statutory provisions governing "unauthorized expenditure" or "emergency expenditure" are not available, or not available to a sufficient amount. There are cases also in which circumstances may render it desirable that legislative restrictions should not apply.

Several cases covered by the foregoing explanation 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.

The necessary legislation in the following case was passed during the financial year covered by this report:—

Social Security Amendment Act, 1943, which authorized payments at increased rates from 1st July, 1943, in respect of war pensions and social security monetary benefits.

The following transactions were regularized:—

(a) By Finance Act (No. 2), 1944—

(1) Payment of £860,079 8s. 2d. 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) Expenditure incurred for the purpose of developing the New Zealand flax (*Phormium tenax*) industry in New Zealand. (Section 10.)

(3) Contributions from accounts established under the Marketing Act, 1936, towards capital expenditure charged to War Expenses Account in connection with the erection of emergency cool stores and canning plants. (Section 11.)

(b) By War Pensions Emergency Regulations 1944—

Expenditure arising from the establishment of a second War Pensions Board. (Note.—The War Pensions Act, 1943, provided for the appointment of one Board only.)

My report last year referred to two cases in which validating legislation or other authority had not been provided at the date of the report. The transactions have since been validated as follows:—

(1) The appropriation as required by section 29 of the Finance Act, 1926, for the allowances paid to Senior Inspectors, Education Department, now appears in the supplementary estimates for the year ended 31st March, 1944.

(2) The Local Legislation Act, 1943, section 5, validated the payment made to contractors by the Franklin County Council of the increased costs of road-construction improvement works on which a subsidy of £416 5s. was paid by the Main Highways Board.

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

(1) Payment of benefits in excess of rates prescribed by section 17 of the National Provident Fund Act, 1926, to certain contributors who are incapacitated through illness or personal injury.

(2) Payment of an allowance of £75 made to a member of the Goods-services Charges Tribunal. (Note.—The only provision in respect of fees to members contained in the Goods-services Charges Tribunal Emergency Regulations (Regulation 13) is for payment of £3 3s. for every day on which a meeting of the Tribunal is attended.)

(3) Payment of salaries at the rate of £750 per annum to each of two members of the Rehabilitation Board appointed under section 4 (2) of the Rehabilitation Act, 1941. (Note.—The approval of the Minister of Rehabilitation to the payment of the members has been received, but the law requires that their appointment should be made and their remuneration fixed by the Public Service Commissioner.)

(4) Payment of the sum of £23,776 in settlement of compensation payable for the acquisition of the Tokaanu Hotel, and the incurring of expenditure for carrying on the business in connection therewith.