

PUBLIC ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 1938.

REPORT OF THE CONTROLLER AND AUDITOR-GENERAL.

I HAVE the honour to submit my report for the year ended 31st March, 1938, in terms of subsections (2), (3), and (4) of section 89 of the Public Revenues Act, 1926.

In connection with these reports, which the Controller and Auditor-General is required to submit to Parliament year by year, it is perhaps advisable that I should explain that it is necessary to comment only on a very small percentage of the matters affecting the Public Accounts which come under the notice of Audit during each year. It will be readily understood that in the vast majority of cases where questions regarding ordinary transactions are raised by Audit a settlement is arrived at after discussion with the Treasury or the Department concerned, and there is no occasion therefore for reference to be made to these cases in the reports to Parliament.

The full Statement of the Receipts and Payments of the Public Account is contained in two parliamentary papers—namely, (1) B.-1 [Pt. I], which shows, under main headings, the receipts and payments of the funds and accounts comprising the Public Account, and also shows details of the expenditure under the annual appropriations, Civil List, and the Unauthorized Expenditure Account, and (2) B.-1 [Pt. II], which shows certain of the receipts and payments in greater detail than they are shown in B.-1 [Pt. I], and as the last-mentioned paper for 1937-38 has already been laid before Parliament, it only remains necessary for me now to present Part II in accordance with the usual practice.

Treatment of Exchange in the Public Accounts.

I find it necessary again to make reference to the method of treating exchange in the Public Accounts and to draw the attention of Parliament to the fact that no attempt has been made to alter in any way the unsatisfactory position to which attention was drawn in my last report.

As the Audit Office objections to the system have been stated in the report of the Controller and Auditor-General each year since 1932, I do not propose on this occasion to deal with the matter in detail.

In 1932, when the question of exchange first became prominent and there was a possibility that the adverse rate would be a temporary one, there may have been some justification for the procedure adopted, but as the rate has apparently become permanent, I can see no reason why the Consolidated Fund should still be required to bear more than its just share of the cost of exchange.

Repayment of the Public Debt.

The following table gives particulars of the amount of securities redeemed during the year under the provisions of the Repayment of the Public Debt Act, 1925, and also the total of the amount as redeemed to 31st March, 1938 :—