

and other causes, and it is evident that in some cases it may be impossible for the pensioner to obtain the Colonial Treasurer's extension of time prior to the month of grace having elapsed. The Governor, therefore, considers it must have been the intention of the Legislature that this clause should be retrospective where occasion needed.

The payments made in the schedule have been done so at payers' risk, should the Colonial Treasurer have refused the extension; but it would be unreasonable to make these old people possibly travel in a long distance a second time to receive their money, and many might have been in the interval in distress.

RANFURLY.

No. 25.

THE Audit Office.—To note.
10th September, 1901

JAS. B. HEYWOOD.

No. 26.

Audit Office, 11th September, 1901.

The Hon. the Colonial Treasurer.

Old-age Pension Instalment-Payments made subsequently to Expiration of Period of One Month after Due Date, without the Colonial Treasurer's Further Extension of such Period.

THE question how certain payments of old-age pension instalments should be charged which were made subsequently to the expiration of the period of one month after the due date without the exercise by the Colonial Treasurer of his power "to further extend such period" having been determined, under section 9 of "The Public Revenues Acts Amendment Act, 1900," by the Governor deciding that such payments should be charged under section 6 of "The Old-age Pensions Act Amendment Act, 1900," the relative vouchers will now be passed, and the Controller and Auditor-General will, in ordinary course, lay before Parliament, in accordance with the provisions of the Public Revenues Act, a copy of the correspondence on the subject.

In order that the objection of the Audit Office may be more clearly understood, the facts of the case should be stated; and the facts are as follows:—

- (1.) An instalment was unpaid at the expiration of the period of one month after the due date.
- (2.) The pensioner made application for such extension of the period as the Colonial Treasurer alone could legally grant.
- (3.) The Registrar of Old-age Pensions, without the Colonial Treasurer having further extended such period, instructed the Post-office to pay the instalment.
- (4.) The Postmaster made the payment and claimed credit for it.
- (5.) The Treasury charged the relative voucher as for a payment authorised by the Old-age Pensions Act, under section 6.
- (6.) The Audit Office asked for the Colonial Treasurer's extension, before payment, of the period of payment.
- (7.) The Colonial Treasurer, not having granted any such extension, then extended, after the payment had been made, the period for making it.

On these facts the question arose whether the Post-office payment of the instalment could legally be charged as the Treasury proposed to charge it—whether, indeed, the payment was authorised or unauthorised; and this, being a question raised after the pensioner had received the instalment, obviously did not interrupt or delay its payment, or concern the pensioner who had received it.

The objection, then, of the Audit Office was not to the payment itself, but to the proposal of the Treasury to charge it as a payment authorised by section 6 of the Act. Now, as section 6 provides that "the period during which instalments are payable . . . is one calendar month after the due date," an instalment of which payment is made subsequently to the expiration of such period is not paid during the period in which it is legally payable unless that period is first extended by the Colonial Treasurer. His power "to further extend such period" is not regarded by the Audit Office as a power to validate the illegal payment.

It is respectfully submitted that if the pensioner's application had, on its arrival at Wellington, been laid before the Minister, and he had thought fit to grant the required extension, the payment of the instalment in accordance with the Registrar's instruction to the Post-office would in that case have been a charge according to section 6 of the Act, and the occasion for objecting to such charge would not then have arisen.

J. K. WARBURTON,
Controller and Auditor-General.

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