

In the course of the audit of the accounts showing the state of the fund it was noted that the annual contribution had not been paid to the Public Trustee during the financial year 1931–32, and the matter was accordingly brought to the notice of the Treasury.

During the last short session of Parliament the provisions of the Act requiring the payment to be made without further appropriation were amended, and the payments to the fund are now subject to annual appropriation by Parliament.

#### **Government Life Insurance Department.—Establishment of a Bank Account in Sydney.**

Section 26 of the Government Life Insurance Act, 1908, authorizes, *inter alia*, the establishment of the Government Life Insurance Account which is to be kept in the same bank as the Public Account which latter account is kept at the Bank of New Zealand (North End), Wellington.

The Department desired to establish an account with the Bank of New Zealand in Sydney in order to provide facilities for policyholders in Australia and to expedite the payment of claims.

The Audit Office pointed out that there was no authority of law enabling the Department to open such an account, but agreed to pass transactions in connection therewith, provided an assurance was given by the Government that the necessary legislation would be introduced during the next ensuing session. The necessary legislative authority now appears in section 12 of the Finance Act, 1931 (No. 4).

The Department desired to invest the surplus funds accumulated in this account, but Audit pointed out that there was no statutory authority available enabling this course to be followed. The investments were allowed by the Audit Office on receipt of an assurance from the Minister of Finance that validating legislation would be provided during the next ensuing session.

#### **Refunds of Unemployment-tax erroneously paid.**

In many cases taxpayers overpaid the unemployment-tax payable by them, and regulations were prescribed to enable refunds to be made of amounts so overpaid. Vouchers for these refunds were in due course submitted, but, as the regulations were held to be *ultra vires*, there was no authority to make the payments. The Audit Office, however, agreed to pass the vouchers on receipt of advice from the Minister of Finance to the effect that validating legislation would be provided.

The validating authority appears in section 32 of the Finance Act, 1931 (No. 4).

#### **Main Highways Revenue Fund.—Subsidies on Rates.**

Section 45 of the Finance Act, 1931 (No. 4), authorizes the payment of subsidies to County Councils and Road Boards from the Main Highways Revenue Fund at the rate of 2s. 6d. in the pound on the average annual amount of all rates collected during the period of three years ended on the 31st March, 1930.

After this legislation had been passed it was discovered that certain anomalies would result from the fact that there had been Road Boards within some county areas during the triennial period ended 31st March, 1930, which had since been merged in the counties, and there was no authority for the payment of subsidies to the counties on the rates collected in these Road Board areas. The Audit Office agreed to pass the payments for subsidy, however, on receipt of advice from the Prime Minister to the effect that validating legislation would be provided. The necessary legislation has since been passed and appears in section 39 of the Finance Act, 1932.

#### **Unemployment Fund : Allowances to Members of the Unemployment Board.**

During the year vouchers were submitted for the payment of travelling-allowances to members of the Board. The Audit Office pointed out that there was no authority of law under which fixed allowances could be paid, and directed attention to the provision which authorized reimbursement of actual expenses reasonably incurred by members in the business of the Board. The vouchers were subsequently passed on receipt of advice to the effect that the Minister of Finance had approved of legislation being introduced which would validate the payments.

The necessary legislation appears in section 32 of the Finance Act, 1931 (No. 4).

#### **Unemployment Fund.—Honoraria of Members of Women's Special Committee.**

The Unemployment Board, in accordance with the powers conferred on it by legislation, appointed a Committee of three women to make an investigation of the work which is being carried out by voluntary women's organizations. The Board desired to pay fees to the members of this Committee from the Unemployment Fund for the work done, but the Crown Law Office ruled that the proposed payments would be without authority of law. The Audit Office, however, passed the vouchers for fees on receipt of a decision of Cabinet that validating legislation would be introduced during the next ensuing session.

#### **Change of Place of Payment of Principal or Interest on Securities after Issue.**

During the year several instances have come under the notice of the Audit Office in which the holders of securities have been allowed to change the place of payment of the principal or of the interest thereon from Australia to New Zealand, though the contract under which the loan was raised in Australia contained no provision for such change during the currency of the loan. The effect of the change was to enable the holder of the securities to escape the cost of exchange Australia—New Zealand. This concession prevented the Treasury from obtaining the advantage of the favourable exchange rate to which it was entitled.

An opinion as to the validity of making such changes had already been given by the Solicitor-General, and he advised that no change in the place of payment may lawfully be made unless a