

Several cases of this nature arose during the year, and the Audit Office, following past practice, agreed to pass the transactions on being informed by the Government that it would introduce at the earliest opportunity validating or amending legislation, or otherwise provide the authority required.

In the following cases the necessary legislation was passed during the financial year covered by this report :—

The provisions of section 11 of the Finance Act, 1940, did not provide sufficient authority for the payment of salaries to those members of the War Administration who did not hold any of the Ministerial offices mentioned in Part I of the Third Schedule of the Civil List Act, 1920, and who were not members of the War Cabinet, and the authorizing legislation was enacted in section 17 of the Finance Act (No. 2), 1942.

Under the Civil List Act, 1920, members of Parliament were entitled to be paid travelling-expenses in respect only of their journeys to the opening of Parliament and to their homes when the session had ended, and such payments could not lawfully be made after six months from the date when they became payable. In July, 1942, the Prime Minister advised that legislation would be introduced providing that, for the duration of the war and for twelve months thereafter, payments could be made for one journey to and from each separate meeting of Parliament and at any time within six months after the end of the session during which the separate meetings in respect of which the expenses were payable was held. The legislation appears in section 24 of the Finance Act (No. 2), 1942.

The following transactions were regularized in the Finance Act (No. 2), 1943 :—

- (1) Payment of £881,584 18s. 6d. in excess of the limit of £500,000 fixed by section 58 of the Public Revenues Act, 1926, as the limit of general unauthorized. (Section 6.)
- (2) Concessions by way of relief from payment of rates allowed to ratepayers in the Kaitia Drainage Area. The position of these ratepayers was the subject of a report to the Government by a Committee. (Section 10.)
- (3) Grants of £200 sterling each to Messrs. Lowry and Endean, members of the House of Representatives, in respect of expenses incurred during their visit to the United Kingdom as delegates to the Conference of the Empire Parliamentary Association, 1943, such grants being in contravention of the provisions of the Electoral Act, 1927. (Section 12.)
- (4) Payment of overtime at increased rates to employees of the Government to operate retrospectively from 1st October, 1942, was approved by Cabinet, but in the cases of the Public Service and the Post and Telegraph Department there was no statutory authority enabling the regulations, which authorized the increased rates, to be given retrospective effect. (Section 21.)

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

- (1) Allowances of £10 each paid to Senior Inspectors, Education Department, without such allowances first having been included in the estimates and appropriated by Parliament as required by section 29 of the Finance Act, 1926. This matter has been partly adjusted in the estimates of the current year.
- (2) A subsidy of £416 5s. paid by the Main Highways Board on a payment by Franklin County Council to contractors on account of increased cost of road oil ordered in the course of the execution of road-sealing contracts which were let immediately prior to the outbreak of war. There was no authority to vary the terms of the contract.

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

- (1) Finance Act (No. 2), 1942, section 2: Payments out of the Dairy Industry Account of contributions towards capital expenditure incurred by any persons engaged in the dairy industry in effecting any reorganization of the industry to meet wartime requirements.
- (2) Finance Act (No. 2), 1942, section 19: Transfer to War Expenses Account of any surplus in any special account established under section 5 of the Marketing Amendment Act, 1939.