

(b) CASES IN WHICH THE PROVISIONS OF THE LAW HAVE NOT BEEN CARRIED OUT

The Audit Office is required to satisfy itself that all financial transactions of the State are supported by proper authority, and that they contravene no provisions of the law. Circumstances arise, however, which require or render desirable that public moneys shall be expended for purposes for which no specific authority exists, and for which the statutory provisions governing "unauthorized expenditure" or "emergency expenditure" are not available, or not available to a sufficient amount. There are cases also in which it is in the interest of public business that legislative restrictions shall not be applied.

Several cases covered by the foregoing explanation arose during the year, and the Audit Office, following past practice, agreed to pass relative transactions on being informed by the Government that it would introduce validating or amending legislation, or otherwise provide the authority required.

The necessary legislation or authority in the following cases was obtained during the year covered by this report :—

(1) Section 20 of the Finance Act, 1949, preserved the position of a member of the General Assembly in respect of payment for his services as a member of the Royal Commission appointed to inquire into and report upon the sheep industry in New Zealand and as a member of the Government Service Tribunal. It did the same service for two other members in respect of payments for the acquisition of certain land for the settlement of ex-servicemen.

The Audit Office did not itself ask that validating legislation be obtained in respect of the payments made for land as mentioned in the preceding paragraph. This matter is further referred to on page 6 of this report.

(2) Section 12 of the Finance Act, 1949, validated payment at the increased rate of £200 of the annual allowance of £100 payable to the Speaker of the House of Representatives in terms of section 11 of the Finance Act, 1927.

(3) Part I of the Social Security Amendment Act, 1949, validated payment out of the Social Security Fund of monetary benefits at increased rates from 1st June, 1949 ; and the War Pensions Amendment Act, 1949, authorized increases in war and other pensions also from that date.

Reference was made last year to cases in which validating legislation or other authority had not been provided at the date of the report. Legislation has since been provided as follows :—

(1) Section 2 of the Finance Act, 1949, validated unauthorized expenditure in excess of the limit fixed by section 7 of the Finance Act, 1947.

(2) Section 21 of the Social Security Amendment Act, 1949, validated the payment of an allowance of £26 a year in addition to any age-benefit granted to a beneficiary who was a parent of a deceased member of His Majesty's Forces other than the New Zealand Forces or to a parent of a deceased member of the Mercantile Marine.

Validating or other authority is awaited in respect of the following :—

(1) For payment of fifths to County Councils for expenditure by them in maintaining private logging roads which give access to State Forests.

NOTE.—It was found that the term "road" used in the legislation providing for the payment of fifths did not include private logging roads as the New Zealand Forest Service states was intended.