

Government Advances to Settlers Office, Wellington, 19th July, 1902.

MEMORANDUM FOR THE CONTROLLER AND AUDITOR-GENERAL.

I AM quite willing to adopt your construction of the Investment Account and the Management Account as set out.

With regard to the other accounts, which I understand you to say that you are not obliged to audit, I would point out that they are constructed on commercial lines, and form the only possible means of conveying to Parliament and the public a comprehensive and intelligent view of the operations of the office for the past year, and the true position at its close. They are, moreover, in a form in which you have passed them for some years. I hope I shall not be considered unreasonable in asking that they be audited as in the past.

I am, however, bound to say that if you are not able to agree I am obliged in this matter to follow the professional advice of the Department's accountant, just as I am, on points of law, that of the Solicitor-General. I say this certainly not by way of attempting to exercise any undue pressure, but simply so that there may be no misunderstanding as to the position I take up.

Having met you on every point as to the construction of the statutory accounts, I ask you to meet me as to the commercial accounts necessary to a proper understanding of the operations and position of the Department.

I am not clear whether you refuse to recognise the accounts first submitted. If so, permit me to draw attention to section 48 of "The Government Advances to Settlers Act, 1894," which enables the Superintendent to cause to be kept such other accounts as he may think necessary.

JOHN MCGOWAN, Superintendent.

The Superintendent.

THE Audit Office cannot raise any objection if, in addition to accounts prepared under or in accordance with section 50 of the Act, the Superintendent issues for public information such other accounts as he may think necessary to show the financial position of his office. The Audit Office, however, certifies the accounts under section 50, and appears thus to be precluded from certifying the other accounts. A note accordingly has been placed on the accounts first submitted.

22nd July, 1902.

J. K. WARBURTON, C. & A.-G.

STATEMENT of LIABILITIES and ASSETS at 31st March, 1902.

Liabilities.			Assets.		
	£	s. d.		£	s. d.
3-per-cent. loan, redeemable 1st April, 1945, "A"	1,500,000	0 0	Investment Account—		
3-per-cent. loan, redeemable 1st April, 1945, "B"	500,000	0 0	Advances on mortgage	£3,035,230	0 0
3-per-cent. sundry loans	646,333	6 8	Less repayments	668,530	6 1
Suspense Account	4,044	2 0			
Accrued interest payable	84	5 5	2,366,699	13 11	
Profit and Loss Account £76,172 11 7			Temporary investments, Bank of New Zealand guaranteed stock	4,836	17 0
Less amount written off loan-flotation charges 30,000 0 0			Sinking Fund Investment Account with Public Trustee	95,954	7 5
	46,172	11 7	Assurance Fund Investment Account with Public Trustee	43,872	9 6
			Mortgage instalments receivable—overdue	1,617	8 7
			Bills receivable	990	11 7
			Interest receivable—overdue	7,207	13 5
			Interest receivable—accrued	25,176	14 1
			Cash in hand and in bank	36,350	8 6
			Loan-flotation charges	113,928	1 8
	£2,696,634	5 8		£2,696,634	5 8

STATEMENT of PROFIT AND LOSS ACCOUNT for the Year ending 31st March, 1902.

Dr.			Cr.		
	£	s. d.		£	s. d.
To Management Expenses Account	5,258	10 0	By Balance at 31st March, 1901	46,720	6 2
Balance, net profits to 31st March, 1901	£46,720	6 2	Interest Account, gross profits	34,710	15 5
Net profits for the year ending 31st March, 1902	29,452	5 5			
	76,172	11 7			
	£81,431	1 7		£81,431	1 7
Amount written off Loan-flotation Charges Account	30,000	0 0	Balance down	76,172	11 7
Balance of net profits carried forward	46,172	11 7			
	£76,172	11 7		£76,172	11 7