

	£	s.	d.
Carried forward	278,533,394	11	4

Additions during the Year—

	£	s.	d.	£	s.	d.
Ordinary Revenue Account—						
Reserve Bank Account	206	5	0			
State Advances Corporation Account..	2,980	0	0			
Public Works Fund—						
General Purposes Account	3,974,726	3	1			
Electric Supply Account	185	0	0			
Housing Account	1,600,000	0	0			
Main Highways Account	1,676,800	0	0			
State Forests Account	200,000	0	0			
				7,454,897	8	1

Rural Advances Bonds outstanding on 31st March, 1937 (B.—1 [Pt. III], page 11), and incorporated in the public debt on 31st March, 1938, in terms of Finance Act, 1937, section 7	4,213,050	0	0
		11,667,947	8 1

Total debt as at 31st March, 1938 (see B.—1 [Pt. III], page 8)	£290,201,341	19	5
--	--------------	----	---

Securities issued under the Rural Advances Act, 1926, did not previously form part of the public debt, although Consolidated Fund was primarily liable for interest payable and for the repayment of principal. In terms of the Finance Act, 1937, section 7, this Rural Advances debt is now deemed to be charged on the public revenues of New Zealand, and the amount of £4,213,050 has been included in the debt on 31st March, 1938.

Various funds and Public Debt Repayment Account provided cash for the redemption of £1,886,805 0s. 6d., and the balance, £9,950,000, was redeemed out of the proceeds received from the sale of State Advances Corporation stock. It should, however, be noted that section 25 of the State Advances Corporation Act, 1936, provides that if any default is made by the Corporation in the payment of principal or interest on the stock sold, such payment shall be made from Consolidated Fund. Securities issued by the Corporation amount to £41,585,970, and although guaranteed by the Government are not deemed to be part of the public debt.

Section 72, Public Revenues Act, 1926.

The above section reads as follows :—

“The Controller and Auditor-General may, with the consent of the Minister, dispense with the detailed audit of any accounts, but not with any appropriation audit of such accounts. The consent of the Minister shall be given only in those cases in which he considers that there are circumstances which render a detailed audit under this Act unnecessary: Provided that a list of such cases shall be comprised and published in the Controller and Auditor-General’s report in each year.”

The only instance in which the Minister of Finance has during the year agreed to dispense with a detailed audit is in the case of the London accounts of the Primary Products Marketing Department. The checks imposed by the Department’s London staff and the departmental travelling auditors provide adequate safeguards against the possibility of losses and the manipulation of accounts, and it is therefore not necessary to impose the same duties on the London Audit staff which, however, exercises a supervisory check over the whole of the documents. The examination of the Department’s accounts in New Zealand is being carried out in detail as usual.