

of 1946–47 no such entry was made relative to the Maintenance, Rates, and Bad Debts Reserves. The Audit Office was informed that the State Advances Corporation considered a sufficient amount was being credited to these reserves without allowing for an accretion of interest, and that the former book entries, if continued in 1946–47, would unjustifiably inflate the operating loss. The amount of interest involved was some £20,000.

Transit Housing

Provision is made in the Local Authorities (Temporary Housing) Emergency Regulations 1944 for any local authority, with the prior approval of the Minister of Finance, to establish a transit housing centre in order to provide temporary and transit housing. With a view to affording assistance to local authorities, Cabinet approved of certain suitable camps and buildings being handed over gratuitously for housing purposes, and the estimated value of these assets was charged to the item “Ancillary” in the War Expenses Account, and credited to the same account under the item “Disposal of surplus assets.”

Any costs incurred in dismantling and transporting huts and buildings were debited to Ordinary Revenue Account, vote, “Maintenance of Public Works and Services, ‘Transit Housing.’”

For the year ended 31st March, 1947, buildings, huts, and equipment to the value of £187,080 were handed over for housing purposes, while expenditure charged in respect of dismantling and transportation costs amounted to £37,909.

Iron and Steel Industry Account

Section 9 of the Iron and Steel Industry Act, 1937, applied Part X of the Public Revenues Act, 1926, to the above-named account, so that it has a separate bank account. Its transactions are not included in the public accounts presented to Parliament as B.-1 [Pt. I], which includes only accounts whose banking account is the Public Account. It is usual in legislation setting up an account under Part X to provide that an annual balance-sheet shall be submitted, but this was not done in respect of the Iron and Steel Industry Account. The position arises from the facts stated, that the only statutory requirement as to publication of the industry’s accounts is section 86 of the Public Revenues Act, 1926, which provides only for submission of a statement of expenditure from the relative vote or from “Unauthorized.” Revenue or loan receipts to the account, and any expenditure without further appropriation as provided for in section 15 (b) of the Iron and Steel Industry Act, are not at present required to appear anywhere in any published accounts, nor is the accumulated position at the close of any financial year readily ascertainable. The Audit Office has therefore represented to Treasury that a direction should be given in terms of section 57 of the Finance Act, 1932, requiring preparation of annual accounts and their presentation to Parliament.