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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

JOINT COMMITTEE OF PUBLIC ACCOUNTS.

FORTY-FOURTH REPORT.

TREASURY MINUTES ON THE TWENTY-FIFTH, TWENTY-SIXTH, TWENTY-EIGHTH, THIRTY-SECOND, THIRTY-THIRD AND FORTIETH REPORTS

TOGETHER WITH

SUMMARIES OF THOSE REPORTS.

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JOINT COMMITTEE OF PUBLIC ACCOUNTS

FOURTH COMMITTEE

F. A. Bland, C.M.G., Esquire, M.P. (Chairman).

A. V. Thompson, Esquire, M.P. (Vice-Chairman).

Senator A. M. Benn	A. I. Allan, Esquire, M.P.
Senator H. W. Wade	L. H. E. Bury, Esquire, M.P.
Senator I. E. Wedgwood	J. F. Cairns, Esquire, M.P.
	R. Cleaver, Esquire, M.P.
	J. F. Cope, Esquire, M.P.

The Senate appointed its Members of the Committee on 19th February, 1959 and the House of Representatives its Members on 24th February, 1959.

DUTIES OF THE COMMITTEE

Section 8 of the Public Accounts Committee Act 1951 reads as follows:

8. The duties of the Committee are -

(a) to examine the accounts of the receipts and expenditure of the Commonwealth and each statement and report transmitted to the Houses of the Parliament by the Auditor-General in pursuance of sub-section (1.) of section fifty-three of the Audit Act 1901-1955;

(b) to report to both Houses of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;

(c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and

(d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,

and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

FORTY-FOURTH REPORT

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TREASURY MINUTES ON THE REPORTS OF YOUR COMMITTEE

The Sixteenth Report of Your Committee sets out in detail the arrangements that have been made with the Treasurer to ensure follow-up action on Your Committee's Reports. For ready reference, we set out briefly hereunder the nature of those arrangements.

1. The report of the Committee is tabled by the Chairman in the House of Representatives, and by a Member of the Committee in the Senate; motions are moved in both Houses that the Report be printed as a Parliamentary Paper.

2. The Chairman of the Committee thereafter forwards a copy of the report to the departments affected, and to the Treasurer with a request that he give the report his consideration and inform the Chairman what has been done to deal with the Committee's comments.

3. The replies received, which are in the form of Treasury Minutes, are then submitted to the Parliament as a Report of the Committee.

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Following the appointment of the Fourth Committee Your Committee considered the situation regarding the submission of Treasury Minutes. We noted that, apart from a short Minute relating to the Thirty-first Report, the most recent Treasury Minutes - those relating to the Seventeenth and Twentieth Reports - had been submitted to Your Committee in February, 1957. Accordingly, we decided that our Chairman should discuss the matter informally with the Secretary to the Treasury, Sir Roland Wilson, C.B.E.. At these discussions, which took place on Wednesday, 11th March, 1959, the Chairman was informed that serious shortages of staff had caused the delay in submission of the Minutes but that the position was expected to improve shortly.

Since then Treasury Minutes on the Twenty-fifth, Twenty-sixth, Twenty-eighth, Thirty-second, Thirty-third and Fortieth Reports have been received and are now submitted to the Parliament, together with a brief summary of each of the Reports concerned.

TWENTY-FIFTH REPORT (22nd MAY, 1956)- SUPPLEMENTARY ESTIMATES 1954-55

This Report was the fourth in a series of annual reports which the Committee presented on the Supplementary Estimates. As well as considering particular items of expenditure appearing in the Supplementary Estimates and section 37 transfers the Committee also dealt generally with the practices of under-estimating and overspending, and with over-estimating and underspending. Both under and over-estimating with or without intent can distort the intentions of the annual Budget.

Summary of Committee's Conclusions	Treasury Minute (18th September, 1959)
The Committee:-	The Treasury has examined the Report and, where appropriate, has discussed with the Departments the observations and conclusions of the Committee.

Supplementary Estimates

considered desirable the earlier presentation of the Supplementary Estimates;	The 1955-56 Supplementary Estimates were presented to the Parliament on 2nd October, 1956, several months earlier than in previous years. The annual statements of "Expenditure from Advance to the Treasurer", in substitution for the Supplementary Estimates were presented on 9th October, 1957, 6th August, 1958 and 12th August, 1959.

Treasurer's Advance

said it would seek to ensure that the Treasurer's Advance was not used so as to infringe the principle of Parliamentary control of finance;	The current appropriation "Advance to the Treasurer" provides for use of the funds pending the issue of a warrant of the Governor-General.

Section 37 Variations

was of the opinion that the wide power of variation of appropriations conferred upon the Executive by section 37 of the Audit Act should be used with restraint and it viewed with satisfaction a trend to a smaller annual total of transfers;	Orders under section 37 of the Audit Act 1901-1957 have not been sought since 1956-57 vide the Forty-first Report of the Committee.

Over-estimating

examined the principles involved in over-estimating and drew a sharp distinction between genuine savings and under-expenditures that are the result of bad estimating;	The need for accuracy in the preparation of estimates was again brought before the notice of departments, and is repeated in the Treasury circular upon the draft estimates of each year.

Summary of Committee's Conclusions	Treasury Minute (18th September, 1959)
The Committee:-	
Defence Expenditure	
referred to a serious weakness in the control of Defence expenditure in 1954-55 and detected an absence of realism in the activities of the financial and procurement branches of the Defence Departments; *	---
Department of External Affairs	
recommended that the Departments of External Affairs and Civil Aviation consult without delay concerning arrangements for diplomatic and safehand mail, and suggested that items 3 and 5 of Division 17 be placed next to one another in the Estimates;	The Department of External Affairs has consulted with the Department of Civil Aviation upon arrangements for diplomatic and safe-hand mail. Items 3 and 5 of Division No.17 (now No.141) have been placed together in the 1956-57 Estimates.
considered that the estimate of the "Incidentals" vote for the Australian Embassy in Indonesia should have been more accurate and suggested that better results would be achieved if incidental expenditure items were dissected;	The Department has advised that the under-estimate of Item 6 of Division No.22B in 1954-55 resulted from the inflation of prices in Indonesia and an increase in the number of staff from Australia. Expenditure on "Motor vehicles maintenance and running expenses" has been removed from the item for incidental and other expenditure and is now provided in a separate item of the vote for each overseas post.
recommended that expenditure on International Development and Relief be shown in greater detail and the Division concerned be included at a more appropriate place in the Miscellaneous Services section of the Estimates;	Major donations are now provided in separate items under Division No.628 "International Development and Relief" and placed more appropriately in the Miscellaneous Services section of the Estimates.
Department of the Interior	
recommended that greater use be made of the film "The Queen in Australia";	The News and Information Bureau advises that the film "The Queen in Australia" continues to be shown in Australia and overseas.
suggested a more accurate title for Division No.63B, Item 7 - Publication of meteorological data;	The description of Item 7 of Division No.63B has been altered to "Meteorological publications".

* At the time, the Committee expressed an intention to carry out a further examination of problems associated with the Defence Estimates, and the Twenty-Ninth Report subsequently presented on "The Defence Services and the Estimates" was the result of that examination. The Treasury Minute on that Report has yet to be submitted.

Summary of Committee's Conclusions	Treasury Minute (18th September, 1959)
The Committee:-	
Department of Works	
observed that the Defence Works estimates had been unsatisfactory largely because the activities of the Service and Works Departments had been insufficiently co-ordinated;*	----
Department of Commerce and Agriculture	
recommended that unless excess printing work could be done more efficiently and economically by private printers, the facilities of the Government Printer should be extended to enable him to cope with the demands made upon him;	There is an urgent need for improved facilities for the Government Printer and this is the subject of the detailed report of the Parliamentary Standing Committee on Public Works presented to Parliament on 3rd September, 1959.
Department of Shipping and Transport	
proposed that the arrangement by which carriage of mails on the "Taroona" was paid for at a flat rate of £16,000 should be reviewed;	A modern passenger ferry will replace the "Taroona", on the Bass Strait Service and will be operated by the Australian Coastal Shipping Commission. The annual rate of payment by the Postmaster-General's Department for the carriage of mails during the remaining period of operation of the "Taroona" has therefore not been varied. The basis of payment for carriage by the new vessel is a matter for negotiation between the Commission and the Postmaster-General's Department.
recommended that inter-departmental transfers should be indexed in the Estimates Papers;	There are practical difficulties in the inclusion of an index of inter-departmental transfers in the Estimates which will be considered in conjunction with the Committee's review of the form and content of the Estimates.

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* The Defence Works Programme was the subject of further comment in the Twenty-Ninth and Forty-First Reports. The Treasury Minutes on these Reports have yet to be submitted.

Summary of Committee's Conclusions	Treasury Minute (18th September, 1959)
The Committee:	

Department of the Navy

expressed dissatisfaction with the estimating of the Department of Navy and recommended a general review of its accounting and financial arrangements;	The Public Service Board advises that arrangements were made for the Financial Programming and Estimates function to be transferred from the Accounts Branch to the Secretariat and for the establishment therein of a Programme and Estimates Section. The functions of the Section are the examination of estimates furnished by procurement directorates and investigation of the estimating procedures observed in the Branches, including consideration of the reliability of estimating data.
drew attention to the delay on the part of the Admiralty in lodging claims on the Department of the Navy;	The Admiralty advised the Department that considerable delays in the submission of claims for special training fees "have been primarily due to shortages of experienced staff, aggravated by the lack of detailed information on Ships' Ledgers, but steps are being taken to bring and keep this work up to date".
thought outstanding commitments for Naval Construction were high in relation to the capacity of shipbuilders to complete ships;	The amount of £20,180,000 representing estimated outstanding commitments for Naval Construction at 30th June, 1955, included £18,684,000 for the construction of Daring Class ships and Anti-Submarine Frigates. To ensure continuity of work in Australian dockyards, the retention of highly skilled man-power and the orderly and economical planning of programmes, the Department has found it necessary to place orders with shipbuilders some three or four years in advance. In the circumstances, the Department considers the level of outstanding commitments not to be unduly high.

Department of the Army

recommended that Service Departments should investigate the desirability of linking Service establishments to civilian electric supply;	The Department of the Army advised that the linking of Service establishments with civilian electricity supplies had been under constant consideration. By April, 1957 only two establishments, both located in isolated areas, were obtaining electricity requirements from generating plants owned by the Army. All Naval establishments are connected to civilian electricity supplies;

Summary of Committee's Conclusions	Treasury Minute (18th September, 1959)
The Committee:	

Department of the Army (Continued)

	emergency equipment is maintained only for such essential services as radio contact with ships at sea.
	The Department of Air has advised that the primary electricity source of R.A.A.F. establishments is civilian supplies wherever connection to the mains of a local supply authority is possible. Independent generating plant is provided only if there is no local supply and for emergency supply to vital R.A.A.F. services.
considered that it might be possible to make more informative, the indication of deductions made from Division No.127B in respect of issues to Division No.129;	A new deduction line for transfers from Division No.127 to No.129 was introduced in 1956-57.
recommended, in relation to rations for the Australian Regular Army that if an average daily rate basis were retained, a close watch be kept to ensure estimating was accurate and that no wastage or irregularities occurred;	The Department of the Army has advised that it will continue to review regularly the per capita rate for issues of rations to ensure that it is in line with actual costs. It has further advised that the accounting system is constantly under review and that Unit and Depot audits are being conducted continuously by both internal checking staff and Army Audit Officers.
recommended that the Department of Defence should assume full responsibility for the Recruiting Campaign vote or, alternatively, the Estimates of Service Departments should include an entry for recruiting;	The funds for the Recruiting Campaign have now been transferred to the control of the Department of Defence.

Department of Air

considered that greater accuracy in estimating the item "Compensation for Hired Properties and Equipment" might be achieved by separating the vote for compensation for hired equipment from that for compensation to personnel for injury.	Expenditure on Compensation for Hired Properties and Equipment, is now provided in two items of Division No.533, viz.: 8. Compensation for personal injury and damage to property. 9. Hire of equipment.

TWENTY-SIXTH REPORT (26TH SEPTEMBER, 1956)

OFFICE OF EDUCATION

In this Report the Committee examined aspects of the accounts and activities of the Office of Education. The Committee noted that from the specific duty of arranging the Commonwealth Reconstruction Training Scheme the Office of Education had been invited to undertake and had been clothed with authority to discharge a very wide range of functions because they embraced something of an educational character.

Summary of Committee's Conclusions	Treasury Minute (24th March, 1959)
	The Treasury has examined the Report and, where appropriate, has discussed with the Commonwealth Office of Education the observations and conclusions of the Committee.

Presentation in the Estimates of Expenditure

The Committee considered that the Estimates of the Office should be altered to show more clearly the cost of the services it provided for other departments such as External Affairs and Immigration.	The presentation in the Estimates of expenditure of the Office of Education has been varied in the light of the views expressed by the Committee in the various sections of its Report.
The Estimates gave no separate indication of the expenditure of the Office upon external relations activities, yet large sums were provided for carrying on several schemes for assisting Asian students, e.g. Colombo Plan, U.N.E.S.C.O., and United Nations Technical Assistance Programme.	
The Committee also:	

Miscellaneous "Grants-in-Aid"

suggested that the likelihood of additional commitments being incurred should be investigated when making "Grants-in-Aid" to institutions and that it might be better to establish a ceiling to grants rather than a sum that varied with circumstances;	The Committee's view on the need, when recommending a grant to a particular organisation, not to overlook the possibility of additional commitments to other similar bodies, has been noted.
	The approved conditions of the grant for occupational therapy now provide for a maximum level of total grant instead of a maximum amount per capita.
re-affirmed the view that voluntary organisations receiving Commonwealth grants should not be hampered by a too rigid scrutiny of their activities;	

Summary of Committee's Conclusions	Treasury Minute (24th March, 1959)

Ad Hoc Scholarships

The Committee:

warned against the possibility that awards of scholarships by ad hoc bodies might conflict with the purposes of the Commonwealth Scholarship Scheme and other assistance to universities;

The Prime Minister has written to all Ministers and invited attention to the need for careful consideration and prior consultation with the Universities Commission before awarding special scholarships and making other awards to students.

Disposal of Commonwealth Reconstruction Training Scheme Buildings and Equipment at Universities

urged expedition in deciding what was to be done with Commonwealth owned buildings and equipment costing approximately £1,500,000 which had been made available to universities to assist in the Commonwealth Reconstruction Training Scheme; it was the Committee's view that having regard to the changing conditions of Commonwealth aid to the universities it was anomalous for the Commonwealth to own property which was used by the universities for ordinary academic purposes;

The Commonwealth has made a gift to the Universities of the buildings and equipment which were provided by the Commonwealth under the Commonwealth Reconstruction Training Scheme.

Grants to States for Universities

recommended that an inquiry be made without delay into the future needs of the universities for funds;

recommended that consideration be given immediately to reconstituting the body which advised the Commonwealth Government upon the nature and amount of assistance to be given to the States for the universities and suggested that the authority might represent, amongst others, the interests of the Treasury, the Universities, the Universities Commission and the Office of Education.

The States Grants (Universities) Act 1958 provides for Commonwealth grants to the States for Universities for the years 1958, 1959 and 1960. As stated by the Prime Minister in the House of Representatives on 28th November, 1957, for the purpose of advising the Commonwealth the Government has decided to set up a permanent Australian Universities Committee.

General Observations

The Committee expressed the view that organisations such as the Office of Education which had no closely definable sphere of activities, were prone to expand beyond what might be regarded as a reasonable size.

TWENTY-EIGHTH REPORT (4TH OCTOBER, 1956) - *SUPPLEMENTARY ESTIMATES 1955-56*

This Report was the fifth and last of the series of annual reports on the Supplementary Estimates which were subsequently replaced by the annual reports on Expenditure from the Advance to the Treasurer. In line with earlier reports, in addition to an examination of particular expenditures appearing in the Supplementary Estimates, the Committee considered section 37 transfers and under-spending of votes.

Summary of Committee's Conclusions	Treasury Minute (28th September, 1959)
The Committee:	The Treasury has examined the Report and, where appropriate, has discussed with the Departments the observations and conclusions of the Committee.
"Cuts" in Estimates	
considered that the Estimates timetable should be reviewed to allow departments adequate time to give effect to Government directions to reduce their estimates;	----
Salaries Votes	
thought that estimating for salary votes should be more accurate and that the estimates should show the number of permanent, unattached and temporary employees;	The form and nature of the salary information included in the Estimates is being reviewed and the Treasury has suggested to the Committee that this subject might be examined in the course of its enquiry into the form of the Budget and Estimates documents.
Incidentals	
considered that expenditure under Incidental Expenditure votes should be confined to purposes which were genuinely "incidental";	The subdivisions and items for "General Expenses" were reviewed prior to the 1958-59 Estimates, with particular attention to the "Incidentals" votes.
The Bureau of Meteorology	
recommended that the Department of the Interior and the Public Service Board review the accounting and financial arrangements of the Bureau of Meteorology;	There has not been a recurrence of over-expenditure by the Bureau. The Public Service Board has advised that, following investigations into the accounting and financial arrangements of the Bureau, its recommendations have been accepted in full by the Department of the Interior. The Board has also advised that a re-organisation of the staffing of the Bureau has been completed and that the action taken should overcome the difficulties referred to by the Committee.

Summary of Committee's Conclusions	Treasury Minute (28th September, 1959)
The Committee:	
Department of Works	
examined provisions for unspecified works and indicated its disapproval of the practice of including large sums in the Estimates for that purpose;	Financial provision in the Estimates for unspecified minor works is kept to a minimum.
Department of Trade and Customs	
indicated that it did not favour transfers under section 37 of the Audit Act from a vote for a very specific purpose, to votes for general purposes and warned against disregarding the psychological effects of some such transfers.	Orders under Section 37 of the Audit Act 1901-1957 have not been sought since 1956-57, vide the Forty-first Report of the Committee.
Departments of Trade and Primary Industry	
As the result of an examination of the administrative cost of the newly formed Departments of Trade and Primary Industry the Committee recommended that the Parliament should be told the estimated cost of major departmental changes and said that it should be mandatory upon the Public Service Board to analyse the cost and upon Ministers to present the information to the Parliament.	---
Lighthouse Tenders	
An examination of the vote for operating lighthouse tenders focussed attention on victualling costs which became a subject of investigation by the Department.	Following the investigation into the victualling costs of lighthouse tenders referred to by the Committee, the daily cost per person for S.S. "Cape York" was reduced from 18/5d. in 1955-56 to 14/1d. in 1958. The cost of victualling lighthouse tenders is being kept under close scrutiny.
Bureau of Mineral Resources	
Inquiries into overspending of the vote for operational expenditures of the Bureau of Mineral Resources resulted in the Bureau taking steps to institute a more effective system of control.	The Department has advised that the controls which have been instituted should ensure that over-expenditure of the nature referred to will not recur.

Summary of Committee's Conclusions	Treasury Minute (28th September, 1959)
Australian Atomic Energy Commission	
The Committee made a number of comments regarding the votes for the Australian Atomic Energy Commission.	The financial and audit procedures of the Australian Atomic Energy Commission were amended by the Atomic Energy Act 1958 and brought into line with those of recently created Statutory Corporations.
Department of Supply - Defence Research and Development Laboratories	
The manner in which estimates were prepared for and the nature of expenditure met from the "Incidentals" vote for the Defence Research and Development Laboratories were strongly criticised.	Maintenance expenditure and other extraneous items have now been segregated from the "Incidentals" vote.

THIRTY-SECOND REPORT (10TH SEPTEMBER, 1957) - CANBERRA ABATTOIR

Adverse comments by the Auditor-General in his reports for the years ending 30th June, 1955 and 1956, upon the accounts and financial procedures of the Canberra Abattoir controlled by the Department of Health, led the Committee to concentrate upon such accounts and financial procedures.

Summary of Committee's Conclusions	Treasury Minute (24th April, 1959)
The Committee:	The Treasury has examined the report and has discussed with the Department of Health the recommendations of the Committee.
Administrative Expenses	
doubted whether a notional charge in the accounts of £500 to cover over-head expenditure was adequate and recommended its review;	The administrative charge has been reviewed by the Department and is now assessed at £1,000 per annum.
Financial Statements	
recommended that financial methods should be reviewed and that operating statements and balance sheets should be regularly prepared and submitted to the Auditor-General notwithstanding that these were not required by the Audit Act and Treasury Regulations;	Operating statements and balance sheets are now being prepared by the Department and submitted to the Auditor-General. Summary statements for the years 1956-57 and 1957-58 were included by the Auditor-General in his Annual Reports to the Parliament. Copies of the statements are submitted to the Minister for Health and to the Treasury.
considered that amendments to the Meat Ordinance should be prepared to provide for the preparation of statements of accounts for the Abattoir and for their audit, and that suitable information be regularly made available at least to the Minister; noted that the statement of accounts which had been presented to it were the first that had been prepared for the Abattoir,	The Meat Ordinance has not been amended to provide specifically for the preparation and audit of financial statements. As indicated in the Treasury Minute upon the Twelfth Report of the Committee the Treasury agrees that legislative authority should be obtained to remove any possible doubt concerning the power of the Treasurer to approve the form of commercial and subsidiary accounts. The Treasury also agrees with the Committee's conclusion that provision should be made for the audit of such accounts. These matters will be dealt with in the revision of the Audit Act and Treasury Regulations.
Killing and Chilling Charges	
considered that a review of killing and chilling charges was desirable and said that it was worth investigating why meat could be transported 70 to 130 miles from other areas and yet sell at competitive prices in Canberra;	Increased charges for killing and chilling at the Canberra Abattoir, sufficient to cover operating and administrative costs, interest and depreciation, were approved with effect from 1st January, 1958. However, in September 1958, the charges were reviewed by the Government which decided that they should approximate those of the surrounding districts.

Summary of Committee's Conclusions	Treasury Minute (24th April, 1959)
The Committee:	
Sale of Osatein and Blood and Bone Fertilizer	
proposed that the policy involved in pricing by-products, such as osatein and blood and bone fertiliser, should be examined;	The prices for Osatein and Blood and Bone Fertilizer were increased by approximately 24% as from 1st July, 1957.
Presentation in Estimates of Expenditure	
considered that the arrangement of informing the Parliament of annual expenditure only at the Abattoir was misleading and should be altered, but deferred the question whether or not the operations of the Abattoir should be financed through a trust fund for examination in the light of the 34th Report subsequently presented to the Parliament by the Committee.	Since 1957-58 a footnote has been included in the Estimates to indicate the amount of revenue received in the previous financial year and the estimated revenue in the ensuing financial year. Having regard to the views expressed by the Committee in its Thirty-Fourth Report and to the views of the Department of Health, it is not proposed to establish a Trust Account for the purpose of financing the operations of the Abattoir.
General	
Having in mind the status and the general financial arrangements of the Abattoir the Committee felt that it was no longer satisfactory to attempt to operate the Abattoir as an incidental activity of the Department of Health.	

THIRTY-THIRD REPORT (9TH OCTOBER, 1957)

EXPENDITURE FROM ADVANCE TO THE TREASURER 1956-57

This was the first of a new series of annual reports on Expenditure from the Treasurer's Advance and replaced the annual reports which had hitherto been presented on the Supplementary Estimates. In general the Report covered the same field as the Supplementary Estimates Reports.

Summary of Committee's Conclusions	Treasury Minute (7th October, 1959)
	The Treasury has examined the Report and, where appropriate, has discussed with the Departments the observations and conclusions of the Committee.
Parliamentary Printing	
The Committee examined large disparities between estimates and expenditure in the Parliamentary Printing votes controlled by the Department of the Treasury. The Committee appreciated the difficulties associated with estimating expenditure under these votes and agreed with the Treasury that the situation might be improved if the Division was under the control of a Department more closely associated with the Parliament.	----
Government Printing Office	
Amongst other matters discussed with the Treasury was the nature of the accounting arrangements at the Government Printing Office. The Committee, which was informed of steps being taken to improve the accounting arrangements, considered that modern costing methods would facilitate the work of the Printing Office and, as well, assist departments in the preparation of estimates and the control of expenditure.	----
Attorney-General's Department*	
Arising out of an examination of votes under the control of the Attorney-General's Department the Committee concluded that the Department did not appreciate the necessity for accurate estimating, nor had it used the best	The Department has advised that, following discussions with the Public Service Board on organization and method, the staff has now been strengthened by the addition of a Finance Officer in the Central Office and an Administrative Officer in Sydney.

* The Committee discussed the nature of the follow-up action taken on this Report by the Attorney-General's Department and the Public Service Board, in the Forty-third Report tabled on 19th November, 1959 (Paragraphs 36-53).

Summary of Committee's Conclusions	Treasury Minute (7th October, 1959)
Attorney-General's Department (Continued)	
methods for properly controlling expenditure. The Committee considered that the Department should review its methods immediately and said it might be wise to seek the assistance of the Public Service Board and of the Treasury in such a revision.	
Department of Health	
Substantial amounts provided from the Advance for the votes of the Commonwealth Serum Laboratories as a result of increased expenditure from the Serum Laboratories Trust Account, prompted the Committee to comment that, so far as possible, the Parliament should be informed in the Additional Estimates of increased expenditure thought to be necessary from the Trust Account.	The Treasury agrees that the Parliament should be informed, in the Additional Estimates, of increased expenditure thought to be necessary from the Serum Laboratories Trust Account.
Department of Trade	
Amongst other things, the Committee:	
detected both loose accounting practices and lack of effective control of expenditure in the Department of Trade and said that the Department should take immediate steps to correct the weaknesses disclosed;	Provision for payments on behalf of private firms and individuals in respect of the clearance of commercial samples and purchase of tender documents, is now made in the Estimates under Division No.637, Item 07. The Department reviewed its procedures following the Report of the Committee and issued instructions which were designed to ensure effective control of expenditure.
Department of Territories	
considered the Department of Territories was hardly realistic in persistently providing funds for publicity projects which had not been finalised;	----
examined expenditure by the Northern Territory Administration for the maintenance and running of motor vehicles and noted that progress had been made with a proposal to establish a pool in Darwin for vehicles of the Administration;	A Central Transport Authority has been established to supervise the operation of a pool of vehicles of the Northern Territory Administration in Darwin. The system of centralised control of transport is to be extended to Alice Springs and other centres in the Territory.

Summary of Committee's Conclusions	Treasury Minute (7th October, 1959)
Department of Territories (Continued)	
The Committee:	
considered the circumstances under which a special advance had been made to the Administration of Papua and New Guinea and recorded that a special investigation into the apparent lack of financial control in the Territory of Papua and New Guinea had been commenced;	The Department advises that the investigation into the financial procedures of the Papua/New Guinea Administration was completed and, as a result, changes designed to effect improvements in financial control over the Administration's expenditure have been introduced.
Department of the Interior	
suggested that a review of the basis on which the estimates for the vote "Administration of the Electoral Act" had been framed might be desirable;	The comments concerning under-expenditure on the vote "Administration of the Electoral Act" have been brought to the Department's notice in relation to their future estimates.
Department of the Navy	
considered as unsatisfactory the basis on which provision had been made by the Department of the Navy to meet payments expected to arise out of common law claims for damages against the Commonwealth and suggested that alternatives be explored;	Compensation payments arising from damage to property and personal injury are now provided under a separate vote. The Treasury agrees that provision should not be made in the Estimates for the total of all contingent liabilities and that the provision should not exceed the payments which are likely to be made during the financial year in settlement of claims.
General Observations	
made a number of general observations on:	
(i) the standard of estimating;	The need for accuracy in the preparation of estimates of expenditure has been repeated in the annual Treasury circular relating to the compilation of the draft Estimates.
(ii) accounting arrangements for government trading and business undertakings; and	As was stated in the Treasury Minute upon the Twelfth Report of the Joint Committee, the Treasury agrees that legislative authority should be obtained to remove any possible doubt concerning the responsibility of the Treasurer to approve the form of commercial and subsidiary accounts of departments operating trading and business undertakings.
(iii) "follow-up" investigations by the Public Service Board of administrative aspects of the Committee's criticisms upon over- and underestimating by departments and their accounting methods.	

FORTIETH REPORT (10TH AUGUST, 1958)

THE FINANCE STATEMENT

Summary of Committee's Conclusions	Treasury Minute (27th April, 1959)
Treasury proposals to vary the Finance Statement by: (a) deleting shillings and pence and showing amounts to the nearest pound; (b) omitting the "unexpended" column from various tables, principally Table No.6; and (c) excluding divisional totals from Table No.6 were agreed to by the Committee on the understanding that any necessary amendment of the Audit Act to ensure the validity of the new forms would be proposed by the Treasurer in due course.	The form of the Finance Statement 1957-58 was in accordance with the variations referred to in the Committee's Report. The alteration reduced, substantially, the clerical task of preparation and contributed to the earlier completion of that and related financial documents. In its new form, the Finance Statement 1957-58 contained 77 pages compared with 131 pages in 1956-57 - a reduction of 41 per cent in the number of pages. Type-setting and printing costs were reduced by approximately 30 per cent and there should be further savings in 1958-59 because the entirely new setting was made and used for the first time in 1957-1958.
The Committee considered that the Act might also be amended to provide for the retention permanently of the full and detailed accounting record from which the Finance Statement is prepared.	The amendments to the Audit Act envisaged by the Committee will be proposed in due course.

For and on behalf of the Committee

F. A. BLAND
Chairman

R. C. Davey, Esq.,
Secretary,
Joint Committee of Public Accounts,
Parliament House,
CANBERRA. A.C.T.

18th November, 1959.