

PUBLIC ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 1927.

REPORT OF THE CONTROLLER AND AUDITOR-GENERAL.

I HAVE the honour to submit my report for the year ending 31st March, 1927, in terms of subsections (2) and (3) of section 89 of the Public Revenues Act, 1926, which sets out in detail the several headings under which the Controller and Auditor-General is required to present his report to Parliament, and which reads as follows:—

“ 89. (1) The Treasury shall as soon as practicable after the end of every financial year prepare and send to the Audit Office a statement of the revenue and expenditure of the Public Account during that year.

“ (2) The Controller and Auditor-General shall forthwith examine that statement, and prepare and sign a report showing—

“ (a) The particulars of any discrepancies between such statement and the books of the Treasury :

“ (b) Full particulars of every case in which the provisions of this or any other Act, or the regulations or any forms, have not been carried out or adopted, or have in any manner been varied or departed from :

“ (c) Every case of failure to deliver or send in accounts or to collect or account for any moneys or stores :

“ (d) All sums allowed or disallowed without vouchers or with imperfect vouchers or upon incorrect certificates :

“ (e) Any proceeding that may have been taken by or against any person in pursuance of the provisions of this Act or the regulations :

“ (f) All unsatisfied surcharges which have been made by the Controller and Auditor-General and all surcharges disallowed by a Minister on appeal :

“ (g) In what accounts the Controller and Auditor-General has, with the consent of the Minister, dispensed with a detailed audit :

“ (h) Such other information as may be prescribed, or as the Controller and Auditor-General thinks desirable.

“ (3) The Controller and Auditor-General shall annex or append to the said report copies of all cases laid by him before the Attorney-General for his opinion, together with a copy of the opinion given in every such case.”

Section 89 (2) (a), Public Revenues Act, 1926.

No discrepancies exist between the statement of revenue and expenditure of the Public Account as presented with this report and the books of the Treasury. The audit of the accounts is continuous throughout the year, and any errors which are disclosed are rectified at the time. There are consequently no discrepancies remaining when the statement of accounts is finally submitted for the signature of the Controller and Auditor-General and for submission to Parliament.

Section 89 (2) (b), Public Revenues Act, 1926.

EXCHANGE OF SECURITIES.

On the 13th April, 1927, the Treasury submitted entries for the exchange of £370,300 securities with the Post Office, and it was proposed to record the exchange in the accounts for last financial year by antedating the transaction to the 31st March, 1927. It appeared to the Audit Office that no authority existed for such an exchange of securities, and that it was not proper to include in the accounts for 31st March transactions which did not actually take place until 13th April. The matter was brought under the notice of the Treasury, and it was stated in reply that the exchange was being made with the object of redeeming war debt out of surplus during the previous financial year, and the Treasury specially requested that no obstacle should if possible be placed in the way of carrying out this object. In these circumstances the Audit Office agreed to pass the entries, and subsequently obtained the opinion of the Solicitor-General as to the validity of the transaction. An opinion has