

Several cases of this nature arose during the year, and the Audit Office, following past practice, agreed to pass the transactions on receipt of an undertaking that the Government would introduce validating or amending legislation therefor at the earliest opportunity.

In the following cases, the necessary legislation was passed during the financial year :—

Finance Act, 1941, section 8—Advances by way of loan out of the Meat Industry Account in respect of meat held in store as a result of shipping difficulties. (The Meat Marketing Order 1939, Amendment No. 2, provided that payment be made on shipment.)

Finance Act, 1941, section 10—Payment by the Crown direct to the Napier Harbour Board of interest due in respect of land taken in connection with Napier Housing Scheme.

Finance Act, 1941, section 37—Payments to the Hon^ourable Sir Apirana Ngata as a member of the Committee appointed to inquire into matters relating to the East Coast Native Trust Lands.

Finance Act, 1941 (No. 2), section 3 (c)—Payments to members of Parliament by way of travelling-allowances in respect of services as members of the Council of Primary Production.

Marketing Department (Extension of Powers) Order 1939, Amendment No. 3 (Serial No. 1941/92), (pursuant to the Marketing Amendment Act, 1939, section 4), authorizing purchase by Marketing Department of foodstuffs and tobacco.

Meat Marketing Order 1942 (Serial No. 1942/165), fixing the price and terms of payment in respect of meat purchased during the 1941-42 killing season.

My report of last year referred to four cases in which validating legislation had not been passed at the time of the report. This legislation has now been passed as follows :—

Finance Act, 1941, section 9—Payment of harbour dues out of Housing Account.

Finance Act, 1941, section 34—Payment of subsidies for Centennial memorials in anticipation of grants from local authorities.

Finance Act, 1941, section 38—Payments to members of Parliament of certain travelling-expenses in respect of the 1940 session.

Finance Act, 1941, section 40—Payment to a superannuated public servant of full superannuation in addition to payment for special services.

Legislation has yet to be passed in respect of the following transactions :—

(1) The Minister of Finance approved the transfer to the War Expenses Account of surpluses or deficits arising annually from the several marketing pool accounts (except the Dairy Industry Account).

The necessary statutory authority for making the transfers was lacking, and as it was desired that such transfers should appear in the appropriate financial year, the Audit Office agreed to pass the transactions, upon receipt of an assurance by the Minister that validating legislation would be introduced.

(2) In the course of the change-over from the manufacture of butter to cheese (which became essential in order to meet the wartime demands of the United Kingdom) it was found to be necessary to render financial assistance to dairy companies and suppliers, particularly by way of grants towards purchase of new capital equipment. There was no legislative authority for these grants, but the Minister of Marketing gave an undertaking that appropriate legislation would be introduced, and payments thereof have been passed by the Audit Office in anticipation of this legislation.

(c) STATEMENT OF IRREGULARITIES IN CONNECTION WITH PUBLIC MONEYS AND STORES.

It is pleasing to report that defalcations by departmental officers were fewer and that the total amount involved was considerably less than in the previous year.

The largest defalcation occurred in a small post-office under the control of a non-permanent Postmaster who failed to account for savings-bank deposits amounting to £120.

There were 1,330 cases in which recipients of pensions, sustenance, age, and other benefits obtained payment in excess of scale rates by failing to disclose material particulars of their circumstances to the Department concerned. This number represents a reduction of 1,000 cases when compared with the previous year and is the smallest number so far reported by me.