PUBLIC ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 1920.

REPORT OF THE CONTROLLER AND AUDITOR-GENERAL AS REQUIRED BY SECTION 84, SUBSECTION (2), OF THE PUBLIC REVENUES ACT, 1910.

In accordance with section 84 of the Public Revenues Act, 1910, the Controller and Auditor-General has the honour to submit to Parliament the statement of accounts prepared by the Treasury Department for the financial year ended 31st March, 1920, and to report as follows:—

(1.) The statement has been examined and found correct.

(2.) There are no discrepancies between the statement and the books of the Treasury.

The statement of accounts presented herewith gives full details of the receipts and payments of the Public Account for the year, the total lodgments to Public Account being £87,098,113 and the issues £87,596,662.

Public Accounts.

Accounts.

The various accounts enumerated below dealing with the operations of the Public Account for the period under review have been duly audited and certified to and presented to Parliament:—

Abstract of the Public Account.
Civil List Account.
Appropriation Account.
Unauthorized Expenditure Account.

Payments without Appropriation.

Owing to exceptional circumstances it was found necessary for the Audit Office to sanction the payment of moneys as stated below out of the Public Account without appropriation, the Government undertaking to introduce validating legislation and indemnify the Audit Office in respect thereof:—

(1.) Advances for the purchase of wheat, £241,367.

(Note.—Consequent on shipping difficulties in Australia it was necessary to hold in Melbourne wheat which had been purchased by Government for New Zealand, and advances against such wheat in store had to be made out of Unauthorized Account pending its sale on its arrival in New Zealand, particularly as the operation would be of benefit in relation to the general food-supply and cost of living.)

(2.) Advances to the Kohimarama Flying School, £4,850.

(Note.—This matter was one of urgent public policy and in the interests of the State, and no other method was available to defray the expenditure.)

The Auditor-General considers that this form of financial procedure can only be justified by abnormally imperative conditions, and would suggest that legislation should be enacted to provide for meeting such emergency expenditure, and that the said expenditure shall remain a charge against the Government till ratified by Parliament.

Public Debt.

The Statement of Public Debt accompanying the parliamentary paper B.–6 was examined and verified with the Audit Office Debt Register, the total debt at the 31st March, 1920, being £201,170,755, an increase during the financial year of £25,094,495. As the whole of this sum was raised in New Zealand, a large amount of work was involved in checking the entries and examining the securities before being signed by the Auditor-General as provided by law. A noticeable feature is the increase in popularity of inscribed stock as a form of security for loans raised in New Zealand, and it has been found necessary to institute a continuous audit of this class of transaction in order to deal expeditiously with the increased volume of work.

War Expenses Audit.

The examination of the War Expenses Account has been kept concurrent with the expenditure thereof, and the final audit of soldiers' accounts was dealt simultaneously with the examination of the war-gratuity payments. Up to date 92,304 claims for gratuities have been disposed of, and nearly 10,000 claims for dependants' allowances dealt with. The Audit staff engaged on war work has been gradually reduced from ninety to twenty-six to date hereof.

War Loans.

There has necessarily been a lessening of the amount raised for war expenses during the year: £11,628,985 has been raised, as compared with £22,274,205 raised during the previous financial year. Notwithstanding this decrease, the new issue involved the examination of some twelve thousand bonds and five thousand inscriptions of stock.

The decrease in the amount of loans for war expenditure is largely counterbalanced by the loans raised to provide moneys for discharged-soldiers-settlement purposes, amounting during the year to over ten millions.