

Cases in which Provisions of the Law have not been carried out.

The Audit Office, in the execution of the duties which Parliament has cast upon it, is required to see that legislative authority exists for every one of the financial transactions of the Government. However, at times emergencies arise which render it desirable that a course of action should be followed by the Government for the taking of which no statutory authority exists or that public moneys should be expended for purposes for which no specific authority exists and which are not covered by the statutory provisions governing "unauthorized expenditure" or "emergency expenditure." In such circumstances, in order not to embarrass the Government unduly, the Audit Office has in a number of cases agreed to pass the transactions on receipt of an undertaking by the Prime Minister that validating or amending legislation would be introduced at an early opportunity.

The following are instances in which the Audit Office pursued this course of action during the past financial year :—

Electoral Act, 1927.

A sum of £700 in New Zealand currency and a further amount of £100 sterling were paid to Mr. J. Thorn, member of the House of Representatives, in respect of expenses incurred in connection with his attendance at the International Labour Organization Conference at Geneva. As the payments contravened the provisions of the Electoral Act, 1927, the Audit Office was unable to pass the expenditure, but on an assurance having been given by the Hon. the Minister of Finance that legislation validating the payments would be introduced the expenditure was passed by the Audit Office.

Public Service Act, 1912.

On the 8th December, 1937, an Order in Council under the Public Service Act, 1912, was issued altering the salary scales for the Professional and Clerical Divisions of the Public Service, having retrospective effect to the 1st April, 1937. On the 17th December, 1937, the Public Service classification list was published embodying the decisions of the Public Service Commissioners after the regrading of the service on the basis of the new scales issued for the Professional and Clerical Divisions on the 8th December. It was pointed out by the Audit Office that an Order in Council could not be given retrospective effect legally unless the relative statute conferred the necessary power. The matter is now in the hands of the Treasury with a view to securing the necessary validating legislation.

The same position obtains with regard to the Post and Telegraph Department.

In December, 1936, it was decided by the Government to pay every officer in the Public service of twenty-one years of age or over a certain minimum salary according to service, the difference between the officer's classified salary and the minimum being made up by what is termed "an adult allowance." There is no authority of law for the payment of this allowance or for the payment of an allowance to make up the minimum salary paid to married men, and the matter has been referred to the Treasury for the promotion of the necessary validating legislation.

Air Department Act, 1937.

Prior to the passing of the Air Department Act, 1937, constituting the Air Department, certain payments were made without authority of law, but on an undertaking having been given by the Prime Minister that validating legislation would be provided the payments were passed by the Audit Office. The validating legislation appears in section 6 of the Air Department Act, 1937.

National Provident Fund Act, 1926.

It was desired to refund to certain contributors to the National Provident Fund, who were incapacitated and who had paid excess contributions to the Fund, the contributions they had paid in advance, but the provisions of the National Provident Fund Act would not permit of the refund being made. On receiving an assurance from the Government that the necessary validating legislation would be provided the payments were passed by the Audit Office.