

Service of New Zealand, should, if paid into the Public Account, be kept in a separate account such as a Deposit Account, and thus be kept separate from true public moneys. This is the usual procedure in such cases.

Repayment of the Public Debt Act, 1925.—Section 7 of the Repayment of the Public Debt Act, 1925, requires that the Controller and Auditor-General shall, within ninety days after the end of each financial year, furnish a certificate showing the total amount of the public debt (within the meaning of that Act) outstanding at the end of that financial year. In my certificate for the year ended 31st March, 1928, owing to a doubt as to the legal position regarding loans amounting to £543,300 raised under the Rural Advances Act, 1926, and outstanding at that date, these loans were omitted as not coming within the Act. An opinion was afterwards obtained from the Solicitor-General which indicated that such loans come within the provisions of the Act.

For the year 1928–29 the payment under section 11 (a) of the Act from the Ordinary Revenue Account to the Public Debt Repayment Account, which was based on the amount stated in my certificate, therefore fell short of the amount which should have been paid by £2,716 10s. The Chairman of the Public Debt Commission has now advised that legislation will be introduced to exempt these loans from the operation of the Act.

RAILWAY DEPARTMENT.—HEAVY-TRAFFIC LICENSE FEES.

Vouchers submitted by the Railway Department supporting the payment of fees for heavy-traffic licenses issued in connection with its omnibus services were queried by Audit, as it appeared that the Crown was not legally liable for fees of this description.

The Railway Department represented that the late Railway Board had decided, as a matter of policy, to pay the same fees in respect of the Department's omnibus services that would be payable by an individual engaged in a similar enterprise.

I accordingly agreed to pass the vouchers conditionally on the expenditure being charged to "Unauthorized," and an undertaking being given that validating legislation would be obtained.

APPOINTMENT OF DEPUTY PUBLIC SERVICE COMMISSIONER.

Public Service Act, 1912.—It is provided by section 7 (4) of the Public Service Act, 1912, that the Governor-General in Council may, in case of the illness, suspension, or absence of the Public Service Commissioner, appoint a Deputy to act for such Commissioner. A Deputy Commissioner was so appointed to act during the absence from New Zealand of the Public Service Commissioner, but it was ascertained that there was no statutory provision for the payment of salary to a Deputy Commissioner. The Audit Office, however, agreed to pass payment of salary at the rate provided under section 23 of the Finance Act, 1919, on an undertaking being given that legislation would be introduced validating the payment, and providing for the protection of the pension-rights of the deputy.

PAYMENTS TO MEMBERS OF PARLIAMENT ATTENDING RECESS COMMITTEE ON STANDING ORDERS.

Civil List Act, 1920.—Section 17 of the Civil List Act, 1920, provides for the payment of a sum of £500 per annum to members of the House of Representatives for attendance in the discharge of parliamentary duties, and section 19 provides for the payment of expenses of locomotion in travelling to and returning from a meeting of the General Assembly. As there was no statutory provision for members to receive sums in addition to the foregoing, the Audit Office agreed to pass vouchers for payment of expenses to certain members of the above Committee in respect of the cost of attendance at meetings on an assurance being given by the Treasury that a validating clause would be provided therefor.

PAYMENT OF SALARY TO SCHOOL-TEACHERS WITHOUT STATUTORY AUTHORITY.

Pending the arrival of a lecturer from England, the Education Department arranged for the retiring lecturer to continue to hold the position temporarily. His successor commenced duty on the 1st November, 1928. In view of the retiring lecturer having remained for a year after the termination of his first engagement to suit the convenience of the Education Board, the Department granted him holiday pay for the month of November. The Audit Office pointed out that the payment of salary for November was without statutory authority, and the Minister of the Department thereupon agreed to provide validating legislation for the unauthorized payment.

An Inspector of Schools whose health had been affected by service in Samoa was found to be unable to stand the strain as an Inspector, and was therefore transferred to a position as headmaster of a school carrying a lesser salary than that of an Inspector of Schools. In view of the circumstances the Minister approved of his salary being maintained. The Audit Office, however, found it necessary to draw the attention of the Department to the fact that there was no statutory authority enabling payment to be made in excess of the grading for the position of headmaster, and the Minister of the Department thereupon undertook to have validating legislation provided for the unauthorized payment.

REFUND OF MOTOR-SPIRITS TAX.

Motor-spirits Taxation Act, 1927.—Section 8 of the Motor-spirits Taxation Act, 1927, as amended by section 3 (1) of the Motor-spirits Taxation Amendment Act, 1928, requires that application for refund of Customs duties on motor-spirits used shall be made in the month following the close of the quarterly period in respect of which it is made. Owing to an omission to lodge with the Registrar of Motor-vehicles within the stipulated period the necessary applications for refund of duty for the December quarter the Public Works Department was unable to obtain refunds amounting to £479 7s. 10d. As the effect was that the Main Highways Account benefited at the expense of the Public Works Fund, the Audit Office drew the attention of the Treasury to the matter, with the result that the Minister of Finance approved of legislation being introduced authorizing the transfer of the amount from the Main Highways Revenue Fund to the Public Works Fund.