

The audit of the accounts of the three Departments named above is reasonably up to date, with the exception of those of Head Office of the Rehabilitation Department, which will be attended to shortly.

The greater part of the rehabilitation expenditure, however, is by way of loan from State Advances Corporation funds for farming and housing purposes. The Corporation also, as agent for the Treasury, advances public moneys to purchase businesses, tools of trade, and furniture.

The Audit Office, under the authority of section 12, Finance Act, 1946, has authorized the Corporation auditors to audit the accounts kept by the Corporation relating to advances from public moneys, and this work has been done up to 31st March, 1948.

National Seaside Health and Recreation Area

In recent years areas of land in the Paekakariki-Raumati locality have been purchased out of vote, "Small Farms Development" in the Land for Settlements Account. The properties are in use for farming purposes and the receipts are credited to the Land for Settlements Account, but the principal object of the acquisition is to provide a health and recreation area. The purchase-price is approximately £100,000, and the intention is to reimburse the Land for Settlements Account by transfers from Vote, "Lands and Survey" in the Consolidated Fund. In 1947-48 an initial transfer of £20,000 was made as a charge against the item, "Recreation grounds and domains acquisition," but, as there was sufficient balance in the whole vote at the end of the year, this was increased to £40,000. It is proposed to make six more transfers of £10,000 annually to recoup the balance.

The purchase does not appear strictly to fall under the small-farms legislation in the first place, and the arrangements as to adjustment from Lands and Survey vote are unusual.

Post and Telegraph Department

Section 98 of the Post and Telegraph Act, 1928, provides as follows:—

(1) The Postmaster-General shall forthwith after the close of each financial year cause to be prepared—

- (a) A balance-sheet and a Profit and Loss Account, together with such other statements of accounts as may be necessary to show fully the financial position of the Post Office Savings-bank and the financial results of its operations for the year;
- (b) A balance-sheet and a Profit and Loss Account, together with such other statements of accounts as may be necessary to show fully the financial position of the Department (exclusive of the Post Office Savings-bank) and the financial results of its operations for the year.

(2) The aforesaid balance-sheets and accounts, duly audited by the Audit Office, together with such report thereon as the Postmaster-General thinks fit to make, shall be laid before Parliament as soon as practicable after the close of the financial year to which they relate.