

recoveries on account of "Unauthorized Expenditure" to be reissued. The Prime Minister accordingly gave an undertaking to have any over-issue validated.

In the Abstract of the Unauthorized Expenditure Account appearing in B.—I [Pt. I] the recoveries, including £13,381 4s. 10d. receipts from marketing, have been shown as deductions, with the result that the net expenditure, excluding Working Railways, appears as £232,795 17s. 8d. The total, however, issued from the Unauthorized Expenditure Account was £260,959 19s. 9d., and the excess of £10,959 19s. 9d. requires to be validated.

Delay in Publication of Annual Accounts.

One of the reasons that has been offered for the delay in the publication of the annual accounts is that the audited figures were not available. This statement might reasonably give rise to an impression that the delay was attributable largely to the work of examination and not to the method of public accounting in New Zealand, which, in actual fact, is the real reason for the late presentation of the figures.

This matter was the subject of comment in the Controller and Auditor-General's report of 1934, when a comparison of the British and New Zealand systems disclosed the difficulties of ascertaining the result of the year's operations in New Zealand as expeditiously as in Great Britain.

A considerable amount of the delay could be avoided, however, by the Treasury's observance of statutory requirements and more timely action on the part of Departments.

The Public Revenues Act, 1926, section 85 (1), requires the Treasury to send an Abstract of the Public Account to the Audit Office within thirty days after the end of each financial year. This year the Treasury kept its books open for a considerable period after the 31st March, with the result that the accounts were not submitted for audit until the 18th May, almost three weeks later than the time allowed by statute. The delay is largely due to the fact that Imprestees' vouchers received subsequently to 31st March were included in the accounts for the financial year, although the law provides that payments by Imprestees shall be deemed to be made on the day on which the accounts of the same are received at the Treasury. If the Treasury books were closed on the 31st March and Departments were advised by the Treasury to submit all transactions prior to this date, the accounts could be finalized and the figures made available much earlier than at present.

The abstract of the accounts was examined and returned to the Treasury for revision four days after receipt in the Audit Office, which is ample evidence that the delay is not in the examination of the accounts, but is rather due to the system which is followed. The Treasury has under consideration a scheme for amalgamating certain particulars in the abstract and publishing a simpler and more concise form that will show clearly the main features of the year's operations. Particular attention should be paid to items of public expenditure which are provided for by special or permanent appropriation, as these items could with advantage be brought within the ambit of an annual vote.

Apart from condensing the accounts, it is sound financial policy to establish more effective parliamentary control and criticism over Government expenditure by appropriating grants annually. A large proportion of the expenditure in New Zealand is appropriated without estimates being submitted to Parliament. Sir Otto Niemeyer referred to this unusual arrangement, and suggested that a number of the services could be more suitably provided. In England direct or recurring charges on the Consolidated Fund are authorized by special statutory provision, but there is a disinclination to use permanent appropriations in any cases which could satisfactorily be provided for by an annual vote.

I may add that the Audit Office is anxious to assist the Government in every possible way by expediting the publication of the public accounts and by dealing with them as promptly as possible.