

(b) CASES IN WHICH THE PROVISIONS OF THE LAW HAVE NOT BEEN CARRIED OUT

The Audit Office is required, in the exercise of its duties, to satisfy itself that all financial transactions of the State are supported by proper authority, and that they contravene no provisions of the law. As stated in previous reports, circumstances arise which require or render it desirable that public moneys shall be expended for purposes for which no specific authority exists, and for which the 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 render it desirable that legislative restrictions shall not be applied.

Several cases covered by the foregoing explanation arose during the year, and the Audit Office, following past practice, agreed to pass relative transactions on being informed by the Government that it would introduce validating or amending legislation, or otherwise provide the authority required.

The necessary legislation or authority in the following cases was obtained during the year covered by the report:—

(1) Section 7 of the Finance Act (No. 2), 1947, validated the payment of a general increase of salaries to Government servants of £25 in each case from 30th September, 1947.

(2) Section 8 of the Finance Act (No. 2), 1947, validated the payment of the general increase in salaries from 30th September, 1947, to retired public servants and teachers temporarily re-employed, without such increases being taken into consideration in fixing the maximum retiring-allowances payable in terms of sections 33 (2) and 78 (2) of the Public Service Superannuation Act, 1927.

(3) The War Pensions Amendment Act, the War Pensions and Allowances (Mercantile Marine) Amendment Act, and the Social Security Amendment Act, each of which was passed on 11th November, 1947, provided authority for payments of increased benefits on and from the preceding 1st October.

Reference was made last year to cases in which validating legislation or other authority had not been provided at the date of the report. Legislation has since been provided as follows:—

(1) Section 12 of the Finance Act, 1947, provided for the exemption of members of His Majesty's Forces from payment of national security tax from 1st April, 1947, the date the new pay scales commenced, to 20th April, the date of the abolition of the tax.

(2) Section 36 of the Finance Act, 1947, made provision for personnel of the military Forces appointed for a limited period to become contributors to the Government Superannuation Fund, and for payment from the Fund of retiring-allowance to members who had retired.

(3) Section 40 of the Finance Act, 1947, validated payment of the sum of £125,000 out of the Meat Industry Account for flood relief in the United Kingdom.

(4) Section 17 of the Social Security Amendment Act, 1947, validated the payment, from 1st April, 1946, of family benefits in respect of children of Service personnel.

(5) Section 6 of the Finance Act, 1947, validated unauthorized expenditure in excess of the limit fixed by section 58 of the Public Revenues Act, 1926, for all Services other than Working Railways.