary and renders them misleading to an extent which the explanatory statement referred to does not entirely eliminate.